



**ALFRED H KNIGHT**

## **TERMS AND CONDITIONS OF BUSINESS**

### **ALFRED H KNIGHT CANADA INC**

1. General:

1.1 Unless otherwise specifically agreed in writing the quote or job acknowledgment will state the company that will undertake services (“the Company”) in accordance with these Terms and Conditions of Business (“General Conditions”) and accordingly all offers or tenders of service are made subject to these General Conditions. All resulting contracts, agreements or other arrangements will in all respects be governed by these General Conditions, except only to the extent that the law of the place where such arrangements or contracts are made or carried out shall preclude any of the General Conditions and in such case such local law shall prevail wherever, but only to the extent that, it is at variance with these General Conditions.

1.2 Any reference in any document, request for quotation, purchase order or other form to any other terms or conditions to govern any services specified in these General Conditions shall not be binding between the parties (and are hereby expressly rejected).

2 The Company is an enterprise engaged in the trade of inspection and testing. As such, it:

2.1 carries out such standard services as are referred to in General Condition 6.

2.2 renders advisory and special services as may be agreed by the Company and as referred to in General Condition 7.

2.3 issues report and/or certificates as referred to in General Condition 8.

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All work is undertaken subject to our standard trading terms and conditions of business.

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- 3 The Company acts for the persons or bodies from whom the instructions to act have originated ("the Client"). No other party is entitled to give instructions, particularly on the scope of inspection or delivery of report or certificate, unless so authorised by the Client and agreed by the Company. The Company shall be deemed to be irrevocably authorised to deliver at its discretion the report or the certificate to a third party if following instructions or undertaking by the Client to such third party or if such instruction or undertaking implicitly follows from circumstances, trade custom, usage or practice.
- 4 The Company will provide services in accordance with:
  - 4.1 the Client's specific instructions as notified to and accepted by the Company in writing;
  - 4.2 the terms of the Company's Standard Order Form and/or Standard Specification Sheet if provided to the Client;
  - 4.3 any relevant trade custom, usage or practice;
  - 4.4 such methods as the Company shall consider appropriate on a case by case basis having regard to technical, regulatory, financial, professional, industry standard, operation and/or governmental requirements.
- 5 Information and Documentation:
  - 5.1 All enquiries and orders for the supply of services must be accompanied by sufficient information specifications and instructions to enable the Company to evaluate and/or perform the services required. If such sufficient information is not provided to the satisfaction of the Company, then the Company, in its sole discretion, may decide not to perform such services under this agreement.
  - 5.2 Documents reflecting engagements contracted between the Client and third parties or third parties' documents provided to the Company, by or on behalf of the Client, and including but not limited to copies of contracts of sale, letters of credit and bills of lading shall be considered by the Company to be authentic and for information only, without extending or restricting the instructions or obligations accepted by the Company. The Company makes no representation,



warranty or guarantee in respect of such documents and it shall have no liability (whether in contract, tort, negligence or otherwise and howsoever arising) for any loss, damage, or expense of whatsoever nature incurred by the Client, or any third party, acting in reliance upon or by virtue of such documents.

5.3 The Company shall treat all information received in connection with the provision of its services as confidential to the extent that such information is not published, available to third parties or otherwise in the public domain. The Company is entitled to provide all confidential information to its contractors and their employees, agents or subcontractors, only when and to the extent required for the provision of the services.

6 The Company's standard services may include all or any of the following:

- 6.1 quantitative and/or qualitative inspection;
- 6.2 inspection of goods, plant, equipment, packing, tanks, containers and means of transport;
- 6.3 inspection of loading or discharging;
- 6.4 sampling;
- 6.5 laboratory analysis or other testing;
- 6.6 surveys and audits.

7 Special Services exceeding the scope of Standard Services as referred to in General Condition 6 will only be undertaken by the Company subject to a specific arrangement. Such Special Services may include, without limitation.

- 7.1 qualitative and/or quantitative guarantees;
- 7.2 tank calibration, meter calibration and meter proving;
- 7.3 supply of technicians and other personnel;
- 7.4 pre-shipment inspection under government mandated import or customs schemes;
- 7.5 supervision of complete industrial project schemes, including engineering review, expediting and progress reporting;
- 7.6 advisory services.



