

## CONTRACT TERMS AND CONDITIONS

The forwarder or carrier or party in possession hereinafter called "Carrier." shall be liable, as at common law, for physical loss of damage to any articles from external cause while being carried or held in storage in transit within the limits contained on the face hereof, subject to the following exclusions, limitations and conditions.

### PART I – INLAND TRANSPORTATION

#### SECTION I. EXCLUSIONS

Carrier shall not be liable

A. For loss, damage, delay or other result caused by:

- (a) Hostile or warlike action in time of peace or war, including action in hindering, combating or defense against an actual impending or expected attack by any government or sovereign power, or by any maintaining or using military, naval or air forces, or by military naval or air forces or any agent of the government, power, authority or forces;  
(b) Nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or controlled, and whether direct or indirect, proximate or remote;  
(c) Insurrection, rebellion, revolution, civil war, usurped power, or action by governmental authority in hindering, combating or defending against such an occurrence;  
(d) Seizure or destruction pursuant to customs regulations or laws.
- An act, omission or order of shipper, consignee, or owner, or servant, agent, or employee thereof.
- Insects, moth, vermin and ordinary wear and tear.
- The nature of the article, or any defect, characteristic, or inherent vice thereof, including susceptibility to damage because of atmospheric conditions such as temperature and humidity, or changes therein.
- Strikes, lockouts, labor disturbances, riots, civil commotions, or the acts of any person, or person taking part in any such occurrence or disorder.
- Highway obstruction, or faulty or impassable highways, or lack of capacity of any highway, bridge, or ferry, or caused by breakdown of mechanical defect of vehicles or equipment, or from any cause other than negligence of the carrier.

B. For condition or flavor of perishable articles, including frozen food or other articles requiring refrigeration, or damage to contents of container resulting therefrom.

C. For works of art, documents, currency, money, jewelry, watches, precious stones, or articles of extraordinary value including accounts, bills, deeds, evidence of debt, securities, notes, postage stamps, trading stamps, stamps collection, revenue stamps, letters or packets of letters, precious metals or articles manufactured therefrom, or articles of peculiar inherent value.

D. For loss or damage occurring:

- After packing, but before loading, while the property is in the custody or control of the shipper or the shipper's agent; or
- Before loading, when the carrier is directed to load property or render any services at a place or places at which the consignor or its agents is not present; or
- After unloading or delivery, when the carrier is directed to unload or to deliver property or render any services at a place or places at which the consignee or its agent is not present; or
- After the property has been delivered to or received for by the consignee or shipper or the authorized agent for either.

E. For consequential damages resulting from negligent delay, unless the shipper delivers notice in writing to the carrier, at the time of acceptance of the shipment by carrier, stating the nature and extent of the consequential damages that may be incurred by shipper, consignee, or owner of the shipment, in the event of negligent delay.

F. For consequential damages proximately caused by the physical loss or damage to any article or articles, unless the shipper delivers notice in writing to the carrier at the time of acceptance of the shipment by carrier, stating the nature and the extent of the consequential damages that may be incurred by the shipper, consignee or owner of the shipment, in the event of physical loss or damage to an article or articles.

#### SECTION II. LIMITATIONS

A. The total liability of the carrier for physical loss or damage to property shall in no event exceed:

- The cost of repairing such property or
- The cost of replacing such property with material of like kind and quality, or
- The difference between the actual cash value of the property at the time of acceptance by the carrier and at the time of delivery, or
- The actual cash value of such property at time and place of loss, or
- The maximum value of such property as determined on the face hereof whichever is least. In determining the actual cash value of property, depreciation or deterioration shall be deducted, and sentimental value shall be excluded.

B. The total liability of the carrier with regard to sets of matched pieces shall not exceed the cost of repairing or replacing the physically lost or damaged piece or pieces only, as provided above, and shall not extend to repairing, replacing, or recovering the entire set, or any diminution in value of the set as whole.

