
PKM CANADA (JET FUEL) INC. TURBINE FUEL TARIFF

THE INTERIM RATES AND CHARGES IN THIS TARIFF ARE FOR THE TRANSPORTATION OF
TURBINE FUEL

Subject to the rules and regulations as defined herein:

| RATES | |
|---|--|
| From: | Connected Locations |
| To: | Delivery Point |
| 2023 Contracting Airlines Fee: | Annual Estimated Revenue Requirement \$10,544,000 |
| 2023 Non-Committed Shipper Toll: | \$12.11/m ³ |

Issued: October 4, 2022

Effective: January 1, 2023

Issued by:
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| Explanation of Reference Marks | |
|--------------------------------|-------------------|
| [N] | New |
| [W] | Change in Wording |

TRANSPORTATION SERVICE TERMS AND CONDITIONS

Service under this tariff is governed by the Agreement, as may be amended from time to time with approval of the BCUC. For ease of reference, the applicable sections of the Agreement have been reproduced below and modified for readability. Whenever any term or condition, express or implied, of this tariff conflicts or is at variance with any term or condition in the Agreement, such term or condition in the Agreement shall prevail to the extent of such conflict or variance.

Defined Terms.

In this tariff, unless something in the subject matter or context is inconsistent therewith, words and terms that are defined in the body of this tariff shall have the meanings specified therein. In addition, the following words and terms shall have the following meanings:

"Agreement" means the Letter Agreement regarding Transportation Service on Pembina's Jet Fuel Line dated January 31, 2022 among Carrier, VAFFC, each of the Contracting Airlines and, solely for the purposes of Section [W] ~~8 Error! Reference source not found.~~ of the Agreement, Parkland, and which was filed with the BCUC as Exhibit B-94 in the PKM Canada (Jet Fuel) 2019 Tariff Filing BCUC Proceeding.

"**Applicable Law**" means the common law and the mandatorily applicable laws, statutes, directives, codes, ordinances, rules, regulations, municipal bylaws, judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings or awards, consent orders, consent decrees and policies of any Governmental Authority having jurisdiction over the Parties, the Agreement, the Pipeline System or the subject matter hereof.

"**Applicable Shipper**" means VAFFC, a Contracting Airline [N] (or a Fuel Supply Agent designated by either of them) or a Non-Committed Shipper, as the context requires.

"**BCUC**" means the British Columbia Utilities Commission.

"**Business Day**" means a calendar day other than a Saturday, Sunday or statutory holiday in Calgary, Alberta or Vancouver, British Columbia, or any other day upon which banks are generally not open for the transacting of non-automated commercial business in Calgary, Alberta or Vancouver, British Columbia.

"**Carrier**" means PKM Canada (Jet Fuel) Inc.

"**Connected Locations**" means the receipt points for Turbine Fuel located at the following pipeline locations, and demarcated as the suction side of the jet fuel pumps at these facilities:

- (a) the marketing terminals located at the Burmount Terminal currently owned and operated by Shell Canada Ltd. and the Westridge Terminal currently owned and operated by Trans Mountain Pipeline L.P.; and
- (b) the Connected Refinery.

"**Connected Refinery**" means the refinery located at Burnaby, B.C. and currently owned and operated by Parkland.

"**Contracting Airline**" means an air carrier operating at the Vancouver International Airport which has executed, whether as an original signatory or subsequently by joinder agreement or similar instrument, and continues as of the date hereof or any future relevant date to be party to, the Interline Agreement.

"**Fuel Supply Agent**" means a fuel supplier designated and authorized by VAFFC or a Contracting Airline to Tender Turbine Fuel to Carrier, as agent on behalf of VAFFC or a Contracting Airline, as applicable, for transportation on the Pipeline System.

"**Governmental Authority**" means any government, administrative or regulatory entity, authority, commission, board, agency, instrumentality, bureau or political subdivision and any court, tribunal or judicial or arbitral body (whether federal, provincial or local or, in the case of an arbitral body, whether governmental, public or private) having jurisdiction over the Parties, the Agreement, the Pipeline System or the subject matter hereof.