8 Reports and Certificates:

- 8.1 Subject to the Client's instructions as accepted by the Company, the Company will issue written reports and certificates made with due care within the limitation of instructions received but the Company is under no obligation to refer to or report upon any facts or circumstances which are outside the specific instructions received.
- 8.2 Reports or certificates issued following testing or analysis of samples contain the Company's results on those samples only but do not express any opinion upon the bulk from which the samples were drawn. If testing or analysis of the bulk is requested special arrangements must be made in advance with the Company for the inspection and sampling of the bulk.
- 8.3 Information stated in reports or certificates is derived from the results of the inspection and/or testing procedures performed in accordance with the instructions of the client, and/or our assessment of such results based upon the relevant technical standards, trade custom or practice, or such other circumstances and conditions that the Company deems relevant.

9 The Client will:

- 9.1 ensure that it has reasonable due diligence procedures in place to carry out the necessary checks in respect of its suppliers and storage locations;
- 9.2 ensure that adequate instructions, or changes to those instructions, and sufficient information are given in due time to the Company in writing, in the English language, to enable the required services to be performed;
- 9.3 procure all necessary access for the Company's representatives to enable the required services to be performed effectively;
- 9.4 supply, if required, any special equipment and personnel necessary for the performance of the required services;
- 9.5 ensure that all necessary measures are taken for safety and security of working conditions in accordance with all applicable laws, sites and installations during the performance of services



- and will not rely, in this respect, on the Company's preparation or advice whether requested or not;
- 9.6 take all necessary steps to eliminate or remedy any obstruction to, interference with, undue influence over, or interruptions to the performance of the required services;
- 9.7 inform the Company in writing in advance of any known hazards or dangers, actual or potential, associated with any order or samples or testing including, but not limited to, the presence or risk of radiation, toxic or noxious or explosive elements or materials, environmental pollution or poisons; and
- 9.8 fully exercise all its rights and discharge all its liabilities under any related contract of sale whether or not a report or certificate has been issued by the Company, failing which the Company shall be under no obligation to the Client,
- 10 Unless the Client specifically, in writing, instructs otherwise, the Company shall be entitled at its discretion to delegate the performance of the whole or any part of the services contracted for with the Client to any agent or subcontractor as chosen by the Company.
- 11 If the requirements of the Client necessitate the analysis of samples by the Client's or by any third party's laboratory the Company will pass on the result of the analysis but without responsibility for its accuracy. Likewise where the Company is only able to witness an analysis by the Client's or by any third party's laboratory the Company will provide confirmation that the correct sample has been analysed but will not otherwise be responsible for the accuracy of any analysis or results.
- 12 If the sample or the service is or is potentially the subject of legal proceedings this fact must be notified to the Company in writing before the work is carried out. If that fact is not disclosed to the Company at that stage the Company shall not necessarily be obliged or prepared to provide expert testimony.
- 13 Any samples received by the Company for the purpose of analysis shall become the property of the Company upon receipt and shall be used by the Company for all relevant tests. Thereafter, any remaining samples will be retained by the Company for a period of 6 (six) months after the date of the



tests and then disposed of, unless the Client instructs otherwise. Any request to return samples will be at the reasonable discretion of the Company. If the Company agrees that the remaining samples are to be returned, the Company shall make such charges for this service as required. Any custom's fees, taxes or levies arising out of the receipt or return of any samples shall be for the sole account of the Client, the Company shall be entitled to reimbursement from the Client for any disbursements made to any customs authority, courier service or clearing agents on its behalf in accordance with this condition. The Company will charge an amount (to be determined by the Company at its absolute discretion) for the storage of samples beyond 6 (six) months.

#### 14 Liabilities and exclusions:

14.1 The Company undertakes to exercise due care and skill in the performance of its services. Any dispute arising under these conditions, quote or job acknowledgment shall be between the Client and the Company nominated in the quote or job acknowledgment as stated under Condition 1.

14.2 The liability of the Company in respect of any claims for loss, damage or expense of whatsoever nature and howsoever arising including, but not limited to, in respect of any breach of contract, tort, negligence or otherwise shall in no circumstances exceed a maximum aggregate sum equal to 8 (eight) times the amount of the fee or commission payable in respect of the specific service giving rise to the liability of the Company under the particular contract with the Company provided however that the Company shall have no liability in respect of any claims for loss of profit, loss of future business and/or loss of production and/or cancellation of contracts entered into by the Client and/or any indirect or consequential loss whether for breach of contract, tort, negligence or otherwise. Where the fees or commission payable relate to a number of services and a claim arises in respect of one of those services the fee or commission shall be apportioned for the purposes of this paragraph by reference to the estimated time involved in the performance of each service.