C. In the event business records, films, photographs, manuscripts, research notes, or similar items are contained in the shipment, any such time shall be deemed to have actual cash value equal to the portion of the maximum value of the entire shipment that the weight of such items bears to the net weight of the entire shipment, and the carrier's liability for physical loss or damage of said time shall not exceed the sum thus determined.

D. The total liability of the carrier for damages of every kind and nature whatsoever from loss, damage and delay of property shall in no event exceed the maximum value, as determined on the face thereof.

E. The maximum value of the entire shipment or of each article therein, and the limit of liability based thereon, as provided in this contract, shall be applicable to all services undertaken by carrier and its agent.

#### SECTION III. CLAIMS FOR LOSS, DAMAGE OR DELAY.

A. CLAIM PROCEDURE

- Any claim, for loss, damage or delay of shipment must be filed in writing with the carrier within ninety (90) days after a reasonable time for delivery has elapsed.
- Carrier's transportation and other charges are earned upon acceptance of the shipment by carrier. No claim for loss, damage or delay of the shipment will be considered until all transportation and other charges thereon have been paid. The amount of any claim may not be deducted from transportation and other charges payable.
- Concealed loss or damage (i.e., loss or damage discovered by the consignee after delivery and after a receipt not specifying such damage or loss has been given to the carrier) must be reported in writing to carrier promptly upon discovery of such loss or damage, but not later than fifteen (15) days after delivery

and carrier must be given reasonable opportunity to inspect the original container, packing material and the damaged article.

#### B. LIMITATION OF ACTION

Carrier shall not be liable in any action to enforce a claim unless the applicable provisions of paragraphs A 1, 2, and 3 of Section III of this contract have been complied with by the claimant, and unless such action is brought within one (1) year and on (1) day from the date when notice in writing is given by carrier to the claimant that carrier has disallowed the claim or any part or parts thereof specified in the notice.

#### C. SALVAGE

Whenever a claim for an article is settled on the basis of the total loss of such article and carrier pays claimant the actual cash value thereof, carrier shall be entitled to such property as salvage.

#### D. SUBROGATION

In the event of any claim payment made pursuant to the provisions herein contained, the shipper agrees to subrogate and hereby assigns to the carrier any recourse shipper may have for recovery of such loss or damage from others to the extent of paid payment.

#### SECTION IV. PAYMENTS

A. All freight charges MUST be prepaid in United States dollars, except where other satisfactory arrangements have been made between the carrier and the shipper or consignee, or a third person accepting joint liability with or guaranteeing the charges on behalf of the shipper or consignee, prior to loading aboard vessel.

B. If the carrier elects to accept payment of freight charges in other than United States dollars, the freight charges will first be rated in United States dollars, and shall be converted at the current Rate of Exchange in New York on the date of payment.

C. The shipper, consignee, and the owner of goods shall be jointly and severally liable for all unpaid charges payable on account of shipment pursuant to this contract, including, but not confined to, sums advanced or disbursed by carrier on account of such shipments, and non acceptance by the carrier of the undertaking of a third person to pay said charges shall be novation or release of the shipper, consignee or owner unless specifically stated in writing and agreed to by the carrier. Nothing herein shall limit the right of carrier to require, at time of or before shipment, the prepayment in part or in full or guarantee of the charges.

#### SECTION V. INDEMNITY

Shipper agrees to indemnify carrier against injury, loss or damage caused by inclusion in the shipment of explosives or dangerous articles or goods, or articles liable to impregnate a container or its contents.

#### SECTION VI. WHERE DELIVERY CANNOT BE ACCOMPLISHED.

A. If for any reason other than the fault of carrier, delivery cannot be made at address shown on the face hereof, or at any changed address of which carrier has been notified, carrier, at its option, may cause articles contained in shipment to be stored in the selected warehouse by it at the point of delivery or at other available points, and there held without liability of the carrier, at the cost of the owner, and subject to a lien for all accrued contract and other lawful charges.