"**Interline Agreement**" means the Amended and Restated Interline Agreement among the Contracting Airlines made as of December 1, 2006, as it may be further amended, replaced or superseded from time to time.

"**m³**" means cubic metre at 15^o Celsius.

"**Non-Committed Shipper**" means a shipper or consignee on the Pipeline System other than VAFFC or a Contracting Airline.

"**Parkland**" means Parkland Refining (B.C.) Ltd.

"**Party**" or "**Parties**" means individually or collectively respectively, Carrier, VAFFC and each of the Contracting Airlines.

"**Pipeline System**" means, collectively, the Turbine Fuel pipeline connecting the Connected Locations to the Delivery Point (as defined in this tariff) and all pipes, valves, pumps, meters, custody transfer equipment, interconnection facilities and communications equipment that form the interconnected pipeline system.

"**Return to Service**" means all necessary steps and approvals to return the Pipeline System to service at the existing licensed maximum operating pressure of 3445 kPa.

"**Service Term**" has the meaning set out in this tariff.

"**Tender**" means an offer by an Applicable Shipper to Carrier of a stated quantity of Turbine Fuel for transportation from a specified reception point or points to a specified destination point or points in accordance with the Agreement.

"**Turbine Fuel**" means aviation turbine fuels which fall within the definitions of Treated Turbine Fuel or Untreated Turbine Fuel.

"**Treated Turbine Fuel**" means aviation turbine fuels conforming to the latest revisions of the Canadian General Standards Board, currently CAN/CGSB-3.23-2005 Aviation Turbine Fuel (Grades JET A and JET A-I).

"**Untreated Turbine Fuel**" means aviation turbine fuels which meet the standards applicable to Treated Turbine Fuel except for electrical conductivity.

"**VAFFC**" means the Vancouver Airport Fuel Facilities Corporation.

Unless otherwise expressly specified herein (i) defined terms in the singular will also include the plural and vice versa; (ii) the words "hereof", "herein", "hereunder" and other similar words refer to the Agreement as a whole; (iii) "annual" means the period beginning at 7:00 a.m. Mountain Time on the first day of January of any calendar year and ending at 7:00 a.m. Mountain Time on the first day of January of

the next calendar year, and "month" means the period beginning at 7:00 a.m. Mountain Time on the first day of any calendar month and ending at 7:00 a.m. Mountain Time on the first day of the next calendar month; and (iv) where a term is defined herein, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires. The division of this tariff into Sections and the provision of headings in this tariff are for convenience only and will not in any way affect the meaning or construction of any provision of this tariff. Unless the context otherwise requires, "including" means "including, without limitation", and "includes" and other derivatives thereof shall have corresponding meanings.

All amounts payable under this tariff are payable in Canadian dollars, and references in this tariff to monetary amounts are references to the lawful currency of Canada.

No presumption will operate in favour of or against any Party as a result of any responsibility that any Party may have had for drafting the Agreement.

Any reference in this tariff to an agreement shall, unless the context otherwise requires, mean and refer to such agreement as modified, amended, restated or supplemented from time to time, and a reference to any statute is a reference to it and to the regulations, bylaws or other subsidiary legislation made pursuant thereto all as re-enacted, varied, amended, modified, supplemented or replaced from time to time.

Words, phrases or expressions which are not defined in this tariff and which, in the usage or custom of the business of the transportation of petroleum have an accepted meaning, shall have that meaning.

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| <u>Type of Petroleum:</u> | Turbine Fuel |
| <u>Receipt Points:</u> | The Connected Locations (the " Receipt Point ") |
| <u>Delivery Point:</u> | The outlet flange of Carrier's terminal tanks through which Turbine Fuel is delivered to Applicable Shippers at Vancouver International Airport (the " Delivery Point ") |
| <u>Service Term:</u> | Subject to an early termination as provided in this tariff, the term for the services described in this tariff shall begin on the Return to Service Date (as defined below) and shall continue for 120 months thereafter (the " Service Term "). |
| <u>Duty of Carrier:</u> | Subject to any Applicable Law, Carrier will accept Tenders for transportation of Turbine Fuel from the Receipt Point to the Delivery Point in accordance with the terms of the Agreement if satisfactory evidence has been furnished by an Applicable Shipper that arrangements acceptable to Carrier have been made to deliver such Turbine Fuel into the Pipeline System. Carrier will transport Turbine Fuel with reasonable diligence, considering the quantity of Turbine Fuel being transported, the distance of transportation, the safety of operation and other material factors. Carrier may refuse to accept Turbine Fuel for transportation unless satisfactory evidence is furnished that an Applicable Shipper has provided the necessary facilities for the prompt receiving of said Turbine Fuel at the Delivery |

