



Intermodal Coiled Metal Products Policy

The acceptance of “Coiled Metal Products” by CN Intermodal, will be subject to the following conditions. These conditions as amended from time to time are necessary to help ensure a safe rail environment for our employees, the general public, and to protect the best interests of our customers.

The shipper is responsible for:

- (1) Ensuring that the movement takes place between points on CN only and does not include other interline or switching carriers.
- (2) Securing the load within the Intermodal unit, such that it will prevent coils from shifting during the stresses of rail/road transportation or when being lifted to/from railcars by Intermodal lift equipment.
- (3) Ensuring **Coiled Metal Products** must not be loaded in Intermodal units that are more than five (5) years old. Date is determined on the date of shipment based on the construction date of unit.
- (4) Ensuring maximum gross weight will not exceed 75% of the rated capacity of the Intermodal unit. Maximum individual coil weight will not exceed 12,500 lbs per coil – including bracing and support material.
 - (a) Fiber optic cable, wire rope, electrical cable or similar commodities on reel and spools is excluded from the Intermodal Coiled Metal Products Policy.
 - (b) Coiled metal weighing less than 3,500 lbs is excluded from the Intermodal Coiled Metal Products Policy.
 - (c) Multi-packs of coils in individual stacks, must be unitized in such a manner as to maintain vertical alignment. In addition, these multi-packs must be properly secured to a skid or pallet in such a manner as to ensure they do not slide or change position on the skid or pallet during transportation. Maximum allowable weight in any single spot location must not exceed 12,500 lbs.
- (5) **Coiled Metal Products** shipped must be on skids and/or pallets designed to distribute weight over a larger floor contact area than the actual coil loaded upon such skid/pallet. The skid and/or pallet must be of sufficient dimension as to limit the load to 312 lbs per square foot of bearing surface. The skid/pallet length/width must be equal or greater to the diameter of the coils. The construction of the pallet or skid must be able to support the weight of coil without failure.

- (6) When loaded on vehicle floor **without use of an LRP/Sled, Coiled Metal Products** must be loaded in a vertical orientation (i.e. "eye-to the sky") **as long as they are in compliance with item No. 5 (above)**.
- (7) Ensuring that AAR or CN-approved blocking and bracing methods will be considered the minimum for securement of **Coiled Metal Products**. In addition, the weight of the Coiled Metal Product is evenly distributed over the floor, sills, and cross-members.
- (8) Ensuring the bill of lading identifies the shipment as "**COILED METAL PRODUCTS**", along with proper Standard Transportation Commodity Code (STCC). The shipper **CANNOT** use a "Freight All Kinds" (FAK) commodity code (STCC 46-110-1- & 49-501-50) for product description.
- (9) Ensuring the bill of lading must be accompanied by, or include, the following certification:

"The Intermodal unit is not more than five (5) years old; has been inspected; is structurally sound; is in proper condition for transport of coiled metal product; and is blocked and braced to AAR and CN-approved standards for safe rail transport & handling at Intermodal terminals."

NOTE: The shipper must print and sign the bill of lading.
- (10) Ensuring that it signs the CN Intermodal Coiled Metal Products Letter of Agreement prior to the first shipment. By signing the Letter of Agreement, the shipper assumes responsibility for "**ALL COSTS**" associated with any incident resulting from non-compliance with the conditions noted above, and will hold CN and all of its affiliated companies harmless with respect to any claims or costs arising from any breach of these conditions.
- (11) Agreeing to provide to CN prior to tendering any load of **Coiled Metal Products** for shipment a current Certificate of Insurance, at its expense, evidencing insurance coverage in an amount of not less than \$25 Million securing Shipper's indemnity obligations set forth herein.
- (12) Accepting that all containers must be visually inspected, inside and out, by a certified CN WorldWide North America agent prior to be tendered to CN. Loads may only be released to CN following this CN certification. All inspection costs to be borne by shipper. This inspection process does not absolve the shipper from any responsibility or liability in the event of failure resulting from non-compliance with the Coiled Metal Products Policy.
- (13) Agreeing that all containers and boxcars are subject to CN audit. If any non-compliant units are tendered to CN, the Shipper will be charged \$25,000, and unit will not be accepted for transportation on the railroad. Two failures to comply with the Coiled Metal Products Policy will lead to revocation of ability to ship on the CN network. This revocation will remain applicable until the Shipper demonstrates to CN's satisfaction that it has

implemented the Coiled Metal Products Policy and any specific measures identified by CN.

- (14) Ensuring compliance with the Coiled Metal Products Policy as amended from time to time and available on CN's Web Site at www.cn.ca.

