Canadian Standard Contract Terms and Conditions for Merchandise Storers or Warehouses

(Approved and promulgated by Canadian Association of Warehousing and Distribution Services, October 1988; revised and promulgated by the International Warehouse Logistics Association, January 1999; revised and promulgated by the International Warehouse Logistics Association, December 2008; revised and promulgated by the International Warehouse Logistics Association, March 2023).

DEFINITIONS – Sec. 1
In these Terms and Conditions:

"Article" means an item of tangible personal property other than a fixture.

"Depositor" means the owner of the Goods or the party for whose account the Goods are stored;

"Goods" means the goods or packages containing them that are described on the face of and are covered by this Receipt;

"Receipt" means this non-negotiable warehouse receipt to which these Terms and Conditions are attached and which acknowledges in writing Storer's or Warehouse's receipt for storage of Depositor's Goods;

"Storage" includes cross-dock, trailer-drop, transloading and other such storage services.

"Storer" or **"Warehouse"** mean the issuer of this Receipt, its employees, servants, successors and assigns; and

"Warehouse Facility" mean the warehouse premises of the Storer or Warehouse.

CONTRACT – Sec. 2
Subject always to legislation in force governing warehouse receipts in the province where the Goods are stored, this Receipt including the Terms and Conditions hereinafter set out and rates and charges that may be attached hereto, when delivered or mailed to the Depositor of the Goods at its address last known to the Storer or Warehouse, shall constitute the contract between the Depositor and the Storer or Warehouse; provided that the Depositor may within 20 days after such delivery or mailing, notify the Storer or Warehouse in writing that the Depositor does not accept the contract and forthwith thereafter shall pay the Storer's or Warehouse's lien for charges and remove the Goods. If such notice is not given then this Receipt constitutes the contract. This contract may be cancelled by either party upon 30 days written notice and is cancelled if no storage or other services are performed under this contract for a period of 180 days.

TENDER FOR STORAGE – Sec. 3
All Goods tendered for storage shall be delivered at the Warehouse Facility properly marked and packaged for handling. The Depositor shall furnish at or prior to such delivery, a manifest showing marks, brands or sizes to be kept and accounted for separately, and the class of storage and other services desired. Storer or Warehouse is not a guarantor of the condition of such Goods under any circumstances, including, but not limited to hidden, concealed, or latent defects in the Goods. Concealed shortages, damage, inherent vice or tampering will not be the responsibility of Storer or Warehouse. Depositor represents and warrants to Storer or Warehouse that there are no known potential health, safety and/or environmental hazards associated with the storage and handling of the Goods that have not been disclosed to and acknowledged by Storer or Warehouse. Notwithstanding, Depositor will provide Storer or Warehouse with information concerning the Goods which is accurate, complete and sufficient to allow Storer or Warehouse to comply with all laws and regulations concerning the storage, handling and transporting of the Goods. Depositor will indemnify and hold Storer or Warehouse harmless from all loss, cost, penalty and expense (including reasonable legal fees) which Storer or Warehouse pays or incurs as a result of Depositor failing to fully discharge this obligation.

STORER'S LIEN – Sec. 4
All advances and charges are due and payable prior to delivery or transfer of the Goods. The Storer or Warehouse shall have a lien upon, right of retention and security interest in all Articles of Depositor, including the Goods, at any time heretofore and hereafter deposited by Depositor in any Warehouse Facility owned or operated by the Storer or Warehouse. Such lien, right of retention and security interest shall be for all charges, advances and expenses in relation to such Articles of Depositor, whether or not heretofore released from the Warehouse Facility. In the event of nonpayment of any such amounts, the Storer or Warehouse has the right, after reasonable notice, to sell or otherwise dispose of the Depositor's Articles in any manner that it may reasonably think fit to satisfy its lien, subject to legislation in force governing the disposition of such Articles in the province where such Articles are stored. Where the Storer or Warehouse decides, in its sole and exclusive discretion, to deliver or transfer the Goods prior to receipt of payment of all charges, advances and expenses in relation to the Goods, the Depositor shall deliver to the Storer or Warehouse, immediately upon its request, a signed acknowledgment of indebtedness on an invoice or other statement of account.

BASIS OF CHARGES – Sec. 5
Any charge made with respect to the Goods shall conform to the Storer's or Warehouse's rates and charges that may be attached hereto or quotation and/or tariff in effect at the time the service is performed.

ACCESS AND INSPECTION – Sec. 6
The Depositor may, subject to the Storer's or Warehouse's security and insurance regulations and other reasonable limitations, have access to the Goods at any reasonable time, provided at least 48 hours written notice is given in advance to the Storer or Warehouse and provided the Depositor or its authorized representative is accompanied by an employee of the Storer or Warehouse, whose time shall be an additional charge to the Depositor.

