



Bradley Air Services Limited operating as Canadian North

Domestic Cargo Tariff

CONTAINING RULES, RATES AND CHARGES

APPLICABLE TO THE TRANSPORTATION

OF CARGO BETWEEN POINTS

IN CANADA

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RULE 1. DEFINITIONS

“Advance arrangement” means that the shipper is required to first contact the Carrier to determine if a particular shipment is acceptable for carriage.”

“Air Waybill” means an Air waybill or other shipping document

“Articles of Extraordinary Value” means any article having a declared value for carriage of \$5,000 CAD (or equivalent) or more

“Cargo” means any goods, except baggage, that can be transported by commercial air services.

“Carrier” means Canadian North.

“Consignee” consignee shall mean the person whose name appears on the airway bill as the party to whom the shipment is to be delivered by the carrier.

“Extraordinary Value” mean shipment is excess of CAD 5000.00, or the shipment includes cannabis regardless of dollar value.

“Gross Weight” means the actual or volume weight whichever is greater, of the container plus contents.

“Interline Shipment” means a shipment routed via two or more successive carriers participating in this tariff.

“Legal Holiday” means any national, provincial or local legal holiday.

“Live Animals” shall mean all mammals (other than humans), birds, fish, crustacean, insects, reptiles, worms and amphibians.

“Perishable Shipments” shall be those shipments that are subject to possible decay and/or deterioration due to temperature variations while in carrier’s possession.

“Personal Effects – PFX” meaning household goods used; not for resale.

“Shipment” means a single consignment of one or more pieces, from one shipper at one time at one address, receipted for in one lot and moving on one air waybill, to one consignee at one destination address.

“Shipper” means the same as consignor.

“Temperature Controlled” shall include product that must be stored in cooler/freezer, or must not be frozen; Special handling is required.

“Unit Load Device” shall include aircraft pallets, igloos and containers with or without integral pallets.

RULE 2. GOVERNING TARIFFS

This tariff is governed, except as otherwise provided herein, by the following tariffs or regulations and by supplements to and successive issues of said publications:

IATA Dangerous Goods Regulations, reissues thereof and amendments thereto, issued by IATA, Montreal, Quebec.

RULE 3. CURRENCY

Rates and charges appearing in this tariff are stated in terms of Canadian dollars (CAD) and are payable in lawful currency of Canada.

RULE 4. APPLICATION OF TARIFF

- 1) The airport to airport rates for cargo carriage set out in this tariff shall be applicable only to cargo originating on Canadian North. This tariff names local and joint airport-to-airport Canadian North airfreight rates, exception ratings to Canadian North airfreight rates, airport-to-airport specific commodity rates and charges, and minimum charges. Charges, minimum charges, and rules and regulations applicable to such rates are named in this tariff. The airport to airport rates for cargo not originating on Canadian North will be the rates as noted on the air waybill or as established between the shipper or consignee and the carrier.
- 2) The tariff shall constitute the terms and conditions of carriage, rates, rules and practices upon which the carrier furnishes or agrees to furnish cargo carriage to all destinations to the same extent as though the provisions hereof were included in the conditions of contract and expressly agreed to by the shipper and by all persons to whom such services are provided.
- 3) Rates bearing reference marks which restrict their application to shipments meeting specified conditions remove the application of unrestricted rates from and to the same points via the same routing on the same rate type or same commodity number on shipments for which such restricted rates are applicable.
- 4) Except as noted above, the provisions of this tariff shall be deemed to be incorporated into and be a part of each and every air waybill entered into by the carrier for the carriage of cargo to all destinations to any and all persons to whom such carriage is provided by the carrier.
- 5) Except as otherwise provided, pick-up and delivery services, where available, will be provided subject to additional charges.
- 6) In the event of any conflict between the provisions of this tariff and the provisions of any air waybill, the provisions of this tariff shall prevail.
- 7) The provisions of this tariff in effect (by virtue of the effective date of each tariff page) on the date of signing the air waybill shall govern such carriage of cargo.

RULE 5. DISPOSITION OF FRACTIONS

- 1) Fraction of kilogram will be assessed at the charge for the next higher kilogram.
- 2) In computing charges, fractions of less than one half cent will be dropped and fractions of one half cent or more will be considered as one cent.
- 3) Before computing cubic dimensions, fractions of less than one half centimeter will be dropped.

RULE 6. COMPUTATION OF DAYS

Unless otherwise provided, in computing time in days, full calendar days shall be used and Sundays and legal holidays shall be included, except when the last day falls on a Sunday or legal holiday in which event the next following calendar day (other than a Sunday or legal holiday) shall be included.

RULE 7. DESCRIPTION OF SHIPMENTS

- 1) The contents of shipments must be indicated by accurate and specific descriptions on the air waybill.
- 2) The number of pieces and weight included in a shipment must be specified on the air waybill.
- 3) In the case of shipments tendered in unit load devices bearing type codes and serial numbers, such codes and numbers must be specified on the air waybill.

RULE 8. PACKING AND MARKING REQUIREMENTS

- 1) Shipments must be so prepared or packed as to insure safe transportation with ordinary care in handling.
- 2) Any article susceptible to damage by ordinary handling must be adequately protected by proper packing and must be marked or bear appropriate labels.
- 3) Any article susceptible to damage as a result of any condition which may be encountered in air transportation such as high or low temperatures, high or low atmospheric pressures, or sudden changes in either must be adequately protected by proper packing.
- 4) Each piece of a shipment must be legibly and durably marked with the name and address of the shipper and consignee.
- 5) Pieces with a floor bearing weight in excess of that which can be loaded on available aircraft must be provided with a suitable skid or base which will distribute the weight to that which the carrier may accept. The weight of such skid or base shall be included in the weight of the shipment.
- 6) Shipments of Articles of Extraordinary value must be packed in outside containers with measurements of 28,317 cubic centimeters or more.
- 7) Hazardous materials named in IATA Dangerous Goods Regulations must comply with the packing, marking and labeling requirements of such Regulations.

RULE 9. SHIPMENTS ACCEPTABLE

Except as otherwise provided in this tariff, property is acceptable for transportation only when the rules and regulations of the tariffs and all laws, ordinances, and other governmental rules and regulations governing the transportation thereof have been complied with by the shipper, consignee or owner.

RULE 10. SHIPMENTS SUBJECT TO ADVANCE ARRANGEMENT

The following will be acceptable for carriage only upon advance arrangement:

- 1) Shipments liable to impregnate or otherwise damage equipment or other shipments.
- 2) Shipments requiring special attention, protection or care enroute.
- 3) Shipments of Articles of Extraordinary value
- 4) Shipments of live animals.
- 5) Shipments of human remains other than cremated remains.
- 6) Shipments with pieces meeting the conditions listed below:
 - a) Weighing in excess of 90 kilograms; or
 - b) In excess of 45 x 60 x 100 centimeters; or
 - c) Having floor bearing weights in excess of 31.75 kilograms per square foot (929 square centimeters).
- 7) Shipment of firearms may at times be accepted for carriage to certain destinations, subject to shipper's application direct to the carrier, and to the carrier's confirmation that the specific shipments, routing and destination will be permissible.

<i>NOTE: Pickup and delivery service shall not be provided for shipments of firearms.</i>

- 8) Shipments with accompanying personnel.
- 9) Shipments of large volumes of Personal Effects – PFX.
- 10) Any other unusual shipment such as Dangerous Goods named in IATA Dangerous Goods Regulations

RULE 11. ACCEPTANCE OF ARTICLES OF EXTRAORDINARY VALUE

- 1) The provisions of this rule shall apply to a shipment unless both the actual value and the declared value of the shipment are less than \$5,000.00 and the shipper so states on the airway bill.