14.3 Notwithstanding any other provisions, nothing shall limit or exclude either party's liability in respect of death or personal injury caused by its negligence or the negligence of its officers, employees, agents or subcontractors, or in respect of fraud or fraudulent misrepresentation, or otherwise if and to the extent that such liability cannot be limited or excluded by applicable law.

14.4 The Company shall be discharged from all liability to the Client for all claims for loss, damage or expense unless a claim is brought within 18 (eighteen) months after the date of the certificate or report by the Company of the service which gives rise to the claim or in the event of any alleged non-performance within 3 (three) months of the date when such service should have been completed.

14.5 The Client shall guarantee, hold harmless and indemnify the Company against all claims made by any third caused by or relating to the performance, purported performance or non-performance of any services, to the extent that the aggregate of any such claims relating to any one service exceeds the (monetary or time) limit mentioned in this Condition 14.

14.6 Every officer, employee, agent or subcontractor of the Company shall have the benefit of the limitation of liability and the indemnity contained in these General Conditions and so far as relates to such limitations any contract entered into by the Company is entered into not only on its own behalf but also as agent and trustee for every such person as aforesaid.

15 In the event that any unforeseen problems or expenditure arise in the course of carrying out any of the contracted services the Company shall be entitled to make additional charges to cover additional time and cost necessarily incurred to complete the service.

16 Payment:

16.1 The Client will pay the Company within 30 (thirty) days after the relevant invoice date, or within such other period as may have been agreed in writing by the Company, all proper charges



rendered by the Company failing which, without limiting the Company's other rights and remedies, the Company reserves the right to charge interest at the rate of 3.0 (three) per cent per annum above SONIA from time to time, from the date the invoice becomes overdue until payment of that overdue amount and the Company shall be entitled to suspend all further performance of its services forthwith, including withholding the issuing of reports or certificates and without liability until such time as all outstanding payments are paid in full.

16.2 All invoices shall be in Canadian dollars, unless otherwise agreed, and subject to sales and use tax and all other (if any) taxes, levies, duties, and charges which may be imposed on the Company's services.

16.3 The Client shall not be entitled to retain or defer payment of any sums due to the Company on account of any dispute, cross claim or set-off which it may allege against the Company.

16.4 In the event of any suspension of payment arrangement with creditors, bankruptcy, insolvency, receivership or cessation of business by the Client the Company shall be entitled to suspend all further performance of its services forthwith and without liability.

## 17 Force Majeure:

17.1 In the event of the Company being prevented by reason of any cause whatsoever outside the Company's control from performing or completing any service for which an order has been given or an agreement made, the Client will pay to the Company:

- 17.1.1 the amount of all abortive expenditure actually made or incurred;
- 17.1.2 a proportion of the agreed fee or commission equal to the proportion (if any) of the service actually carried out;
- 17.1.3 and the Company shall be relieved of all responsibility whatsoever for the partial or total non-performance of the required service.



17.2 Neither party shall be liable or be deemed to be in breach of any contract to which these General Conditions relate by reason of any delay in performing or any failure to perform any of its obligations, if the delay or failure was due to any event or sequence of events beyond their reasonable control. Without prejudice to the generality of the foregoing, such events or sequence of events shall include but not be limited to:

17.2.1 Acts of God, fire, flood, lightning, earthquake or other natural disaster, war, riot or civil unrest, interruption or failure of supplies of power, fuel, water, transport, equipment or telecommunications service, or material required for performance of the contract, strike, lock-outs, boycotts or other industrial actions or trade disputes (whether involving employees of the parties or their suppliers), difficulties in obtaining raw materials, labor, fuel, parts, or machinery, but excluding the Client's inability to pay or circumstances resulting in the Client's inability to pay.

17.3 If, due to Force Majeure, a party is or shall be unable to perform a material obligation, or is prevented from performing its obligations for a continuous period exceeding 14 (fourteen) days or a total of more than 30 (thirty) days in any consecutive period of 60 (sixty) days then the other party may terminate the contract on immediate notice.

## 18 Intellectual property rights:

18.1 Any pre-existing data, or intellectual property, including technical information and specifications, on any media or through any means, belongs to the party providing it or making it accessible, unless specifically mentioned otherwise. Data developed under a contract or in the performance of a Purchase Order, including reports, certificates, expert opinions and calculations on any media, in any computer code or with any application, as well as any background intellectual property, is owned by the Company. The Client shall have a non-exclusive right of use of such data.