TRANSFER AND TERMINATION OF STORAGE – Sec. 7
(a) Instructions to transfer Goods on the books of the Storer or Warehouse are not effective until delivered to and accepted by Storer or Warehouse, and all charges up to the time transfer is made are chargeable to the Depositor. If a transfer involves re-handling the Goods, such will be subject to a charge. When Goods in storage are transferred from one party to another through issuance of a new warehouse Receipt, a new storage date is established on the date of transfer.
(b) The Storer or Warehouse reserves the right to move, at its expense, 14 days after notice is sent by registered mail, overnight courier or electronic tranmission to the Depositor, any Goods in storage from the Warehouse Facility in which they may be stored to any other of Storer's or Warehouse's facilities. Storer or Warehouse will store the Goods at the Warehouse Facility and may without notice move the Goods within and between, any one or more of the warehouse buildings which comprise the Warehouse Facility identified on the front of this Receipt.
(c) The Storer or Warehouse may, upon written notice to the Depositor and any other person known by the Storer or Warehouse to claim an interest in the Goods of not less than 30 days from the end of the current storage month, require the removal of any Goods. Such notice shall be given to the last known place of business of the person to be notified. If Goods are not removed before the end of the notice period, the Storer or Warehouse may sell them in accordance with applicable law.
(d) If Storer or Warehouse in good faith believes that the Goods are about to deteriorate or decline in value to less than the amount of Storer's or Warehouse's lien before the end of the 30-day notice period referred to in Section 7(c) above, the Storer or Warehouse may specify in the notification any reasonable shorter time for removal of the Goods and if the Goods are not removed, may sell them at public sale held one week after a single advertisement or posting as provided by law.
(e) If, after a reasonable effort, Storer or Warehouse is unable to sell the Goods pursuant to this Section 7, Storer or Warehouse may dispose of the Goods in any lawful manner and shall incur no liability by reason of such disposition.

HANDLING – Sec. 8
(a) The handling charge covers the ordinary labour involved in receiving Goods at warehouse door, placing Goods in storage, and returning Goods to warehouse door. Handling charges are due and payable on receipt of Goods.
(b) Unless otherwise agreed in writing, labour for unloading and loading Goods will be subject to a charge. Additional expenses incurred by the Storer or Warehouse in receiving and handling damaged Goods, and additional expense in unloading from or loading into cars or other vehicles not at warehouse door will be charged to the Depositor.
(c) Labour and materials used in loading rail cars or other vehicles are chargeable to the Depositor.
(d) When Goods are ordered out in quantities less than in which received, the Storer or Warehouse may make an additional charge for each order or each item of an order.
(e) Depositor shall indemnify, defend, and hold Storer or Warehouse harmless from all loss, costs, penalties, claims, expenses (including reasonable attorney's fees) for transportation, storage, handling and other charges related to the Goods, including but not limited to undercharges, rail demurrage, truck/intermodal detention and other charges, asserted by any third-party. Storer or Warehouse shall not be liable to Depositor for any demurrage or detention, any delays in unloading inbound cars, trailers or other containers, or any delays in obtaining and loading cars, trailers or other containers for outbound shipment unless Storer or Warehouse has failed to exercise reasonable care as determined by industry practice.
(f) A charge, in addition to regular rates, will be made for merchandise in bond pursuant to the *Customs Bonded Warehouses Regulations*, or other applicable regulations, or in sufferance pursuant to the *Customs Sufferance Warehouses Regulations*, or other applicable regulations.
(g) Storer or Warehouse shall not be liable for loss of Goods due to inventory shortage or unexplained or mysterious disappearance of Goods unless Depositor establishes such loss occurred because of Storer's or Warehouse's failure to exercise the care required of Storer or Warehouse under Section 13 below. Notwithstanding the foregoing, Depositor acknowledges and agrees to accept a damage and inventory shrinkage allowance of up to ___ % of Goods deposited with Storer or Warehouse.

DELIVERY REQUIREMENTS – Sec. 9
No Goods shall be delivered or transferred except upon receipt by the Storer or Warehouse of Depositor's complete

written instructions. Written instructions shall include, but are not limited to, fax, EDI, email or similar communication, provided Storer or Warehouse has no liability when relying on the information contained in the communication as received. Goods may be delivered upon instruction by telephone or electronically in accordance with Depositor's prior written authorization, but the Storer or Warehouse shall not be responsible for loss or error occasioned thereby. The Storer or Warehouse shall not be liable for failure to carry out such instructions and Goods remaining in storage will continue to be subject to regular storage charges. When Goods are ordered out, a reasonable time shall be given to the Storer or Warehouse to carry out instructions.