Shipments of articles of extraordinary value may be transported as CN Secure, or CN Pharma. Both require High Value Shipment documentation. For more detailed information about CN Secure or CN Pharma, refer to Rule 42.

EXCEPTION: The provisions of subparagraphs 2)b), 3) and 4) of this rule will not apply to a shipment for which delivery service is to be provided by the carrier.

- 2) A shipment containing one or more Articles of Extraordinary value (as defined in RULE 1, DEFINITIONS) will be accepted for transportation only provided that:
- a) The shipper tenders the shipment at an area designated by the carrier at the carrier's airport terminal not more than three (3) hours prior to the scheduled departure of the flight for which advance arrangements have been made; and
 - b) Shipper confirms in writing that shipper has arranged with the consignee that the consignee will accept delivery of the shipment at the airport of destination within three (3) hours after the scheduled arrival time of the planned flight.
- 3) In the event the shipment will not be available for acceptance by the consignee at the airport of destination within three hours after the scheduled arrival time of the planned flight, carrier will so notify the consignee and will determine from the consignee if the consignee will accept delivery of the shipment at the destination airport within three (3) hours after the time of notification of arrival or actual arrival of the shipment, whichever is later. If the consignee will not accept delivery of the shipment within such period of time, or if carrier is unable to contact the consignee, carrier will proceed in accordance with the provisions of subparagraph 4) below.
- 4) If the shipment is rejected by carrier prior to the performance of any transportation by air from the airport of origin, or if the consignee fails to accept delivery of the shipment at the airport of destination within three (3) hours after the time of notification of arrival or actual arrival of the shipment, whichever is later, or if carrier is unable to contact the consignee within three hours after actual arrival of the shipment, carrier shall have authority to:
- a) Hire an armored vehicle or, if the shipment cannot be accommodated in an armored vehicle, a vehicle with an armed guard to dispose of the shipment in accordance with the provisions of this Tariff and applicable customs laws and regulations, and;
 - b) Hire armed guard service to protect the shipment until the shipment is disposed of in accordance with subparagraph 4) above, or until the consignee accepts the shipment, whichever occurs first.

- 5) The terms and conditions of the airway bill and the carrier's tariff shall extend to such armored vehicle or vehicle with an armed guard hired by the carrier, and all charges incurred by the carrier applicable to any hiring pursuant to this rule will be at the expense of the shipper and consignee and will attach to the shipment.

RULE 12. ACCEPTANCE AND CARRIAGE OF CN PETS (LIVE ANIMALS)

12.1 Shipments Acceptable Under Certain Conditions

Carrier will accept shipments for transportation provided that:

- 1) Shipments of CN Pets will only be accepted if 48 hours advance arrangements are made via Cargo Reservations and must include the following:
 - a) The name and contact of the consignee/responsible party who can be reach on a 24-hour basis and clear delivery instructions / arrangements made for the shipment once it arrives at the destination airport
 - b) The information in a. must also be included on the airwaybill.
 - c) Dimensions of the kennel
 - d) Combined weight of pet in kennel
- 2) Shipments are tendered to carrier in clean containers and do not emit an offensive odor. As used in this rule, offensive means unpleasant to the senses, disgusting, revolting or repugnant.
- 3) Containers/Kennels must have a label affixed identifying contents and setting forth any special instructions for handling; including the pets name marked on the kennel.
- 4) If the shipper determines, after making advance arrangements with Cargo Reservations/Logistics, that feeding or watering of the animal will be necessary while the shipment is in the custody of carrier, shipper shall provide written instructions for feeding and watering and provide non-perishable food for the entire journey.
- 5) Shipments of live animals must be presented to the carrier at least two (2) hours prior to flight departure.

NOTE: Some locations may require the animal to be presented three (3) hours prior to departure
- 6) Weaned puppies or kittens over eight (8) weeks old.

12.2 Containers

Except as otherwise provided, containers must be consistent with the IATA Live Animal Regulations and be constructed:

- 1) Of wood, metal or composition material to withstand normal handling;
- 2) So as to prevent the escape of the animal or physical contact between the animal and handling personnel;

- 3) So as to prevent any part of the animal from protruding from the container;
- 4) So as to provide adequate ventilation;
- 5) So as to enable personnel to feed and water when necessary without opening the container;
- 6) Of a size to insure freedom of movement; and
- 7) So as to prevent loss of food, water and waste matter.

Other considerations:

- 1) Containers/Kennels must be large enough to allow the animal to turn around freely in standing position, to sit or stand erect and to lie down in a natural position.
- 2) Up to two (2) pets in the same kennel – both animals must be the same species (no cat and dog mixed together).
- 3) Suitable clean containers that must:
 - a) Be leak and escape proof.
 - b) Have sufficient absorbent material.
 - c) Be free of interior protrusions that could cause injury to the animal.
 - d) Prevent physical contact between the animal and handling personnel.
- 4) Secured by yourself with release cable ties (zip ties) on all 4 corners of the kennel and cage.

12.2.1 Charges & Maximum Container/Kennel Size

Fees for transportation of each kennel/container are outlined below. All fees are subject to applicable taxes.

The maximum size for the container/kennel (length x width x height) must not exceed:

- 737 Aircraft: 40 x 27x 30 inches (102 x 69 x 76 centimeters)
- ATR300 Aircraft: 40x27x30 inches (102 x 69 x 76 centimeters)
- ATR500 Aircraft: 36x25x27 inches (91 x 64 x 68 centimeters)

Aircraft Type:	Maximum Dimensions (inches) Length x Width x Height	Maximum Dimensions (centimeters) Length x Width x Height	Flat Rate Plus applicable taxes
737 Aircraft	40 x 27 x 30	102 x 69 x 76	\$200.00
ATR Aircraft	40 x 27 x 30 ATR300 36x 25 x 27 ATR500	102 x 69 x 76 ATR300 91 x 64 x 68 ATR500	\$200.00

12.3 Baby Poultry (under 72 hours old)

Will only be accepted if delivery can be made at destination within seventy-two (72) hours of hatching. Baby poultry must be shipped in standard poultry industry fibre-board containers especially made for this purpose with heavy paper or excelsior mats beneath the poultry. Cartons must have separators securely fastened to prevent suffocation.

12.4 Birds (excluding baby poultry less than 72 hours old)

Containers for birds must be made of either wood, metal or composition material with one or more sides open and covered with wire mesh. The gauge of the wire mesh must be fine enough to retain all birdseed within the container. Food and water containers must be within the container. Perches are required for species of birds which are not ground dwellers.

12.5 Fish

Fish must be packed in a leak-proof insulated container, which provides protection from a water temperature variation greater than five (5) degrees Celsius.

12.6 Disposition of Animals

In the event carrier is unable to deliver shipment within four (4) hours of arrival and is unable to contact consignee for instructions, the animal will be placed in a commercial kennel where available operated by a licensed veterinarian. Any charges incurred by the carrier applicable to placement in a kennel subsequent to such four (4) hour period will attach to the shipment. If instructions are not received within seven (7) days after the date of arrival at destination, carrier will dispose of such animals in accordance with RULE 23, NOTICE AND DISPOSITION OF PROPERTY.