18.2 Any use by the Client, its affiliated companies or subsidiaries of the name of the Company or any of the Company's trademarks or brand names for any reason must be prior agreed in writing by the Company. Any other use of the Company's trademarks or brand names is strictly prohibited and the Company reserves the right to terminate its services immediately as a result of any such unauthorised use.

## 19 Anti-Bribery and Modern Slavery:

19.1 Each party shall comply with all applicable anti-corruption, modern slavery and bribery laws including ensuring that it has in place adequate procedures to prevent modern slavery and bribery and use all reasonable endeavours to ensure that:

- 19.1.1 all of that party's personnel;
- 19.1.2 all others associated with that party, including its suppliers; and
- 19.1.3 all of that party's sub-contractors;
- 19.1.4 involved in performing the contract so comply.

19.2 Without limitation to General Condition 19.1 neither party shall make or receive any bribe or other improper payment, or allow any such to be made on its behalf, either in the jurisdiction or elsewhere, and shall implement and maintain adequate procedures to ensure that such bribes or payments are not made or received directly or indirectly on its behalf.

19.3 Each party shall immediately notify the other as soon as it becomes aware of a breach or possible breach of any of the requirements in this General Condition 19.

## 20 Reliance on communications:

20.1 The Client acknowledges that, in order to provide an efficient service, employees and other representatives of the Company may communicate with the Client using methods other than the approved communication channels set out in General Condition 20.3, and that such other methods may include instant messaging services (including but not limited to Whatsapp).



20.2 The Client agrees that the Company shall not be bound by, and no employee or representative of the Company has the authority to make or enter into, any actual or purported agreements, promises, assurances, warranties or representations that are made to or with the Client other than by the approved communication channels set out in General Condition 20.3 unless such communication is followed, within 24 hours, by confirmation via an approved communication channel.

20.3 The approved communication channels referred to in this General Condition are: i) by email from the Company's domain (@ahkgroup.com); and ii) in writing and signed for and on behalf of the Company.

20.4 Any ratification by the Company of an agreement, promise, assurance, warranty or representation made other than by the approved communication channels set out in General Condition 20.3 shall not be deemed to constitute a waiver of the provisions in this General Condition 20 in respect of any other existing or future communications.

20.5 All results and data contained in an e-mail, instant message, or Fax are provisional only and should not be relied upon, results are valid only when supported by the original documentation or certificate on the Company's file.

## 21 Arbitration:

21.1 In the event of any dispute arising out of or in connection with these conditions, including any question regarding the existence, validity or termination, the Company and the Client shall seek to resolve the issue in the first instance through negotiation and consultation between themselves. Should the matter remain unresolved following this, it shall be referred to and finally resolved by arbitration administered by the Vancouver International Arbitration Centre for Settlement of Investment Disputes ("VanIAC") under the VanIAC Rules, which rules are deemed to be incorporated by reference into this clause.



- 21.1.1 The number of arbitrators shall be one.
- 21.1.2 The seat of arbitration shall be Vancouver.
- 21.1.3 The language to be used in the arbitral proceedings shall be English.
- 22 No failure or delay by the Company to exercise any right or remedy provided under these General Conditions or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy by the Company. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.
- 23 Except as set out in these General Conditions, no variation of these General Conditions shall be effective unless it is in writing and signed for and on behalf of the Company.
- 24 In nominating the Company for this work, you hereby (1) undertake that the performance of such work will not constitute a breach of, or cause the Company to be in breach of, any applicable sanctions or other legislation; and (2) acknowledge and accept that the Company relies on product origin information provided by the Client, who is solely responsible for ensuring that such information is accurate.
- 25 The validity, construction, and performance of any contract to which these General Conditions apply shall be governed by the laws of British Columbia. Likewise, these General Conditions shall be governed by the laws of British Columbia, without regard to any conflict of laws rule or principle which might refer the governance or construction of this Agreement to the laws of another jurisdiction.
- 25.1 The Company and the Client hereby submit to the jurisdiction of British Columbia and agree that the primary courts in British Columbia and the federal court shall be the exclusive forums for the resolution of any disputes related to, arising out of, or arising under these General Conditions or any contract subject to these General Conditions, whether based in contract, tort, negligence or otherwise. The Company and Client waive any right to assert the doctrine of



forum non conveniens or similar doctrine or to object to venue with respect to any proceeding brought in accordance with these General Conditions.

25.2 The Company and the Client each agree that the exclusive choice of forum set out in this General Condition 25 does not prohibit the enforcement of any judgement obtained in that forum or any other appropriate forum.