EXTRA/SPECIAL SERVICES – Sec. 10

(a) Storer or Warehouse labour required for services other than ordinary handling and storage will be charged to the Depositor.
(b) Special services requested by Depositor including but not limited to compiling of special stock statements; reporting marked weights, serial numbers or other data from packages; physical check of Goods; and handling transit billing will be subject to a charge.
(c) Dunnage, bracing, packing materials or other special supplies, may be provided for the Depositor at a charge in addition to the Storer's or Warehouse's cost.
(d) By prior arrangement, Goods may be received or delivered during other than usual business hours, subject to a charge.
(e) Communication expense including overnight courier may be charged to the Depositor if such concern more than normal inventory reporting or if, at the request of the Depositor, communications are made by other than fax, EDI or email.
(f) Storer or Warehouse will take physical inventories and cycle counts as requested by Depositor, at Depositor's expense. Representatives of Depositor and Storer or Warehouse personnel, as well as any independent auditor or designee, may be present when any physical inventory is taken.

DANGEROUS GOODS – Sec. 11

It is the Depositor's responsibility to provide the Storer or Warehouse in advance with detailed, written information and instructions on any of its Articles that may be considered hazardous, whether or not they are regulated under the *Transportation of Dangerous Goods Act* or other applicable legislation. If the Depositor fails to do so, the Storer or Warehouse shall have the right to refuse to accept such Articles when tendered for storage or other services and shall not be liable for any loss, misconsignment or damage of any nature to such Articles. The Depositor warrants that the Goods, the packaging and marking thereof comply in all respects with the provisions of any federal or provincial legislation or regulations governing the handling or storage of dangerous goods. The Depositor assumes all liability for costs incurred and/or damages resulting from Depositor's failure to do so. The Depositor shall indemnify, defend and hold the Storer or Warehouse (including its officers, directors, parent and affiliated companies, employees, servants and agents) harmless from and against any loss, liability, damage, penalty, demand, expense, claim of whatever type or nature by or on behalf of any person, including but not limited to damage or destruction of property or injury (including death) to any person, arising out of the Goods being stored at the Warehouse Facility or tendered for transportation or handled by third parties retained by the Storer or Warehouse.

REMOVAL OF GOODS – Sec. 8

No Article that is or may become of a dangerous, explosive, inflammable, radioactive, hazardous, biohazardous, cytotoxic or environmentally damaging nature that, in the opinion of the Storer or Warehouse, may create a condition hazardous to any personnel or Articles in the Warehouse Facility or to the Warehouse Facility itself shall be delivered to the Warehouse Facility, except where the Depositor has obtained the prior written approval of the Storer or Warehouse. Any such Article may, upon being discovered, be destroyed, dumped, sold or otherwise disposed of as the Storer or Warehouse reasonably sees fit, the whole at the risk and expense of the Depositor and without liability on the part of the Storer or Warehouse. The Storer or Warehouse shall have the right to require the removal from its Warehouse Facility of any other Articles of any kind or description, at any time, without stated reasons, upon written notice of not less than 30 days from the end of the current storage month.

RECALL – Sec. 12

In the event a recall, field alert, product withdrawal or field correction (together, "Recall"), whether mandated by governmental authority or voluntary, may be necessary with respect to any Goods deposited under this Receipt, Depositor shall immediately notify Storer or Warehouse in writing. Storer or Warehouse will not act to initiate a Recall without the express prior written approval of Depositor unless otherwise required by applicable laws or at the direction of governmental authority. The cost of any Recall shall be borne by Depositor. Depositor shall indemnify and hold harmless the Storer or Warehouse from all loss, cost, penalty, and expense (including reasonable legal fees) which Storer or Warehouse pays or incurs as a result of a Recall.

LIABILITY OF STORER OR WAREHOUSE – Sec. 13

(a) The responsibility of the Storer or Warehouse is the reasonable care and diligence required by the laws of the province where the Goods are stored; provided that all Goods are stored at the Depositor's risk of loss, damage or delay in delivery unless the Depositor establishes such loss, damage or delay occurred because of the Storer's or Warehouse's failure to exercise the care required by the laws of the province where the Goods are stored.

(b) The quality, condition, contents and value of the Goods are not known to the Storer or Warehouse except as declared by the Depositor and described on the face of the Receipt.