RULE 13. SHIPMENTS NOT ACCEPTABLE & RIGHT TO REFUSE TRANSPORT

- 1) Shipments, which require the carrier to obtain a federal, provincial, territorial, or local license for their transportation, will not be accepted when the carrier has elected not to comply with such license requirements.
- 2) Shipments containing articles prohibited by the Canadian aviation regulations.
- 3) Shipments containing articles which the carrier has reasonable grounds to believe would endanger aircraft, persons or property, or cause annoyance to passengers, or whose carriage is prohibited by law.
- 4) Shipments requiring special devices for safe handling will not be accepted unless such special devices are provided and operated by and at the risk of the shipper or consignee.
- 5) Weaned puppies or kittens younger than eight weeks will not be accepted due to the possibility of dehydration during air transportation
- 6) Females in heat, or with sucking young will not be accepted for transport.
- 7) Muzzled animals will be denied or otherwise restrained if the muzzle or other device restricts respiration
- 8) Containers/Kennels that are the following:
 - a) Cardboard boxes (unless specified as acceptable for that type of AVIH)
 - b) Soft sided container/kennels
 - c) Wire crates are not durable enough for transportation
 - d) Improperly ventilated containers/kennels
 - e) Kennels with wire/mesh ventilated containers and kennels with wire "trap-door" roofs are not permitted
 - f) Container/kennel with cracks and missing part of the equipment – i.e. wingnuts

RULE 14. QUALIFIED ACCEPTANCE OF SHIPMENTS

- 1) The carrier retains the right to reject a shipment prior to the performance of any transportation by air from the airport of origin when it reasonably appears to the carrier that such shipment is:
 - a) improperly packed or packaged;
 - b) of a kind or type likely to incur damage from high or low temperature, notwithstanding the exercise of ordinary care by the carrier, and that such temperature will prevail in flight, or at a transfer point, or at origin or destination, when available facilities cannot protect the shipment against such conditions;

EXCEPTION: The carrier will accept live animal and perishable shipments for transportation under above circumstances provided shipper is advised at the time of acceptance of the shipment, by means of an endorsement on all copies of the respective air waybill, that the carrier will not be liable for any injury to or death of such animal(s), or damage to or loss of perishable(s) incurred under the above such circumstances.

- c) of an inherent nature or defect, which indicates to the carrier that such transportation could not be furnished by the carrier without loss of or damage to the goods;
 - d) not accompanied by proper documentation and necessary information as required by any convention, statute or tariff applicable to such shipment;
 - e) subject to advance arrangements unless such arrangements have been satisfactorily completed.
- 2) Shipments requiring special devices for safe handling will not be accepted unless such special devices are provided and operated by and at the risk of the shipper or consignee.
- 3) Human remains, other than cremated remains will be accepted only when:
 - a) Secured in a casket to prevent shifting and the escape of offensive odors.
 - b) Casket is enclosed in an outside shipping container of wood, canvas, plastic or paperboard construction with sufficient rigidity and padding to protect the casket from damage with ordinary care in handling.
 - c) Advance arrangements have been made with Cargo Reservations/Logistics.
- 4) Shipments of used household goods will be accepted only when:
 - a) All pieces in the shipment have been consecutively numbered by the shipper, and
 - b) A manifest or other itemized list showing the contents of each piece is tendered to the carrier with the shipment.
 - c) freight charges are either prepaid or guaranteed to a valid credit account
- 5) Shipments containing or consisting of Hazardous Materials as defined in IATA Dangerous Goods Regulations will not be accepted unless such shipments are in conformity with such Regulations.

RULE 15. INSPECTION OF SHIPMENTS

All shipments are subject to inspection by the carrier to determine the acceptability and the charges thereon, but the carrier shall not be obligated to perform such inspection.

RULE 16. AIR WAYBILL AND SHIPPING DOCUMENTS

- 1) The shipper shall prepare and present a non-negotiable airway bill with each shipment tendered for transportation subject to this tariff and tariffs governed hereby. If the shipper fails to present such airway bill, the carrier will prepare a non-negotiable airway bill for transportation subject to tariffs in effect on the date of acceptance of such shipment by the carrier and the shipper shall be bound by such airway bill. Should no level of service be indicated on the air waybill upon tendering, the carrier shall accept as a Standard (STND) shipment.
- 2) The airway bill and the tariffs applicable to the shipment shall inure to the benefit of and be binding upon the shipper and consignee and the carriers by whom transportation is undertaken between the origin and destination, including destination and re-consignment or return of the shipment, and shall inure also to the benefit of any other person, firm or corporation performing for the carrier pick-up, delivery or other ground service in connection with the shipment.
- 3) The airway bill and the tariffs applicable to the shipment will apply at all times when the shipment is being handled by or for the carrier, including pick-up and delivery and other ground services rendered by or for the carrier in connection with the shipment.
- 4) No agent, servant or representative of the carrier has authority to alter, modify or waive any provisions of the contract of carriage or of this tariff.

RULE 17. COMPLIANCE WITH GOVERNMENT REQUIREMENTS

- 1) The shipper shall comply with all applicable laws and other government regulations of any jurisdiction to, from or through which the shipment may be carried, including those relating to the packing, carriage or delivery of the shipment, and shall furnish such information and attach such documents to the airway bill as may be necessary to comply with such laws and regulations. The carrier shall not be obligated to inquire into the correctness or sufficiency of such information or documents. The carrier shall not be liable to the shipper or any other person for loss or expense due to shipper's failure to comply with this provision.
- 2) No liability shall attach to the carrier if the carrier in good faith determines that what it understands to be the applicable law, government regulation, demand, order or requirement provides that it refuse and does refuse to carry a shipment.
- 3) Insofar as any provision contained or referred to in the airway bill or in this tariff may be contrary to mandatory law, government regulations, orders or requirements, such provision shall remain applicable to the extent that it is not overridden thereby. The invalidity of any provision shall not affect any other part.

RULE 18. EXCLUSIONS FROM LIABILITY

- 1) The carrier shall not be liable for loss, damage, delay or other result caused by:
 - a) Government request or regulations, whenever such action is necessary to comply with any government regulation or to comply with any government request as it relates to Health, Quarantine, Immigration, National Defense, Act(s) of Terrorism, War, etc.
 - b) By reasons of weather or other conditions beyond its control (including but without limitation, Acts of God, Force Majeure, Strikes, Civil Unrest, Embargoes, Wars, Hostilities or Disturbance) actual, threatened or reported.
 - c) Such action as necessary to prevent either violation of any applicable laws or criminal behavior.
 - d) The act or default of the shipper or consignee.
 - e) The nature of the shipment, or any defect, characteristic or inherent vice thereof.
 - f) Violation by the shipper or consignee or any other party claiming an interest in the shipment, of any of the rules contained in this tariff or other applicable tariffs including but not confined to, improper or insufficient packing, securing, marking, or addressing and failure to observe any of the rules relating to shipments not acceptable for transportation or shipments acceptable only under certain conditions.
 - g) Acts or omissions of warehousemen, customs, quarantine officials, or other government officials gaining possession of the shipment under actual or apparent authority.
 - h) Compliance with delivery instructions from the shipper or consignee or non-compliance with special instructions from the shipper or consignee not authorized by applicable tariffs.
- 2) The carrier shall not be liable for loss, damage, deterioration, destruction, theft, pilferage, delay, default, missed delivery, non-delivery, or any other result not caused by the actual negligence of itself, its agent, or representative, acting within the scope of their authority, or not occurring on its own line or in its own service, or for any act, default, negligence, failure or omission of any other carrier or any other transportation organization.
- 3) The carrier shall not be liable in any event for any consequential or special damages arising from transportation subject to these tariff rules, whether or not the carrier had knowledge that such damages might be incurred.
- 4) The carrier shall not be liable for any loss of money, bullion, bonds, coupons, jewelry, precious stones, valuable papers or Articles of Extraordinary value unless such articles are specifically described on the air waybill.
- 5) The carrier shall not be liable for difference in weight or quantity caused by shrinkage, leakage or evaporation.