Point. Carrier's terminal tanks are working tanks only and Carrier does not furnish storage facilities.

Fuel Supply Agent Tendering Rights:

A Fuel Supply Agent may Tender volumes of Turbine Fuel for transportation on the Pipeline System as agent on behalf of VAFFC or a Contracting Airline, provided that VAFFC or the Contracting Airline, as applicable, shall be liable to Carrier for all obligations under the Agreement in connection with such Turbine Fuel, and Carrier will be entitled to deal solely and exclusively with VAFFC, or VAFFC as agent on behalf of the applicable Contracting Airline, as applicable, for all purposes hereunder.

Title:

No Turbine Fuel will be accepted for transportation the title to which is in litigation or as to which a dispute of title exists or the title to which is encumbered by lien or charge of any kind, provided, however, that Carrier may waive this requirement if satisfactory bond or other surety has been furnished by the Applicable Shipper.

Specifications as to Quality Received:

No Turbine Fuel will be accepted for transportation except good merchantable Turbine Fuel which is readily transportable by the Pipeline System and no Turbine Fuel will be accepted the quality of which has been impaired through the character of storage in which it has been held, nor will Turbine Fuel be accepted which contains undissolved water, mineral acidity, sediment, or suspended matter or which has a nauseating or irritating odor. No substance of known dangerous toxicity under usual conditions of handling and use shall be present, except as permitted herein. No Turbine Fuel will be accepted unless, in the opinion of Carrier, its characteristics are such that it will be readily transportable as a separate batch or in a commingled batch and will not materially affect the quality of other shipments or cause disadvantage to other Applicable Shippers and/or Carrier. No Turbine Fuel will be accepted for transportation until the Applicable Shipper has provided a Certificate of Quality in a form satisfactory to Carrier.

Conductivity Additive and Clay Filtering:

Carrier's airport injection and filtering facilities are utilized as required to ensure that only Treated Turbine Fuel is delivered by Carrier in accordance with the "Responsibility for Quality Delivered" and "Batching Information" provisions of this tariff. Carrier will operate its injection and filtering facilities, as requested by an Applicable Shipper, and will exercise reasonable care in so doing; however, such Applicable Shipper is solely responsible for determining the steps to be taken to upgrade its Untreated Turbine Fuel, including the selection and supply of additives, the determination of volumes to be injected and the initiation and duration of filtering.

Responsibility for Quality Delivered:

Carrier will use reasonable efforts to deliver Treated Turbine Fuel of a grade and density equivalent to that accepted from an Applicable Shipper, however, Carrier shall be under no obligation to deliver the identical Turbine Fuel and may make delivery out of its common

stock. Shipping specifications of Jet A-1 shall be such as to permit the blending of Jet A into Jet A-1 to the limit of 1% of Jet A-1 delivered to the Applicable Shipper. Within these limits revaluations deemed appropriate by reason of difference in grade and quality that may occur between receipt and delivery of Turbine Fuel by Carrier shall be between and for the account of the Applicable Shipper. Carrier shall have no responsibility in or for such revaluations or settlements other than to furnish data on quantities and densities of the Turbine Fuel so received and delivered.