Load and Roll Pallet (LRP), Holland Sled, or similar AAR/CN-approved device

Following are optional requirements allowing coils to be shipped. This is applicable **only** to products using a supplemental weight distribution system such as a **Load and Roll Pallet (LRP), Holland Sled, or similar AAR/CN approved device** that evenly distributes weight over the entire floor of the container in which the coils are shipped:

1. Coils exceeding 3,500 pounds must be loaded on a Load and Roll Pallet, Sled, or similar type of weight distribution system that evenly distributes weight over the entire floor of the container.
2. Intermodal equipment used to ship this product must not be any older than 5 years.
3. Coils up to 12,500 pounds may be shipped when using this type of weight distribution device.
4. Coils may be loaded on their sides if Weight Distribution device is designed to accommodate such loading and the manufacturers' requirements for securement of those coils loaded as such are met.
5. All other terms of the CN Intermodal Loading Policy remain in effect. The shipper is required to comply with all provisions of the Coiled Metal Products Policy Agreement.
6. Gross weight of product and weight distribution device (i.e. LRP, Sled or Similar AAR/CN-approved Device) must not exceed the weight capacity of the container in which the product is shipped.
7. Securement must be applied in such a manner as to use the doorpost slots for restricting movement. If device is so equipped with attachments this will suffice. If not so equipped, then Double laminated 2" x 4" x 18" hardwood must be placed in such a manner as to extend into the doorpost slots. Each application of blocking must use a minimum of 9 – 12d (3 ¼") Nails. A single double laminated 2" x 4" x 24" hardwood block must be placed at the center of the rear of the LRP/Sled/Load Distribution Device. This block must be nailed to the floor with 10 – 12d (3 ¼") nails. The combined use of the doorpost slots and 28 – 12d nails (applied as described above) will hold the lading in place. At the rear corner blocking a 2"x4" Piece of hardwood lumber 18" long must be nailed to the corner

- blocks with a minimum of 5 12d (3 ¼") long nails. These 2"x4" members must be placed vertically and inserted into the doorpost slots.
8. Use of the LRP or Holland Sled Weight Distribution Systems will allow coils to be loaded on their side as long as they are secured to the Weight Distribution device in accordance with AAR Standards.
 9. Coils must be secured to the LRP/Sled/Weight Distribution Device, with a minimum of 3 tiedown devices. These tiedown devices must consist of either, 2" x 0.44" Steel Strap, 3/8" Steel Chains and binders, or AAR Approved Web Strapping.
 10. In the event that the LRP/Holland Sled or Other Weight Distribution Device allows any lateral space in the container, it must be secured against lateral movement with minimum three applications of 2" x 4" x 18" Hardwood Lumber using seven - 12d Nails per application.

November 25, 2008



Coiled Metal Products Letter of Agreement

Effective _____, the Shipper agrees to comply with the following conditions for Intermodal domestic and international shipments of metal plates, sheets, rods and strips, in coils, (**“Coiled Metal Products”**) shipped in trailers or containers on CN’s railway. This agreement applies solely on CN lines and does not apply on shipments moving interline between other railroads or switching carriers.

1. The Shipper understands that the following procedures are being implemented to help ensure a safe rail environment for all CN employees, the general public, and shippers while protecting CN customers’ best interests. No metal coils will be transported unless this Letter of Agreement has been signed by the shipper and is on file at CN, indicating the shipper’s awareness and acceptance of the requirements for shipping **Coiled Metal Products** in trailers or containers on CN.

2. The undersigned Shipper acknowledges having received and reviewed a copy of the CN Intermodal Coiled Metal Products Policy. When tendering **Coiled Metal Products**, the shipper is fully responsible for ensuring compliance with the Coiled Metal Products Policy, for using equipment in suitable condition to carry concentrated weights, and for properly distributing the weight of the load over the flooring, sills, and cross-members of the Intermodal unit. **Coiled Metal Products** must be designated by commodity description, **“COILED METAL PRODUCTS”**, and proper Standard Transportation Commodity Code (“STCC”) on the shipping instructions. The shipper **must not** use a “Freight All Kinds”, FAK STCC Commodity Description. If container contains multiple commodities, in addition to **Coiled Metal Products**, a Coiled Metal Product STCC must be used. In no event will the shipper exceed 75% of the intermodal unit’s manufacturer’s cargo weight limitation. CN will not accept **Coiled Metal Products** in a trailer/container that is more than five (5) years old. Date is determined, based on the date of shipment and construction date of unit.

3. When shipping Coiled Metal Products, the Shipper shall provide a printed and signed bill of lading accompanied by or including the following certification:

“The Intermodal unit is not more than five (5) years old; has been inspected; is structurally sound; is in proper condition for transport of coiled metal product; and is blocked and braced to AAR and CN-approved standards for safe rail transport & handling at Intermodal terminals.”