- 6) Shipments, the contents of which are liable to deteriorate or perish due to change in climate, temperature, altitude, pressure or other ordinary exposure, or because of the length of time in transit, including edible food products, will be accepted without responsibility on the part of the carrier for loss or damage due to such deterioration or perishability.
- 7) No sale or disposal pursuant to this rule or RULE 23, NOTICE AND DISPOSITION OF PROPERTY, shall discharge any liability of lien to any greater extent than the proceeds thereof, less selling expenses if any, and the shipper and consignee shall remain liable, jointly and severally, for any deficiency. If the proceeds from such sale or disposal exceed the amounts of such liability or lien, including selling expenses such excess proceeds will be remitted by the carrier to the shipper within ten (10) days after such sale or disposal.
- 8) The Carrier shall not be liable for lost revenue or perceived lost revenue of documents at any time.
- 9) The carrier shall not be liable for any injury, sickness, or death of any live animal accepted for transportation. The shipper of the live animal assumes all responsibility for compliance of all regulations and/or restrictions of carriage of live animal. The Carrier is not responsible in the event any live animal is refused passage into or through any country, state, province or territory.
- 10) The carrier will not be liable for any damage or deterioration to perishable, shipments, including edible food products, unless such damage or deterioration is due to the gross negligence of the carrier.

RULE 19. LIMIT OF LIABILITY

- 1) In consideration of carrier's rate for the transportation of any shipment, which rate, in part, is dependent upon the value of the shipment as determined pursuant to RULE 30, CHARGES FOR DECLARED VALUE, and the shipper and all other parties having an interest in the shipment agree that the value of the shipment shall be determined in accordance with the provisions of RULE 30, CHARGES FOR DECLARED VALUE, and that the total liability of the carrier shall in no event exceed the value of the shipment as so determined, subject to the limitations of RULE 30, CHARGES FOR DECLARED VALUE.
- 2) By tendering the shipment to carrier for transportation, the shipper, for himself and all other parties having an interest in the shipment, agrees to the limitations set forth in these rules and regulations and affirms the description of the shipment as recited on the airway bill, and the fact that the shipment is not of a nature unsuitable for the carriage by air or hazardous thereto.
- 3) Except as provided in paragraph 1 of this rule, the total liability of the carrier shall in no event exceed:
 - a) The value of the shipment as determined pursuant to RULE 30, CHARGES FOR DECLARED VALUE; or
 - b) The actual value of the shipment; or
 - c) The amount of any damages actually sustained whichever is the least.
- 4) In the case of loss, damage or delay of parts of cargo, or of any object contained therein, the weight to be taken into consideration in determining the amount to which the carrier's liability is limited shall be only the total weight of the package or packages that were actually lost or damaged. Nevertheless, when the loss, damage or delay of a part of the cargo, or of an object contained therein, affects the value of other packages covered by the same air waybill the total weight of such package or packages shall also be taken into consideration in determining the limit of liability.
- 5) The total liability of the carrier in respect of shipments of tobacco or alcohol products will in no event exceed \$1.10 per kilogram except as determined pursuant to RULE 30, CHARGES FOR DECLARED VALUE.
- 6) Liability may be further limited if the Declared Value or Description of Goods is misrepresented or falsified by the shipper.

RULE 20. INDEMNIFICATION

The shipper and consignee shall be liable, jointly and severally, to pay or indemnify the carriers for all claims, fines, penalties, damages, costs or other sums which may be incurred, suffered or disbursed by a carrier by reason of any violation of any of the rules contained in this tariff or any other default of the shipper or such other parties with respect to the shipment.

RULE 21. LIABILITY FOR CHARGES

The shipper and consignee shall be liable, jointly and severally, for all unpaid charges payable on account of a shipment pursuant to this tariff including, but not confined to, sums advanced or disbursed by a carrier on account of such shipment.

EXCEPTION 1: The shipper shall not be liable for any such unpaid charges against a collect shipment where the carrier has extended credit to the consignee unless the shipper has guaranteed in writing the payment of the charges in accordance with RULE 32, CHARGES PREPAID OR COLLECT.

EXCEPTION 2: The consignee shall not be liable for any such unpaid charges against a prepaid shipment where the carrier has extended credit to the shipper.

RULE 22. CARRIER'S LIEN

The carrier shall have a lien on the shipment for all sums due and payable to carriers pursuant to RULE 20, INDEMNIFICATION, and RULE 21, LIABILITY FOR CHARGES. In the event of nonpayment of any sums payable to the carrier, the carrier will hold the shipment subject to storage (as provided in RULE 39, TERMINAL SERVICE CHARGES), and/or will dispose of the shipment at public or private sale, without notice to shipper or consignee, paying itself out of the proceeds of such sale all sums due and payable, including storage charges.

RULE 23. NOTICE AND DISPOSITION OF PROPERTY

- 1) Except as otherwise provided herein, the carrier will promptly notify consignee of the arrival of the shipment except when delivery service is to be provided by the carrier.
- 2) If, at the expiration of the free storage time provided in RULE 39, TERMINAL SERVICE CHARGES, a shipment containing non-perishable property is unclaimed or delivery cannot be actioned, the carrier will so notify the shipper and consignee, by mail or otherwise, at the addresses shown on the airway bill. Upon written instructions from the shipper, the carrier will return the shipment to the shipper, forward or re-consign it, or otherwise dispose of it, all at the shipper's expense. If no such instructions are received within thirty (30) days after the date of mailing such notice, the carrier will dispose of it at public or private sale.
- 3) If a shipper or consignee desires notification when a shipment containing perishable property is delayed in the possession of a carrier, threatened with deterioration, or unclaimed, or delivery cannot be effected, authorization and instructions for such notification, including the name, phone number and/or address of the party to be notified, shall be given on the airway bill. If such authorization and instructions are not given, or if, after reasonable attempt to comply therewith, the carrier does not promptly receive further instructions concerning the routing or disposition of the shipment, the carrier will take such steps as due diligence is required for the protection of all parties in interest, including rerouting the shipment by other means of transportation, subject to RULE 24, ROUTING AND REROUTING, or disposal of the shipment, at public or private sale, without further notice to the shipper or consignee.

RULE 24. ROUTING AND REROUTING

- 1) The carrier, in the exercise of due diligence and in order to protect all property accepted for transportation, will determine the routing of any shipment, not routed by the shipper. For any specific flights or routings requested by the shipper or consignee the carrier may, at its sole discretion, apply applicable sector rates for the routing requested.
- 2) When the carrier determines that it is necessary to expedite delivery, carrier will deviate from any route shown on airway bill or forward via any air carrier or other transportation agency and charges shall be no greater than the air freight charges from origin to destination via the route shown on the airway bill.

24.1 Routes

Trunk Routes:

Edmonton ↔ Yellowknife ↔ Norman Wells ↔ Inuvik
Ottawa ↔ Iqaluit
Montreal ↔ Kuujuaq

Regional Routes:

Yellowknife ↔ Kugluktuk/Cambridge Bay/Gjoa Haven, Taloyoak/Kugaaruk – (Kitikmeot Region)
Yellowknife ↔ Rankin Inlet
Yellowknife ↔ Ulukhatuk
Yellowknife ↔ Fort Simpson
Yellowknife ↔ Hay River
Iqaluit ↔ Kinngait, Sanirajak, Igloolik, Arctic Bay, Resolute Bay, Pond Inlet, Clyde River, Qikiqtarjuaq, Pangnirtung, Kimmirut, (Qikiqtaaluk Region)
Iqaluit ↔ Rankin Inlet
Iqaluit ↔ Kuujuaq
Grise Ford ↔ Resolute Bay

National Routes:

Yellowknife ↔ Iqaluit
Edmonton/Ottawa ↔ Rankin Inlet
Iqaluit ↔ Grise Ford
Any routes that include travel via one of the National Routes above

RULE 25. SCHEDULES

The carrier has no obligation to commence or complete transportation within a certain time or according to any specific schedule, or to make connections with any other carrier, and no carrier will be held liable for failure to do so, or for error in any statement of times of arrival or departure.

