



THE 2008 AMENDED CANADIAN VERSION OF THE STANDARD CONTRACT TERMS AND CONDITIONS FOR MERCHANDISE WAREHOUSEMEN

IWLA's Canadian Council in conjunction with IWLA's Legal Affairs Sub-Committee has revised the Standard Contract Terms and Conditions for Merchandise Warehousemen for use by IWLA's Canadian members. The revised document is now entitled Canadian Standard Contract Terms and Conditions for Merchandise Storers or Warehouses.

Before implementing and/or revising contract terms, it is recommended that you advise all current customers whether you intend to enforce the new terms.

I. BRIEF SUMMARY OF KEY CHANGES OUTLINED IN CANADIAN STANDARD CONTRACT TERMS AND CONDITIONS FOR MERCHANDISE STORERS OR WAREHOUSES

1. In Section 1 (Definitions), definitions were modified and added to provide clarity.
2. Section 2 (Contract) was amended to contemplate that a schedule of rates and charges may be attached to this document to form a contract. For supplemental terms that can be incorporated into a stand-alone contract or an addendum to the Standard Contract Terms and Conditions, please see part II below.
3. In Section 4 (Storer's Lien), for Storers or Warehouses in Ontario, please note the addition of the last line in Section 4 regarding non-possessory lien rights available under Ontario laws.
4. Minimum Charges (previously Section 6 of the previous version of Standard Terms and Conditions has been deleted). Section 5 (Basis of Charges) has been amended to reflect that rates shall either conform to those attached to the Standard Contract Terms and Conditions and/or the current tariff in effect at the time the services are performed.
5. Section 6 (Access and Inspection) now references a specific timeframe required for granting of access to the Warehouse Facility.
6. A new Section 7 (Dangerous Goods) has been added which has been aligned to Section 8 (Removal of Goods). Section 8 now includes an enhanced and detailed list of what will or potentially create a condition hazardous to the personnel or goods in the Warehouse Facility, and additional obligations for the Depositor.
7. Section 9 (Liability of Storer or Warehouse) includes various changes throughout this section for clarity and consistency. Goods are stored at Depositor's risk of loss, damage, and delay 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 in which the Goods are stored. Strict limit of liability and related calculation for defining such limits is included and has not changed from the prior version.
8. Section 10(e) notes that the Storer or Warehouse is not responsible for time penalties associated with delays unless such delays could be reasonably avoided and such delays occurred at the Warehouse Facility. Section 10(g) contains a blank space. If the Storer or Warehouse intends to define a damage and loss shrinkage allowance, then the Storer or Warehouse needs to define it here. A new subsection was added that allows for documents,

including this Receipt, to be in either physical or electronic format. A new subsection was added clarifying that unless specified otherwise, all dollar amounts are in Canadian currency.

II. SUPPLEMENTAL TERMS THAT CAN BE INCORPORATED INTO A STAND-ALONE CONTRACT OR AN ADDENDUM TO THE STANDARD TERMS AND CONDITIONS FOR MERCHANDISE WAREHOUSES

The following are additional provisions that a warehouse operator might consider when developing a customized contract for third-party warehouse services. The Canadian Council and the Legal Affairs Sub-Committee recommend that a party to the contract consult an attorney experienced in the practice of warehouse law before modifying provisions in the Standard Contract Terms and Conditions for Merchandise Storers or Warehouses.

RESPONSIBILITY FOR DEMURRAGE/DETENTION

Limiting liability for demurrage or detention charges to ___ loads per day of throughput volume.

WAREHOUSE LEGAL LIABILITY

- No liability for a loss amount in excess of \$_____ per occurrence. Zero or very narrow liability in the event that the Depositor has access to and the ability to manipulate the inventory control system.

PAYMENT TERMS

The parties may consider adding a new section to address payment terms, which might define:

- Payment due date
- Late payment charges and/or interest rate for undisputed past-due balances
- Number of days within which the Depositor must notify the Warehouse or Storer in the event of a disputed invoice
- Process for resolving disputed invoices
- Payment in-full (regardless of payment terms) in the event that the Depositor orders Goods and/or Articles to be removed from the Warehouse Facility.

DEFAULT

- Responsibility for giving written notice to the defaulting party
- Defined "Cure Period" (___ days); and obligation for "prosecuting" a default that is not possible to cure within the defined Cure Period

NONSOLICITATION OF EMPLOYEES

- Define the period of time, beyond the term of the contract, during which each party agrees not to recruit or employ any employee of the other party.
- Define compensation in the event that one party does hire an employee of the other party

CONFIDENTIALITY

A section could be added stipulating that neither party shall disclose to third parties any of the terms of the contract, nor any confidential or proprietary information either party learns about the other.

This form is designed to provide accurate and authoritative information regarding the subject matter covered. The publisher, the International Warehouse Logistics Association, is not engaged in rendering legal or other professional assistance. If legal advice or other expert assistance is required, the services of a competent professional person should be sought.