(c) Goods covered by this Receipt are not insured by the Storer or Warehouse against loss or damage however caused. Without limiting the generality of the foregoing, it is specifically declared that:

  i) Storer or Warehouse shall not be liable for any loss or damage to Goods tendered, stored or handled however caused unless such loss or damage resulted from the failure by Storer or Warehouse to exercise such care in regard to them as a reasonably careful person would exercise under like circumstances. Storer or Warehouse is not liable for damages which could not have been avoided by the exercise of such care;

  ii) In the event of loss or damage to the Goods for which Storer or Warehouse is legally liable, Depositor declares that Storer's or Warehouse's liability for damages are limited to _____ per_____, and in no instance shall any one claim exceed the limit of Storer's or Warehouse's liability insurance, provided, however, that such liability may at the time of this Receipt as provided in Section 2 be increased upon Depositor's written request on part or all of the Goods hereunder in which event an additional monthly charge will be made based upon such increased valuation;

  iii) The limitation of liability referred to this Section 13 shall be Depositor's exclusive remedy against Storer or Warehouse for any claim or cause of action whatsoever relating to loss, damage, and/or destruction of the Goods;

(d) Where loss, damage or destruction occurs to the Goods, for which the Storer or Warehouse is not liable, the Depositor shall be responsible for the cost of removing and disposing of such Goods and the cost of any environmental cleanup and site remediation resulting from the loss, damage or destruction to the Goods.

(e) The Storer or Warehouse shall not, in any event, be liable for any claim of any type whatsoever with respect to the Goods unless such claim is presented in writing within a reasonable time, not exceeding 30 days after the Depositor learns of, or, in the exercise of reasonable care, should have learned of the loss, damage or destruction of the Goods.

GENERAL – Sec. 14

(a) All incoming shipments must be consigned to the Depositor, c/o the Storer or Warehouse, freight prepaid. The Storer or Warehouse reserves the right to refuse acceptance of any Articles improperly consigned or shipped freight collect and shall not be liable or responsible for any loss, injury or damage of any nature to or related to such Articles.

(b) If a checker is not furnished by the Depositor or transportation company delivering the Goods to the Warehouse Facility, the Storer's or Warehouse's load or unload count shall be conclusively deemed to be correct.

(c) The Storer or Warehouse shall have no responsibility for errors resulting from the corruption of electronically transmitted data, or from verbal or telephoned shipping instructions, unless written confirmation of such instructions is received not less than twenty four hours prior to the shipment of the Goods.

(d) When errors in shipment occur, any liability of the Storer or Warehouse shall be strictly limited to the transportation costs involved to rectify any such error, and shall not, under any circumstances, include liability for loss or damages due to the acceptance or use of the Goods.

(e) Depositor represents and warrants that it is lawfully possessed of the Goods and has the right and authority to store them with the Storer or Warehouse. Depositor agrees to indemnify and hold harmless the Storer or Warehouse from all loss, cost and expense (including reasonable lawyers' fees) which Storer or Warehouse pays or incurs as a result of any dispute or litigation, whether instituted by Storer or Warehouse or others, respecting Depositor's right, title or interest in the Goods. Such amounts shall be charges in relation to the Goods and subject to Storer's or Warehouse's lien.

(f) With respect to any claim arising from or related to this Receipt, or otherwise arising from the relationship of the parties, in no event will Storer or Warehouse be liable for special, indirect, exemplary, punitive, or consequential damages of any kind, including but not limited to lost profits, lost sales, or damages due to business interruption, regardless of whether such damages were foreseeable or Storer or Warehouse had notice of the possibility of such damages.

(g) If any provision of this Receipt, or any application thereof, should be construed or held to be void, invalid or unenforceable, by order, decree or judgment of a court of competent jurisdiction the remaining provisions of this Receipt shall not be affected thereby but shall remain in full force and effect. Storer's or Warehouse's failure to require strict compliance with any provision of the Receipt shall not constitute a waiver or estoppel to later demand strict compliance with that or any other provisions of this Receipt. The provisions of this Receipt shall be binding upon the Depositor's heirs, executors, successors and assigns and cannot be modified except in writing signed by Storer or Warehouse.

(h) The Parties agree that these Terms and Conditions shall be governed by the law of the Province within Canada in which the Warehouse Facility is located. By accepting the services provided under these Terms and Conditions, the

Depositor irrevocably attorns to the exclusive jurisdiction of the Courts of that Province.

(i) Documents, including this Receipt, may be issued either in physical or electronic form at the option of the Parties.

(j) Unless specified otherwise, all statements of or references to dollar amounts in these Terms and Conditions are to lawful money of Canada.