RULE 26. AVAILABILITY OF EQUIPMENT AND SPACE

- 1) The carrier undertakes to transport, consistent with its capacity to carry, all property accepted for transportation. All shipments are subject to the availability of suitable equipment, and with respect to carriers transporting passengers, air mail, and air express, to available space after the accommodation of passengers, air mail, and air express, and carrier will determine the priority of carriage as between shipments and will decide which shipments shall not be carried on a particular flight and which shall be removed at any time or place whatsoever and when a flight shall proceed without all or any part of a shipment.
- 2) Subject to applicable government laws, regulations and orders, the carrier will determine the priority of carriage as between consignments and as between consignments and as between consignments and other cargo, mail and passengers, and will decide which articles shall be carried and which articles shall not be carried or shall be removed at any time or place whatsoever and to proceed with any flight without all or any part of the goods in one consignment.

RULE 27. APPLICABLE RATES AND CHARGES

- 1) When two or more rates subject to different minimum quantities are provided on the same product in the shipping form from and to the same points over the same route, the lower of the two charges specified under subdivisions a) and b) of this subparagraph shall be applied:
 - a) The charge computed on the quantity shipped at the rate applicable to such quantity, or
 - b) The charge computed on the next greater quantity for which a lower rate is provided at the rate applicable to such greater quantity.
- 2) A specific product rate removes the application of the Carrier air freight rate and the exception rating to the Carrier air freight rate on the same quantity of the same product (*in the same package or shipping form*) from and to the same points over the same route.
- 3) Except as otherwise provided, when a local or joint rate is established for application over a particular route from point of origin to point of destination for a specified service, such rate is applicable over such route, notwithstanding that it is higher or lower than the aggregate or intermediate rates over such route for such service.
- 4) The Carrier or its agent will assess charges at the rates in effect on the day of acceptance of the shipment.

RULE 28. CHARGES FOR WEIGHT

- 1) Except as otherwise provided herein, transportation charges for a shipment will be assessed on the gross weight of the shipment based on the greater of:
 - a) The actual weight, or
 - b) The cubic dimensional weight determined in accordance with paragraphs 2) and 3) of this rule.
- 2) Cubic measurement will be based on the greatest dimensions (height, width and length) of:
 - a) The shipment; or
 - b) Of each part therein in the event of mixed shipments containing differently rated parts.
- 3) Cubic dimensional weight will be derived from the cubic measurement of shipments or parts thereof as provided in b above on the basis of 7000 cubic centimeters per kilogram or fraction thereof for account customers, or 9000 cubic centimeters per kilogram or fraction thereof for customers paying by cash, Mastercard, Interac, Cheque, or Visa. .
- 4) Other carriers may use the Volumetric Weight Standards as set by the International Air Transport Association (IATA). IATA Volumetric Weight Factor: 166.07 [in³/lb] or 6,000 [cm³/kg] or 4.72 [kg/ft]

RULE 29. MINIMUM CHARGES PER SHIPMENT

- 1) The minimum charge per shipment (MIN) for local transportation will be shown in connection with carrier's local rates between points named.
 - a) CN Envelope Charges (ENV), where published apply to the transportation of CN envelopes which are not to exceed 2 kg in weight and not to exceed 45 cm in length, 30 cm in width and 2.5 cm in height.
- 2) When the minimum charge per shipment is specifically published, the minimum charge per shipment will be the published amount. When no local CN Priority, CN Standard, or CN Economy rates are published between two points served by carrier, the rates between such points are constructed by combining two or more sector Standard, Economy, or Priority rates for the intended routing.
- 3) Combination of local minimum rates for shipments moving via more than one carrier.
 - a) The through minimum charge per shipment for shipments moving via more than one carrier will be the sum of \$20.00 for each carrier participating in the routing or as otherwise outlined below.
- 4) If one or more carrier's minimum charge required per Paragraph 3) above differs from the charge required by any other carrier participating in the routing, then the higher of such charges shall be applied, per carrier.
- 5) In no case shall the minimum charge computed in accordance with Paragraph 3) above exceed the combined local minimum charges for the carriers participating in the routing.
- 6) In no case shall the minimum charge computed in accordance with Paragraph 3) above exceed the published joint minimum charge applicable to the carriers participating in the routing.

RULE 30. CHARGES FOR DECLARED VALUE

- 1) Carrier liability for shipments is limited to \$1.10 per kilogram (but not less than \$50.00) unless a higher value is declared on the airwaybill at time of receipt of the shipment from the shipper, and if a higher value is so declared, an additional transportation charge of \$4.00 shall be required for each \$100.00 (or fraction thereof) by which such higher value exceeds \$1.10 per kilogram or \$50.00 whichever is higher.

Exceptions not eligible for declared value coverage include:

- i. Carvings and/or uncarved media or materials including but not limited to bone, antler, tusk, soapstone or other type of stone suitable for carving;
 - ii. Perishable products
- 2) Except as noted below, the weight used to determine the declared value of a shipment shall be the same as that which is used to determine the transportation charge for such shipment, provided that when a shipment moves on one airway bill over the lines of one or more carriers at a combination of rates, the declared value shall be based on the lowest weight upon which charges are based for any portion of the movement.
- 3) A shipment moving on one airway bill over the lines of two (2) or more carriers shall have for its entire movement the declared value applicable to the shipment over the lines of the originating carrier unless a higher value is declared on the airway bill at the time of receipt of the shipment from the shipper, and in such event the additional transportation charge applicable over the lines of the originating carrier shall apply to the shipment for its entire movement.
- 4) Shipments of gold, silver, platinum and doré bullion will be accepted only if the actual value is declared on the air waybill at the time of receipt of the shipment. Charges will be assessed on the weight and actual value of the shipment. Gold, silver and doré bullion is deemed to include gold and silver in mass, gold and silver specie and/or in the form of ingots, bars, grain, sheet, foil, powder, sponge, rods, wire tubes, circles, moldings and castings. Platinum is deemed to include platinum as bullion, platinum concentrates, platinum metals (including palladium, iridium, ruthenium, osmium, rhodium) and platinum alloys in the form of grain, sponge, bar, ingot, sheet, rod, wire, tube and strip. Shipments of gold, silver, platinum and doré bullion shall be limited to \$350,000 on any one shipment or any one aircraft.
- 5) A customer can declare a value greater than the actual market value.
- i. This can be done to compensate for other losses (e.g. loss of income, penalties, unavailable equipment, etc.) which could result from the loss or damage of the shipment.
 - ii. No shipment however, shall exceed the declared value limitations as noted herein.
- 6) No single shipment may have a declared value coverage that exceeds \$25,000; in the event the declared value coverage required exceeds \$25,000, the customer shall seek additional coverage through a 3rd party provider.

- 7) No more than \$200,000 of declared value shipments shall be transported on any one aircraft, except as specified in paragraph 4.