Batching Information:

Turbine Fuel will be accepted for transportation in accordance with batching schedules to be issued monthly by Carrier. Information for these batching schedules is to be supplied to Carrier by Applicable Shippers on or before the 21st day of the month preceding the month during which the Turbine Fuel is to be transported. Batches of Turbine Fuel will be transported in minimum quantities of not less than 800 m³ except that Carrier may move smaller batches when, in the opinion of Carrier, such movement is practical. The quantity delivered at the Delivery Point must be a minimum of 800 m³ unless, in the opinion of Carrier, the delivery of smaller quantities is practical. If total volume Tendered for shipment during any one month exceeds the Pipeline System delivery capacity for such month, Turbine Fuel will be transported in such quantities and at such times to the limit of capacity so as to avoid discrimination among the Applicable Shippers and to allocate capacity on a pro rata basis proportionate to the volume of Turbine Fuel Tendered by each Applicable Shipper in such month.

Deliveries:

Deliveries of Turbine Fuel at Vancouver International Airport will be delivered into Carrier's terminal tanks. On completion of delivery and any necessary additive injection or filtering, Carrier will isolate the tank or tanks utilized and will determine the quality of Treated Turbine Fuel delivered. After tankage is so isolated, Carrier shall notify the Applicable Shipper and the Applicable Shipper shall accept and remove such Treated Turbine Fuel from Carrier's terminal tanks within 24 hours, and custody of such Treated Turbine Fuel shall transfer from Carrier to the Applicable Shipper at the Delivery Point.

Gauging and Volume Corrections:

Prior to its acceptance by Carrier and following its delivery, Turbine Fuel will be measured by representatives of Carrier. At the option of Carrier, Turbine Fuel may be measured by metering or gauging. If tank gauges are used, quantities will be determined from regularly compiled 100% tank tables. Turbine Fuel of required specification will be received and delivered with volume corrected from observed temperature to 15⁰ Celsius.

Documents:

Turbine Fuel received or delivered in each instance shall be evidenced by tickets showing either the metered total or the opening and closing tank gauges, temperature and any other data essential

to the determination of quantity. The Applicable Shipper may have a representative present at the gauging, metering, and testing.

Destination:

Upon 24 hours notice by Carrier, the Applicable Shipper shall accept and remove its shipment from the Pipeline System. If shipment is not being removed in a reasonable manner after expiration of the 24 hours notice, a demurrage charge of \$0.025 per m³ per day or part thereof shall accrue on all Turbine Fuel not removed.

In the event an Applicable Shipper is unable to upgrade its Untreated Turbine Fuel so that it will meet the standards of Treated Turbine Fuel, such Applicable Shipper shall take immediate steps to remove the Untreated Turbine Fuel in order to provide space in Carrier's terminal tanks for the receipt of succeeding Tenders, and any Untreated Turbine Fuel not removed by such Applicable Shipper may, at Carrier's sole discretion, either be (i) disposed of by Carrier, at the expense of the responsible party or parties, or (ii) sold by Carrier in accordance with the "Unpaid Charges" provision.

VAFFC and Contracting Airlines Shipper Tolls:

The toll VAFFC will pay to Carrier for providing transportation service to VAFFC on the Pipeline System during the Service Term (the "**VAFFC Toll**") shall be the payment of the prescribed amount into the Abandonment Fund (as defined below).

The VAFFC Toll is not a cost per m³ transported on the Pipeline System or otherwise dependent on any minimum monthly, annual or total throughput volume Tendered for transportation at the Receipt Point by any Applicable Shippers, rather it is a fixed fee for the Service Term satisfied by VAFFC paying the prescribed amount into the Abandonment Fund (as defined below) in accordance with this tariff.

The toll VAFFC will pay on behalf of the Contracting Airlines to Carrier for providing transportation service on the Pipeline System to the Contracting Airlines during the Service Term (the "**Contracting Airlines Toll**") shall be equal to the sum of (i) the Management Fee, (ii) the Operating Fee, (iii) the Return to Service Cost and (iv) the Depreciation Cost. The Contracting Airlines Toll is not a cost per m³ transported on the Pipeline System or otherwise dependent on any minimum monthly, annual or total throughput volume Tendered for transportation by any Applicable Shippers; rather it is a flow through of Carrier's costs and expenses, and is billed on a monthly basis in accordance with this tariff, and will be payable even if no volumes are transported on the Pipeline System in such month or during the Service Term. Any component of the Contracting Airlines Toll payable as a fixed annual amount shall be paid in 12 equal monthly instalments during such year of the Service Term.