4. Coiled Metal Products must be designated by commodity description, **“COILED METAL PRODUCTS”**, and proper Standard Transportation Commodity Code (STCC) on the shipping instructions. The shipper **must not** use a “Freight All Kinds” (FAK) commodity description. If container contains multiple commodities, in addition to Coiled Metal Products, a Coiled Metal

Product STCC must be used. In no event will the shipper exceed 75% of the intermodal unit's manufacturer's cargo weight limitation. CN will not accept Coiled Metal Products unless loaded in accordance with the Coiled Metal Products Policy.

5. At the request of CN, the Shipper agrees to provide a pre-loading inspection certificate of the equipment to include all structural members, i.e. stacking/corner posts, top/bottom rails, door and/or nose header, with comprehensive inspection of undercarriage, including cross-member/bottom rail junctions for cracks or failed welds and deterioration of the interior, and the undercarriage inspection of the floor will be conducted for suitability, as well as tunnel bolster components.

6. The shipper agrees to load the shipment in compliance with AAR loading regulations to include weight distribution and blocking and bracing. Shipper agrees to properly block and brace shipments to prevent any occurrence of longitudinal or lateral movement during the entire transport cycle when using this method. Shipper agrees that **Coiled Metal Products** will not exceed and imposed weight restriction of 12,500 lbs per coil including bracing and support material.

7. All containers must be visually inspected prior to being tendered to CN. CN will reject all non-compliant containers and refuse to transport any such container over the CN network. The shipper tendering the non-complying shipment will be responsible for any additional charges.

8. Acceptance for transportation by CN of an Intermodal unit of **Coiled Metal Products** that is not in compliance with this letter of agreement or the CN Intermodal Coiled Metal Products Policy cannot release shipper from its obligations.

9. The shipper tendering **Coiled Metal Products** to CN agrees to indemnify, defend and hold CN harmless from any and all claims, liabilities, fines, penalties, costs, losses, liens, causes of action, suits, demands, judgements, expenses, and damages (including, without limitation, court costs and attorneys' fees) resulting, in whole or in part, from:

- (a) the improper blocking and bracing or loading of **Coiled Metal Products**;
- (b) the use of a container or trailer that is for any reason unsuitable for the movement of **Coiled Metal Products**; or
- (c) the failure of the floor, walls, or doors in the trailer or container.

10. a) The Shipper will procure and maintain throughout the term of this Agreement, commercial general liability insurance including bodily injury, death, property damage, cross liability and Environmental Impairment Coverage on a Sudden and Accidental coverage basis, with liability coverage in an amount of not less than \$25,000,000 per occurrence. It is understood that the employees of the Shipper shall not be considered employees of CN and its affiliated companies. The insurance coverage shall have CN and its affiliated companies as additional insured.

b) Upon the written request of the CN, the Shipper shall provide to CN evidence of such insurance having been obtained and maintained in the form of a certificate of insurance, and such insurance shall not be subject to cancellation and/or alteration in a manner material to this Agreement except after at least thirty (30) days' prior written notice to CN. If the Shipper fails to comply with the requirements hereof to obtain insurance, the CN may, but need not, obtain such insurance and keep the same in effect and the Shipper shall pay to CN the premium cost thereof upon demand.

c) CN shall not be responsible for the payment of any premiums with respect to such insurance, and shall not be responsible for notifying the insurers of any occurrence or accident in or around the land occupied by the Shipper.

d) The Shipper agrees that the insurance provided herein does in no way limit the Shipper's liability pursuant to the Indemnity provisions of this Agreement.

11. In the event that the terms of this Letter of Agreement are not met, or the certification given to CN is not accurate, the shipper agrees to release CN from any and all claims it could otherwise assert against CN for loss or damage to shipper's shipments or their contents. In addition, the visual inspection performed by CN's agent, CN WorldWide North America, does not absolve the shipper from any responsibility or liability in the event of failure resulting from non-compliance with the Coiled Metal Products Policy.

This executed Letter of Agreement must be returned by mail or fax to:

Pierre Leblanc
Manager – Metal Facilities
CN WorldWide North America
935 rue de la Gauchetiere West
9th Floor
Montreal, QC
H3B 2M9

12. This Letter of Agreement may at any time be amended, cancelled, or revoked by CN, if CN considers for any reason, in its sole discretion, that such amendment, cancellation, or revocation is appropriate. CN will honor its agreement to transport the remaining shipments that are in transit only. The shipper will provide CN with all pertinent details, such as container numbers, origin and final destination.

The undersigned shipper agrees to the terms and conditions set forth above.

Name of Shipper: _____ Date: _____

By: _____ Title: _____

REVISION – December 12, 2008– John Green

November 25 2008