RULE 31. CHARGES ON MIXED SHIPMENTS

- 1) When articles subject to different rates are packaged together, charges will be assessed on the weight of the entire package at the highest rate applicable to any article therein.
- 2) A shipment of articles which are subject to different rates, if shipped separately, will be assessed the CN Standard rate applicable to the total weight (or volume) of the shipment, provided that when the shipper declares separately the contents and weight (or volume) of each part of such shipment, each part will be assessed the rate applicable to the contents and weight (or volume) of such part.
- 3) The valuation charge for a mixed shipment will be assessed on the total declared value for carriage.
- 4) Articles subject to the IATA Dangerous Goods Regulations, amendments thereto and reissues thereof, must be offered separately and be clearly indicated on the air waybill as dangerous goods.
- 5) Mixed shipments must not include any of the following articles:
 - a) Articles of Extraordinary value (CN Secure)
 - b) Live animals (CN Pets)
 - c) Human remains
 - d) Radioactive materials requiring a dangerous goods label
- 6) Part of a shipment, for the purpose of this rule, consists of one (1) package, piece or bundle, or two (2) or more packages, pieces or bundles having the same applicable rate and conditions.

RULE 32. CHARGES PREPAID OR COLLECT

Except as otherwise provided in this rule, shipments will be accepted either with charges to be prepaid by the shipper, or to be collected from the consignee.

- 1) The following shipments must be prepaid by the shipper:
 - a) Shipments moving under distribution service if there is more than one (1) consignee.
 - b) Shipments of newspapers.
- 2) The following shipments shown must be prepaid unless the shipper guarantees in writing, the payment of collect charges:
 - a) Shipments of human remains
 - b) Shipments addressed to persons restrained of their liberty.
 - c) Shipments not equal in commercial value to the charges thereon
 - d) Shipments addressed to Canadian government agencies unless shipped by government agents presenting proper bills of lading
 - e) Shipments addressed to consignee temporarily at a transient address.
 - f) Shipments to be delivered to customs.
 - g) Shipments of live animals.
 - h) Shipments of personal effects consisting of household goods, used, not for resale
- 3) Shipments destined to, but not limited to, the following airports must be prepaid:
Arctic Bay, Kinngait (Cape Dorset), Clyde River, Fort Simpson, Gjoa Haven, Grise Fiord, Sanirajak (Hall Beach), Hay River, Igloolik, Kimmirut, Kugaaruk, Kugluktuk, Pangnirtung, Pond Inlet, Qikiqtarjuaq, Rankin Inlet, Resolute Bay, Taloyoak, Ulukhaktok.

RULE 33. CHARGES FOR SHIPMENTS OF DANGEROUS GOODS

- 1) For local transportation or to Carrier's portion of joint transportation, a dangerous goods handling fee of \$55.00 will be added to the total applicable airport to airport charge for each shipment of dangerous goods.
- 2) The fee for handling dangerous goods shipments shall accrue to the issuing carrier.
- 3) For Interline shipments, each carrier is entitled to their respective dangerous goods handling fee.
- 4) Fee also applies to TDGR 12.9 Limited Access shipments.

RULE 34. CURRENCY OF RATES AND PAYMENT OF CHARGES

Charges are payable in the lawful currency of Canada.

All charges applicable to a shipment are payable in cash at the time of acceptance thereof by the carrier in the case of prepaid shipment (i.e. a shipment on which the charges are to be paid by the consignor) or if satisfactory credit arrangements have been made and agreed upon by the shipper or consignee and the carrier, credit for payment of charges will be extended for fifteen (15) days after date of billing.

In the case of a collect shipment (i.e. a shipment on which charges are to be paid by the consignee), all charges applicable to a shipment are payable in cash at the time of delivery thereof by the carrier or if satisfactory credit arrangements have been made and agreed upon by the shipper or consignee and the carrier, credit for payment of charges will be extended for fifteen (15) days after date of billing.

RULE 35. CLAIM PROCEDURE

There are two (2) types of claims available to a customer:

- i. Damage Claim – contents or container are damaged
- ii. Loss – Either partial or full

Claim procedures are as follow:

- 1) All claims, except for overcharges, must be made in writing to the originating or delivering carrier within ninety (90) days from the date of issue of the airwaybill.
- 2) Claims for overcharges must be made in writing to the originating or delivering carrier within one hundred and eighty (180) days from the date of issue of the airwaybill.
- 3) Damage and/or loss discovered by the consignee after delivery and after clear receipt has been given to the carrier must be reported in writing to the delivering carrier at destination within fourteen (14) days after delivery of the shipment with privilege to the carrier to make inspection of the shipment and containers within fourteen (14) days after receipt of such notice.
- 4) No claims for loss or damage to a shipment will be entertained until all transportation charges thereon have been paid. The amount of claims may not be deducted from transportation charges.

RULE 36. LIMITATION OF ACTIONS

The carrier will not be liable in any action brought to enforce a claim unless the applicable provisions of RULE 35, CLAIM PROCEDURE, have been complied with by the claimant, and unless such action is brought within two years after the date written notice is given to the claimant that the carrier has disallowed the claim in whole or in part.

RULE 37. INTERLINE SHIPMENTS – RIGHT OF ACTION

The consignor shall have a right of action against the originating carrier, and the consignee shall have a right of action against the delivering carrier, and further, each may take action against the carrier which performed the transportation during which the destruction, loss, damage, or delay took place.

RULE 38. ADVANCEMENT OF CHARGES

Upon request the carrier will advance charges for transportation, cartage, storage, loading, unloading, packaging, and processing not performed by the carrier, government duties and customs fees and any other charges advanced by the carrier on behalf of the consignor or consignee incidental to the air carriage of the consignment. The disbursement amount shall not be in any case in excess of the total weight charge except that when the total charge is less than \$100.00 disbursements of up to \$100.00 will be permitted.

The charge for disbursements to be determined as follows

- 1) For disbursements the charge shall be the disbursements plus fifteen (15) percent of the disbursement amount, but the charge shall not be less than \$10.00.
- 2) Any amendments to the disbursement amount shall be made by the shipper in writing prior to delivery of the consignment to the consignee or his agent.
- 3) Charges for disbursements shall accrue to the issuing carrier.
- 4) Charges will not be advanced on any shipment, which under Rule 32, CHARGES PREPAID OR COLLECT, required prepayment or guarantee of charges in writing.

RULE 39. TERMINAL SERVICE CHARGES

Terminal service charges as described below will be assessed to the shipper or consignee named in the air waybill, as applicable, and will apply whenever the carrier performs such services.

- 1) Processing of *immediate type* customs clearance during normal customs business hours and all clearances outside customs business hours, except unaccompanied baggage, including pets. Per entry \$20.00.
- 2) Import termination and warehouse processing charges. The following charges shall be assessed on a **per shipment** basis, based on actual or volume weight, whichever is applicable to the shipment:
 - a) Shipments moved in bond:
 1. 0 to 500 kg: \$15.00
 2. 501 to 1000 kg: \$19.00
 3. 1001 to 1500 kg: \$27.00
 4. 1501 to 2000 kg: \$33.00
 5. 2001 to 2500 kg: \$40.00
 6. 2501 to 3000 kg: \$50.00
 - b) Thereafter, each additional 1000 kg or fractions thereof: \$15.00.
- 3) Proof of delivery request: when proof of delivery is required by the shipper or consignee, the carrier shall furnish a photocopy of the delivery document, document request per delivery: \$35.00 (with the exception of CN Pharma and CN Secure).