The Contracting Airlines Toll payable each month shall be reduced by an amount equal to 85% of any Non-Committed Shipper Tolls accrued to Carrier in such month (the "**Contracting Airlines Cost Adjustment**").

Management Fee:

The "**Management Fee**" shall be an annual charge of \$1,500,000 for each year of the Service Term and shall be invoiced on a monthly basis in accordance with this tariff.

Operating Fee:

The "**Operating Fee**" for each year during the Service Term shall be the sum of (i) the actual operating, maintenance and integrity costs (including administrative and general costs, but excluding insurance costs) required for the operation of the Pipeline System for that year, which shall be fully reimbursed by the Contracting Airlines on a flow-through basis, and (ii) a set annual insurance fee in the amount of \$750,000.

Carrier shall provide to the Contracting Airlines,

- (a) for the period commencing on the Return to Service Date (as defined below) and ending on December 31st of that calendar year, on or before the date that is at least 10 days prior to the Return to Service Date; and
- (b) for each subsequent year commencing January 1st and ending December 31st (or upon the expiration of the Agreement in respect of the last year of the Service Term), on or before September 30th of the preceding calendar year,

a non-binding estimate of the Operating Fee for such year, provided that such budget will not limit Carrier's right to invoice for actual costs and expenses during each month of the Service Term.

The Operating Fee shall be invoiced on a monthly basis in accordance with this tariff.

Return to Service Cost:

Upon the Return to Service of the Pipeline System, as determined by Carrier following any required approval or confirmation by the British Columbia Oil and Gas Commission ("**BC OGC**"), so that the Turbine Fuel transportation services set forth in the Agreement may be provided on the Pipeline System (the date upon which the Return to Service is achieved, the "**Return to Service Date**"), the Contracting Airlines shall reimburse Carrier as set out below for all actual costs (except for Carrier legal costs) incurred in achieving Return to Service (the "**Return to Service Cost**"), which shall include all costs incurred in the performance of the work as contemplated in the Jet Fuel Line Return to Service Plan Action Update attached to the Agreement, and which attachment the Parties acknowledge is only a non-binding estimate of the actual costs.

The Return to Service Cost shall be amortized over the Service Term using a 5% weighted average cost of capital rate and shall be invoiced on a monthly basis in accordance with this tariff. At the time of delivering the estimated annual Operating Fee to the Contracting Airlines in respect of the initial operating year in accordance with the "Operating Fee" provision of this tariff, Carrier shall also provide the

Contracting Airlines an estimate of the Return to Service Cost, and the Monthly Payments shall be determined in accordance with such estimate until the finalized Return to Service Cost is determined. Following the determination of the finalized Return to Service Cost, the next Monthly Payment shall be adjusted so as to account for any amounts owed on account of that adjustment by the Contracting Airlines to Carrier, or by Carrier to the Contracting Airlines, as the case may be.

Following the Return to Service of the Pipeline System, Carrier will diligently follow good industry practice to maintain the Pipeline System to be able to provide transportation service at the existing licensed maximum operating pressure of 3445 kPa, subject to the qualifications outlined in the Duty of Carrier section of this tariff.

Depreciation Cost:

The "**Depreciation Cost**" shall be \$3,407,000, amortized over the Service Term using a 5% weighted average cost of capital rate and shall be invoiced on a monthly basis in accordance with this tariff.

Abandonment Cost:

On the Return to Service Date, VAFFC shall pay \$12,600,000 into an account designated by Carrier, which account will be in the name of, and will be the sole property of, Carrier (the "**Abandonment Fund**").

Carrier shall not withdraw, transfer, pledge or otherwise encumber any funds from the Abandonment Fund until either (i) the expiration of the Service Term, or (ii) such earlier termination of the Agreement in accordance with the terms hereof. Carrier shall have investment control of the Abandonment Fund at all times and any interest or income earned thereon shall accrue, net of applicable taxes, to and form part of the Abandonment Fund. The difference between the Abandonment Fund and the actual costs incurred by Carrier in the abandonment of the Pipeline System, which may be a positive or negative amount, shall be for the sole account of Carrier.