B. If the shipment is refused by consignee at destination or at the port of export (if intended for export) or if shipper, consignee or owner of property fails to receive or claim it within fifteen (15) days after written notice by United States mail addressed to shipper and consignee at post office addresses shown on face hereof, or, if shipper fails or refused to pay lawfully applicable charges in accordance with carriers applicable contract, carrier may sell the property, at its option either (a) upon the notice and in the manner authorized by law, or (b) at public auction to highest bidder for cash at a public sale to be held at a time and place named by carrier, thirty (30) days notice of which sale shall have been given in writing to shipper and consignee, and there shall have been published at least once a week for two consecutive weeks in a newspaper of general circulation at or near the place of sale, a notice thereof containing a description of the property as described in the bill of lading, and the names of the consignor and consignee. The proceeds of any sale shall be applied toward payment of lawful charges applicable to shipment and toward expenses to notice, advertising and sale, and of storing, caring for any maintaining property prior to sale, and the balance, if any, shall be paid to owner of property: PROVIDED that any perishable articles contained in said shipment may be sold at public or private sale without such notices, if in the opinion of carrier, such action is necessary to prevent deterioration or further deterioration.

#### SECTION VII. QUARANTINE RISK.

In case of quarantine the property may be discharged at risk and expense of owner into quarantine depot or elsewhere, as required by quarantine regulations of authorities, or for the carrier's dispatch at nearest available point in carriers judgment, and in any such case returned by carrier at owner's expense to shipping point, carrying freight both ways. Quarantine expenses of whatever nature or kind upon or in respect to property shall be borne by the shipper, consignee and owner of the property or a lien thereon. The carrier shall not be liable for loss or damage occasioned by fumigation or disinfection or other acts required or done by quarantine regulations or authorities even though the same may have been done by carriers officers, agents or employees, nor for detention, loss or be liable except in case of negligence, for any mistake of inaccuracy in any information furnished by the carrier, its agents or officers, as to quarantine law or regulations. The shipper shall hold the carrier harmless from any expense it may incur, or damages it may be required to pay, by reason of the introduction of the property covered by this contract into any place against the quarantine laws or regulations in effect at such place.

#### SECTION VIII. DISPATCH

Carrier is not bound to transport or forward said property by any particular carrier, vehicle, train, or vessel, or to meet any particular delivery scheduled or otherwise than with reasonable dispatch. Carrier shall have the right to transport or forward said property by any carrier or route between the point of shipment and the point of destination.

## PART II – CARRIAGE BY SEA

#### SECTION I. CLAUSE PARAMONT.

This bill of lading incorporates and is subject to the Carriage of Goods by Sea Act of the United States, approved April 16, 1936. Except as otherwise provided, hereinafter carrier's liabilities and responsibilities shall neither exceed nor be less than the minimum liability imposed on the carrier by said Carriage of Goods by Sea Act. The provisions of said act shall apply subsequent to loading across ship's rail and prior to discharge across ship's rail and shall otherwise apply to the fullest extent permitted by law.

#### SECTION II.

The carrier customarily transports goods by sea by means of vessels owned and operated by others than itself, and receives bills of lading covering goods so transported from the owner or operator of such vessels. The liabilities of the carrier hereunder shall not exceed the liabilities of said ship owner, or ship operator under its bill of lading.

#### SECTION III.

In the event that the liability or responsibility of the owner or operator of any vessel transporting merchandise shall be restricted, reduced or removed under law limiting the liability of vessel or operator, including, but without limitations thereto, the following statutes: U.S. Rev Stat. 4282(the Fire Act.); U.S. Rev. Stat. 4283 (the Limitation of Liability Act), the liability of the carrier for loss, damage or destruction of said good shall not exceed the amount which carrier is able to recover against said ship owner or operator for damage to the goods shipped under this bill. The foregoing shall not constitute a waiver of any rights which carrier may have under said laws, or any other law which may limit its liabilities.

#### SECTION IV.

Notwithstanding the foregoing, and unless contrary to applicable law, the liability of carrier is extended in accordance with the provisions of the face of this contract, and all provisions of Part 1 shall apply to the extent not inconsistent herewith or with laws and regulations applicable to Ocean Carriage.