Exception: No charge shall be assessed when proof of delivery is provided in defense of a written claim.
- 4) Origin air waybill copy request: when the carrier is requested by the shipper, consignee, or agent to provide an additional copy of an origin air waybill copy, the carrier shall furnish a copy of the air waybill, signed by the shipper, per air waybill copy: \$35.00
- 5) At the carrier's warehouse - for shipments other than those mentioned under paragraph 6) below.
 - a) Inbound: the carrier shall hold shipment without charge for 48 hours after the date of arrival. The first Saturday, Sunday and legal holidays shall be excluded in determining when free storage time expires.
 - b) Outbound: Outbound shipments delivered to the carrier's premises, which are not acceptable for any reason, will be subject to storage charges as provided herein 48 hours after delivery of such shipment until the shipment is removed or made acceptable for carriage.
 - c) Storage Charges: \$0.16 per kg per day or fraction thereof, but not less than \$15.00 per day per shipment, including Saturday, Sunday and legal holidays. The charges shall be assessed on the actual or volume weight;

whichever is applicable to the shipment. Minimum charge per shipment: \$30.00.

- 6) The carrier's warehouse storage charges – for shipments which, by the nature of the goods require special handling, including perishables, live animals, live plants, or any type of goods which require special attention outside the generally accepted norms of warehousing.
 - a) Inbound: the carrier shall hold shipment without charge for 48 hours after the date of arrival. The first Saturday, Sunday and legal holidays shall be excluded in determining when free storage time expires.
 - b) Outbound shipments delivered to the carrier's premises, which are not acceptable for any reason, will be subject to storage charges as provided herein 48 hours after delivery of such shipment until the shipment is removed or made acceptable for carriage.
 - c) Storage Charges: \$0.32 per kg per day or fraction thereof but not less than \$30.00 per day per shipment, including Saturday, Sunday and legal holidays. The charges shall be assessed on the actual or volume weight; whichever is applicable to the shipment. Minimum charge per shipment: \$60.00.
- 7) When the carrier supplies security handling (armed guard, security guard or escort) for a consignment. Minimum charge per hour or fraction thereof: \$100.00. Minimum charge per shipment: \$400.00.
- 8) High Value Documentations: Provides detailed information on the movement of the shipment. Each Employee handling the shipments shall complete the High Value Handling Record with the original remaining with the shipment.

RULE 40. FORM OF PAYMENT ACCEPTANCE

Carrier will accept the following forms of payment:

- 1) Cash, Interac/debit card
- 2) Company cheques (for credit account payments only)
- 3) Visa
- 4) MasterCard
- 5) American Express
- 6) Certified cheque, money order
- 7) Wire Transfer

RULE 41. SPECIFIC PRODUCT RATES AND CHARGES

41.1 Application

- 1) Acceptance of the products named hereunder at the specific product rates published therefore, is subject to the availability of space after the accommodation of other traffic.
- 2) A specific product rate removes the application of the CN Standard, CN Economy rate of the same quantity of the same article of product (in the same package or shipping form) and to the same point over the same route.
- 3) Specific product rates may not be combined with other rates and charges.
- 4) Packaging, packing and containers, satisfactory to the carrier, shall be supplied by the shipper and their weight will be added to the weight of the product.
- 5) Specific product rates will not apply unless packaging and/or packing requirements, as specified herein, are complied with.
- 6) Specific product rates will not apply unless a specific rate is filed.

New Product Codes	Description
ENV	CN Envelope (max 2.2 kg)
PRI	CN Priority
STND	CN Standard
ECON	CN Economy
TEMP	CN Temperature Controlled
CTRY	Personal Country Food
PHAR	CN Pharma
SECR	CN Secure
AVIH	CN Pets
HUMR	CN Human Remains
MAIL	Canada Post Mail
SPEC	Special/ Over-sized

RULE 42. TYPES OF SERVICES OR PRODUCTS OFFERED

42.1 CN Envelope (ENV) Service**42.1.1 Application of Rates and Charges**

Envelope Service rates are shown per envelope and are abbreviated as ENV and do not include pick-up and delivery services (where available) except to and from Calgary. ENV rates are not combinable. ENV rates and charges apply only between points named.

42.1.2 Maximum Acceptable Weight and Dimensions

- 1) Maximum weight per shipment may not exceed two (2) kilograms.
- 2) The entire shipment must fit in a sealed Canadian North envelope 45 cm x 30 cm.

42.1.3 Acceptance and Handling of Shipments

Shipments will be accorded priority of carriage before the loading of other air freight shipments (excluding mail and Priority).

42.1.4 Drop-Off

ENV shipments must be tendered for transportation at the air cargo counter no less than two (2) hours prior to the scheduled flight departure.

42.1.5 Pick-Up

ENV shipments will be available for delivery to consignee or pick-up at the air cargo counter no more than two (2) hour after the flight arrival. It is the responsibility of the shipper to ensure that the consignee has been duly notified of the dispatch of the shipment and the planned arrival of the flight at the airport of destination.

Delivery of ENV shipments will be no later than the next business day following the next scheduled flight departure between the points, where delivery service is provided by the carrier.

42.1.6 Unacceptable Commodities

- 1) Any articles listed in the I.A.T.A. restricted article regulations will not be accepted for transportation except:
 - a) Articles listed in the above regulations as not restricted;
 - b) Emergency medical supplies, provided packaging and storage comply with the above regulations.
- 2) Live animals, birds, reptiles, fish, and human remains.
- 3) Food of a perishable nature that requires special temperature controlled storage.
- 4) Articles of high value such as precious metals, jewelry, watches, currency, etc.
- 5) Any good(s) that require special handling beyond those provided by ENV service.

42.1.7 *Charges for Declared Value*

A shipment shall have a declared value of 50.00 unless a higher value (not to exceed \$500.00) is declared on the air waybill at the time of receipt of the shipment from the shipper. If a higher value is so declared, an additional transportation charge of \$4.00 shall be required for each \$100.00 (or fraction thereof) by which such higher value exceed \$50.00.

42.1.8 *Applicability/Limitation of Liability*

- 1) In case of loss/damage (when no value is declared): Liability is limited to the value of the shipment/damage or \$50.00, whichever is the lesser.
- 2) In case of loss/damage (when a value is declared): Liability is limited to the value of the shipment/damage or \$500.00, whichever is the lesser.
- 3) In case of delay: If a shipment does not arrive at the destination on the next scheduled flight after the original planned flight, which had been delayed, cancelled, or rerouted, due to weather or other conditions beyond the control of the carrier, the total transportation charge paid will be refundable to the purchaser on submission of a written claim.
- 4) ENV service applies only on the services of Canadian North and may not be combined with any other type of online cargo service. Service standards quoted in this rule apply only to the services of Canadian North, and Canadian North's contracted pick-up and delivery services, but do not apply to the transfer of shipments to/from other airlines, or any other ancillary services.
- 5) ENV refund policy applies only to transportation charges over the services of Canadian North and its agents and does not include charges for any other carrier(s) and/or services, including excess valuation.

42.2 CN Priority (PRI) Service

42.2.1 *Applicability/Limitation of Liability*

- 1) Priority cargo applies only upon the services of Canadian North and may not be combined with any other type of online cargo service. Service standards quoted in this rule apply only to transportation over the services of Canadian North and do not apply to the transfer of shipments to/from other airlines, their pick-up or delivery, or any other ancillary services.
- 2) Where the carrier cannot accommodate the complete shipment on one flight, separate air waybills will be cut and cross-referenced with each air waybill showing the flight(s)/date(s) on which each portion of the shipment is scheduled to travel. The rate charged will be the rate applicable to the weight of the complete shipment.
- 3) Rates charged on the air waybill will be the carrier's Priority (PRI) rate applicable to the shipment weight as noted in its tariff. Priority service rates and charges (PRI) apply only between points named.
- 4) The carrier, at its option, may elect to transport the shipment on a flight prior to that shown on the original air waybill.