Carrier will not seek additional recovery from Applicable Shippers (including VAFFC and any of the Contracting Airlines) or Fuel Supply Agents, in relation to transportation service on the Pipeline System for decommissioning, discontinuance of service or abandonment costs related to the Pipeline System ("**Abandonment Costs**") beyond the Abandonment Fund.

Subject to the foregoing, Carrier will not seek to recover any further Abandonment Costs from VAFFC or any Contracting Airline regardless of any obligations that the BCUC or another Government Authority may impose related to the decommissioning, discontinuance of service or reclamation of the Pipeline System.

Invoicing and Payment of Contracting Airlines Toll:

VAFFC, on behalf of the Contracting Airlines, shall pay to Carrier for each month of the Service Term, the Contracting Airlines Toll for that month and any other applicable transportation charges, cargo rates, airport charges and other lawful charges accruing on Turbine Fuel delivered to and accepted by Carrier for shipment, including any Turbine Fuel Tendered by a Fuel Supply Agent as agent on behalf of

a Contracting Airline, less the Contracting Airlines Cost Adjustment, as applicable (the "**Monthly Payment**"), all in accordance with this provision.

On or before the 20th day of each month, Carrier shall invoice VAFFC, on behalf of the Contracting Airlines, for the Monthly Payment due to Carrier for the prior month, providing supporting documentation acceptable in industry practice to support the amount charged.

If the actual amount of the Operating Fee component of the Contracting Airlines Toll is not known by the invoice date, the invoice shall be prepared based on estimates by Carrier, acting reasonably, and following the determination of the finalized Operating Fee for such month, the next Monthly Payment shall be adjusted to account for any amounts owed on account of that adjustment by the Contracting Airlines to Carrier, or by Carrier to the Contracting Airlines, as the case may be.

VAFFC, on behalf of the Contracting Airlines, shall pay the invoiced amount for a month on or before the 25th day of the following month (or if such day is not a Business Day, the Business Day immediately prior thereto), unless otherwise set forth in the invoice.

If the Contracting Airlines, or VAFFC on their behalf, dispute, in good faith, the amount of any such invoice or part thereof, VAFFC, on behalf of the Contracting Airlines, shall nonetheless pay the full amount of such invoice on or before such date.

Non-Committed Shipper Toll:

The toll to be paid by Non-Committed Shippers to Carrier for providing transportation service on the Pipeline System in each year during the Service Term (the "**Non-Committed Shipper Toll**") shall equal (a) the sum of: (i) the Management Fee; (ii) the Return to Service Cost; (iii) the Depreciation Cost; and (iv) the estimated Operating Fee; applicable for such year, divided by (b) the estimated operating capacity (measured in m³) of the Pipeline System in the applicable year or such toll as may otherwise be in effect on the date of receipt thereof by Carrier, irrespective of the date of Tender.

Carrier shall provide notice to any Non-Committed Shippers of the Non-Committed Shipper Toll applicable for a given year during the Service Term as of the date upon which it provides the estimated annual Operating Fee to the Contracting Airlines in accordance with the "Operating Fee" provision of this tariff.

Notwithstanding the foregoing, if a VAFFC Termination (as defined below) occurs, and service on the Pipeline System is not immediately discontinued upon such event, the then-current Non-Committed Shipper Toll shall be adjusted pursuant to an application to the BCUC for an interim toll approval, which revised Non-Committed Shipper Toll shall become effective concurrently with such VAFFC Termination.

Non-Committed Shipper
Invoice and Payment:

Non-Committed Shippers shall pay the Non-Committed Shipper Toll, and any other applicable transportation charges, cargo rates, airport charges and other lawful charges accruing on Turbine Fuel delivered to and accepted by Carrier for shipment, and, if required, shall pay the same before delivery at the Delivery Point.

Unpaid Charges:

Carrier shall have a lien on all Turbine Fuel in its possession belonging to Applicable Shippers to secure the payment of any and all unpaid transportation or other lawful charges that are due to Carrier, and may withhold such Turbine Fuel from delivery until all unpaid charges have been paid. If such charges remain unpaid 14 days after notice and demand therefore, or even in the absence of unpaid charges when there shall be a failure to take Turbine Fuel within 14 days after the expiration of notice of arrival at the Delivery Point in accordance with the "Destination" provision of this tariff, Carrier shall have the right, directly or through an agent, to sell such Turbine Fuel at public auction, at Carrier's office in Calgary, Alberta, Canada, on any day not a legal holiday, after three consecutive days' publication of notice of such sale in a daily newspaper of general circulation published in that city, stating the time and place of sale, and the quantity and location of Turbine Fuel to be sold. At such sale Carrier shall have the right to bid and, if the highest bidder, to become the purchaser. From the proceeds of such sale Carrier will pay itself the tolls, transportation and all other lawful charges, including reasonable storage charges pending sale and expenses incident to said sale, and the balance remaining, if any, shall be held for whomsoever may be lawfully entitled thereto.

Early Termination:

VAFFC and the Contracting Airlines, in accordance with the Interline Agreement or resolutions duly passed thereunder, may collectively terminate the Agreement in its entirety at any time during the Service Term upon 12 months' written notice to Carrier ("**VAFFC Termination**"). Upon VAFFC Termination, VAFFC shall immediately pay the following amounts to Carrier on behalf of the Contracting Airlines:

- (c) all Management Fees and Operating Fees for services provided up to the date of expiry or termination which as of the date of termination of the Agreement have not been paid by VAFFC, on behalf of the Contracting Airlines, to Carrier; and
- (d) the unamortized balance of the Return to Service Cost and the Depreciation Cost which will include all amounts that would have been paid by VAFFC, on behalf of the Contracting Airlines, up to and including the expiry of the Service Term (making the assumption that no volumes are received from Non-Committed Shippers), but will not include the 5%

weighted average cost of capital rate for such accelerated amount.

Further, upon a VAFFC Termination, VAFFC and the Contracting Airlines shall support any application by Carrier to the BCUC for the discontinuance of service on the Pipeline System.

Liability of Carrier:

Carrier while in possession of Turbine Fuel, shall not be liable for any loss thereof, damage thereto or delay caused by fire, storm, flood, epidemics, acts of God, riots, insurrection, rebellion, sabotage, strikes, labor disturbances, shortage of labor or breakdown of transportation or storage facilities, war or acts of the Queen's enemies, or from quarantine, or authority of law or from any order, requisition, interest or necessity of the Government of Canada or any province thereof, an Applicable Shipper default, or from any cause whatsoever, whether enumerated herein or not, except by its own direct negligence or the negligence of its servants or agents. In case of the loss of Turbine Fuel from any cause other than the direct negligence of Carrier, its servants or agents, each Applicable Shipper shall bear a loss in such proportion as the amount of its shipment already delivered to Carrier bears to all the Turbine Fuel then in the custody of Carrier on the Pipeline System, and each Applicable Shipper shall be entitled to have delivered only such portion of its shipment as may remain after deduction of its due proportion of such loss.

VAFFC Audit Rights:

VAFFC, for itself and on behalf of the Contracting Airlines, may audit the books, records and accounts of Carrier up to one time in any 12-month period for the purpose of ascertaining, verifying or effecting adjustments to the Contracting Airlines Toll payable under the Agreement or the Contracting Airlines Cost Adjustment, provided that VAFFC, for itself and on behalf of the Contracting Airlines, shall agree to any reasonable confidentiality obligations as may be required by Carrier prior to the commencement of such audit, including a requirement that such audit be performed by an independent, nationally recognized firm of certified professional accountants in Canada in the event that Carrier has reasonable belief that such audit could reveal commercially-sensitive information.

Such audit must be conducted upon reasonable notice to Carrier at its offices during normal business hours with a minimum of interruption to the normal business activities of Carrier, and must be conducted at the sole expense of VAFFC and the Contracting Airlines.

Any discrepancies disclosed by such audit shall be identified in writing to Carrier within the 60 days following the completion of such audit, and Carrier shall respond in writing to any claims or discrepancies within 90 days of the receipt of such claims.