42.2.2 *Acceptance/Handling of Shipments*

- 1) Shipments must be tendered a minimum of two (2) hours prior to the scheduled flight departure time.
- 2) Shipments will be accorded priority of carriage before the loading of other air freight shipments (excluding mail).
- 3) Shipments will be available no later than one (1) hour after the actual arrival of the flight on which the shipment is transported.
- 4) It will be the responsibility of the shipper to inform the consignee of the flight on which the shipment is scheduled to arrive.

42.2.3 *Refund Policy*

Refund policy applies only to transportation charges over the services of Canadian North and does not include charges for any other carrier(s) and/or services, including but not limited to pick-up, delivery, transfer, excess valuation, and insurance. Carrier will refund the difference in the transportation charges between the applicable Priority (PRI) and the applicable CN Standard, or CN Economy rate if the carrier fails to fulfill the following criteria:

- 1) The shipment does not travel on the flight(s)/date(s) agreed upon, or upon such other flights, as to arrive at the online destination noted on the air waybill within, or prior to, four (4) hours of the planned arrival time of the original flight as shown in the carrier's computerized reservation system.
- 2) The shipment is not available for pick-up within two (2) hours of the actual arrival of the flight on which the shipment is carried.
- 3) Notwithstanding the above, refunds will not apply to shipments scheduled on flights which have been delayed, cancelled, or rerouted due to weather or other conditions beyond the control of the carrier provided the shipment is carried and arrives at the online destination on the next scheduled flight.
- 4) It will be the responsibility of the consignee, or his agent, to note on the air waybill that the shipment did not meet the service standards for transportation and/or availability on arrival at destination. Request for a refund on the Priority cargo rate must be made at the time of acceptance of the shipment by the consignee or his agent.
- 5) Except for split shipments, a refund will be applied to the complete shipment if a portion of the shipment is lost or delayed. In the case of split shipments, a refund will be applied only to that portion of the shipment which traveled under the same air waybill as that of the goods which were lost or delayed.
- 6) If a shipper tenders more cargo than was originally booked, Canadian North will only accept the additional items at a PRI service level if there is space available on the particular flight. If space is not available on the particular flight, Canadian North will transport the excess items on the next available flight. The excess items will not be eligible for the refund policy. If the excess items cannot be separated from the portion of the shipment where space has been reserved, the shipment may be refused.

- 7) Refund will be returned to the person or company making payment to Canadian North for the shipment. Complete payment of the charges originally noted on the air waybill must be received before the refund is processed. Where payment is charged to an approved Canadian North account the refund will be in the form of a credit note on account.

42.3 CN Standard (STND) and CN Economy (ECON)

42.3.1 *Applicability/Limitation of Liability*

- 1) CN Standard and CN Economy cargo applies only upon the services of Canadian North and may not be combined with any other type of online cargo service. Service Standards quoted in this rule apply only to transportation over the services of Canadian North and do not apply to the transfer of shipments to/from other airlines, their pick-up or deliver, or any other ancillary services.
- 2) Where the carrier cannot accommodate the complete shipment on one flight, separate air waybills will be cut and cross-referenced with each air waybill showing the flight(s)/date(s) on which each portion of the shipment is scheduled to travel. The rate charged will be the rate applicable to the weight of the complete shipment.
- 3) Rates charged on the air waybill will be the carrier's CN Standard, or CN Economy rate applicable to the shipment weight as noted in its tariff, as the case may be.
- 4) Essential Transportation goods are eligible for CN Economy shipping only.

42.3.2 *Refund Policy*

Refund policy applies only to transportation charges over the services of Canadian North and does not include charges for any other carrier(s) and/or services, including but not limited to pick-up, delivery, transfer, excess valuation, and insurance. Carrier will refund the difference in the transportation charges between the applicable CN Standard and the CN Economy rate if the carrier fails to fulfill the following criteria:

- 1) Refunds will not apply to shipments scheduled on flights which have been delayed, cancelled, or rerouted due to weather or other conditions beyond the control of the carrier provided the shipment is carried and arrives at the online destination on the next scheduled flight.
- 2) It will be the responsibility of the consignee, or his agent, to note on the air waybill that the shipment did not meet the service standards for transportation and/or availability on arrival at destination. Request for a refund on the Priority cargo rate must be made at the time of acceptance of the shipment by the consignee or his agent.
- 3) Except for split shipments, a refund will be applied to the complete shipment if a portion of the shipment is lost or delayed. In the case of split shipments, a refund will be applied only to that portion of the shipment which traveled under the same air waybill as that of the goods which were lost or delayed.
- 4) Refund will be returned to the person or company making payment to Canadian North for the shipment. Complete payment of the charges originally noted on the air

waybill must be received before the refund is processed. Where payment is charged to an approved Canadian North account the refund will be in the form of a credit note on account.

42.4 CN Pharma

CN Pharma applies to shipments of a pharmaceutical, or medical nature that require shipping timelines in-line with CN Priority, and/or CN Temperature Controlled environments.

Rules 42.2 CN Priority service, and 11 Acceptance of Articles of Extraordinary Value apply.

42.5 CN Secure

CN Secure shipments apply to shipments that are valued in excess of CAD 5000.00, cannabis products, or the like. Tobacco can travel Secure at the discretion of the shipper.

Rules 42.2 CN Priority service, and 11 Acceptance of Articles of Extraordinary Value apply.

RULE 43. PICK UP AND DELIVERY SERVICE

Canadian North Pick-Up and Deliveries service will only be available in the following Northern Communities:

Location
Cambridge Bay
Fort Simpson
Gjoa Haven
Hay River
Inuvik, including surrounding communities of: <ul style="list-style-type: none">• Tuktoyaktuk• Fort McPherson• Tsiigehtchic
Kugaaruk
Norman Wells
Rankin Inlet
Taloyoak
Yellowknife

Cargo which is unacceptable for Pick-up or Delivery:

- Human remains.
- Articles of Extraordinary value.
- Cut flowers, live plants, nursery stock, & live animals not contained in acceptable packaging.
- Dangerous Goods, not acceptable for pick up but may however be delivered.
- Personal effects not contained in a box or located in various rooms in a dwelling/house/office.

Extra Charges may apply if additional staff or equipment are required to aid in the delivery of an item(s).

RULE 44. SURCHARGES

44.1 Applicability

Surcharge(s) as shown in 44.3 below will be assessed on the shipments specified, based on the chargeable weight of the shipment.

44.2 Application of Surcharges

For shipments travelling under Canadian North air waybills, surcharges will be added when the air waybill is issued, for prepaid and collect shipments. For shipments travelling under other carrier's air waybills, the surcharges will be shown as "other charges" on the air waybill.

44.3 Surcharges

- 1) Navigational Surcharge (NAV)
 - a) Each shipment will be assessed a charge of 5.0% of the applicable tariff rate.
- 2) Fuel Surcharge (FSC)
 - a) Each Shipment will be assessed a Fuel Surcharge calculated based upon the weighted average fuel price actually experienced by the carrier across the entire network on a monthly basis and is subject to fluctuation based upon the fuel prices realized.
- 3) Air Carrier Security (ACS)
 - a) Each shipment will be assessed a charge of \$0.15/kg of the chargeable weight with a minimum charge of \$7.50.

RULE 45. SYSTEM-WIDE RATES

45.1 Applicability

- 1) System-wide cargo rates as shown on the applicable rate page(s) are valid between any two points on Canadian North's scheduled network.
- 2) System-wide cargo rates apply only on the services of Canadian North and may not be combined with any other type of online cargo service.
- 3) Interline shipment is not permitted under these rates.
- 4) Size and/or weight maximums must be met.
- 5) Validity periods must be followed where specified.
- 6) Form of payment restrictions must be met where specified in the rate type.

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