To the extent that the Parties are unable to resolve any outstanding claims or discrepancies disclosed by such audit within 60 days of the response of Carrier, such dispute will be referred to Deloitte LLP (or

if Deloitte LLP is unable or unwilling to act, to another nationally recognized firm of certified professional accountants in Canada), acting as an expert and not as an arbitrator, whose determination shall be final and shall be binding on the Parties.

If the Parties cannot agree on the firm of certified professional accountants which will make such determination, then such firm shall be selected by Carrier, in good faith, provided that such firm may not be Carrier's auditors. The costs and expenses of the accounting firm will be borne by the unsuccessful Party to any dispute referred to expert determination, provided that if the expert determination involves more than one matter and neither Party is successful on all matters subject to expert determination, the costs and expenses of the accounting firm will be borne as determined by the accounting firm.

Claims, Suits and Time for Filing:

As a condition precedent to recovery, claims for loss, damage, or delay in connection with the shipment of Turbine Fuel Tendered for shipment under the terms of the Agreement must be filed in writing with Carrier within one month after delivery of the Turbine Fuel, or, in the case of failure to make delivery, then within three months after a reasonable time for delivery has elapsed; and suits arising out of such claims must be instituted against Carrier within six months from the day when notice is given in writing by Carrier to claimant that Carrier has disallowed the claim or any part or parts thereof specified in the notice. In causing Turbine Fuel to be transported under the Agreement, Applicable Shippers agree to be bound by the provisions of this provision and waive any rights which they might otherwise have, at common law or otherwise, to make a claim after the expiration of the said period of one month or the said period of three months as the case may be or to bring an action after the expiration of the said period of six months.

Licence:

No Turbine Fuel will be accepted for transportation hereunder from any Applicable Shipper conducting the business of selling Turbine Fuel and other aviation fuel and oil products at Vancouver International Airport until such Applicable Shipper has provided evidence satisfactory to Carrier that it has received the necessary authority to conduct such business from the Vancouver International Airport Authority and/or the Minister of Transport pursuant to the Public Lands Leasing and Licensing Regulations.

Full Return to Service:

At any time during the Service Term, VAFFC and the Contracting Airlines may request from Carrier any required license amendments to increase operating pressure on the Pipeline System up to 9930 kPa to achieve volumetric flow rates consistent with those experienced prior to the pipeline shutdown in April 2021 ("**Full Return to Service**").

Upon receiving the request for a Full Return to Service, Carrier will, acting diligently, prepare a reasonable, good faith cost estimate and schedule, and a form of amendment to the Agreement, each as

required to prepare an application acceptable to the BCUC and BC OGC for a Full Return to Service.

Upon receiving the Full Return to Service cost and schedule estimate and form of amendment, VAFFC and the Contracting Airlines will have 30 Business Days to inform Carrier of their collective acceptance and election to proceed. Upon acceptance by VAFFC and the Contracting Airlines, VAFFC, the Contracting Airlines and Carrier shall execute an amendment to the Agreement in the form previously provided to be filed for approval with the BCUC.

Upon the approval of the BCUC of the amendment to the Agreement in its entirety without modification, Carrier will proceed with the scope of work required to achieve Full Return to Service and make an application to the BC OGC to increase the licensed maximum operating pressure of the Pipeline System.

If the required approval from the BCUC is not so obtained, Carrier shall have no obligation to proceed with the Full Return to Service work.

If the required approval from the BC OGC is not so obtained, Carrier will have no obligation to complete the Full Return to Service work, and VAFFC, on behalf of the Contracting Airlines, will reimburse Carrier for all Full Return to Service costs (based on actual costs) incurred by Carrier, including any costs associated with turning down or abandoning previously completed Full Return to Service work.

The form of amendment to the Agreement will reflect the following: (i) the Full Return to Service costs (based on actual costs) shall be amortized over the remaining Service Term using a 7.5% weighted average cost of capital rate, and (ii) the unamortized balance of the Full Return to Service shall immediately be payable by VAFFC, on behalf of the Contracting Airlines, to Carrier upon a VAFFC Termination.

Notwithstanding the foregoing, Carrier shall not be obligated to pursue any Full Return to Service scope of work if the estimated cost of same is in excess of \$10,000,000 in the aggregate.