

## TERMS AND CONDITIONS OF CONTRACT

- 1. Definition** – in this Bill of Lading the term "Vessel" means the intended Ocean Vessel on the front hereof and any vessel craft, light or other means of conveyance by water which is or shall be substituted in whole or in part for such named ocean vessel and also includes any other vessel(s) onto which Goods may be loaded for the purpose of being transported thereon in furtherance of the carriage covered by this Bill of Lading or any part thereof. The term "Merchant" means the shipper, consignor, consignee, the holder of this Bill of Lading and/or the receiver or the owner of the Goods. The term "Container" means any container, flat, pallet or other form of cargo carrying unit or equipment referred to on the face hereof or in or on which any Goods may be unitized or otherwise packed or stowed when received by the Carrier for carriage hereunder or subsequent to such receipt. The terms "Place of Receipt", "intended Port of Loading", "intended Port of Discharge" and "intended Place of Delivery" mean respectively the place of receipt, port of loading (Ocean Vessel), port of discharge (Ocean Vessel), and place of delivery nominated on the front hereof; and The term "Goods" means the cargo received from the Shipper and includes any Container(s) supplied by or on behalf of any other than the carrier.
- 2. Carrier's responsibility** – (a) Subject to Clause 8 and 9 hereof the liability (if any) of the Carrier in respect of the Goods during the period commencing with their being loaded onto any seagoing vessel and continuing up to and during discharge from the vessel or from another seagoing vessel into which the Goods shall have been transhipped shall be determined in accordance with the provisions of the Carriage of Goods by Sea Act of the United States of America, approved April 16, 1936, which shall be deemed to be incorporated herein and in accordance with the terms and conditions of the Bill of Lading or other contract of carriage of the subcontractor responsible for the carriage of such Goods by sea, all of which terms and conditions to the extent that they are not in conflict with the express provisions of this Bill of Lading, are incorporated herein. (b) Save as provided in (a) hereof the Carrier shall be under no liability in any capacity whatsoever for loss or misdelivery of or damage to the goods however caused whether or not through the negligence of the Carrier, his servants or agents or subcontractors or for any direct or indirect loss or damage caused by delay or for any indirect or consequential loss or damage. (c) In the event of any loss or misdelivery or delay in delivery of or damage to the Goods occurring between the time that the Goods are received by the Carrier at the Place of Receipt and the time of delivery at the intended Place of Delivery, the onus of proving that such loss, misdelivery, delay in delivery or damage (or any part thereof) occurred during the period specified in Clause (a) hereof shall be upon the Merchant. In the event that the Merchant is unable to discharge such onus of proof, the Carrier shall be under no liability for such loss, misdelivery, delay in delivery of, or damage to the Goods (or any part thereof) in accordance with (b) hereof. (d) INSURANCE WILL NOT BE ARRANGED BY THE CARRIER OR AMERICAN FORWARDING & LOGISTICS LLC. (AFL LLC.) EXCEPT WITH THE EXPRESS INSTRUCTIONS IN WRITING OF THE CONSIGNOR AND THEN ONLY AT THE EXPENSE AND LODGEMENT OF A DECLARATION AS TO THE VALUE PRIOR TO SHIPMENT. MARINE INSURANCE IS NOT COVERED WITHIN YOUR OCEAN FREIGHT SERVICE. RECEIVED BY THE Carrier the Goods as specified above in apparent good order and condition unless otherwise stated to be transported to such place as agreed, authorized or permitted herein and subject to all the terms and conditions appearing on the front and reverse of this Bill of Lading to which the Merchant agrees by accepting this Bill of Lading, any local privileges and customs notwithstanding. The particulars given above as stated by the shipper and the weight, measure, quantity, condition, contents and value of the Goods are unknown to the Carrier. In WITNESS whereof three (3) original Bills of Lading have been signed if not otherwise stated above, the same being accomplished the other(s), if any, to be void. If required by the Carrier one (1) original Bill of Lading must be surrendered duly endorsed in exchange for the Goods or delivery order. LIMITATION ON CARRIER'S LIABILITY/SHIPPER'S AD VALOREM OPTION. The Carrier shall in no event be or become liable for any loss or damage to or in connection with the transportation of Goods in an amount exceeding US \$500 per package, or in the case of goods not shipped in packages per customary freight unit, or the equivalent of that sum in other currency (or such other limitation imposed by a Carriage of Goods by Sea Act, statute or law in force according to the provisions hereof) unless the nature and value of such goods have been declared by the Merchant before shipment and inserted in the Bill of Lading. Such declaration of value shall not, however, be conclusive on the Carrier for purposes of determining the extent of the Carrier's liability. If the Merchant desires to be covered for a valuation in excess of said US \$500 per package or customary freight unit or any other applicable limitation, the Merchant must so stipulate in this Bill of Lading and such additional liability will only be assumed by the Carrier upon payment of the Carrier's ad valorem freight charge. Declared Cargo Value \$ \_\_\_\_\_. If Merchant enters a value, Carrier's limitation of liability shall not apply and the ad valorem rate will be charged.
- 3. CARRIER'S SCHEDULE** – The Carrier accepts no liability for schedule deviations.
- 4. CONTRACTING PARTIES** – In agreeing to and accepting the terms of this Bill of Lading the Shipper acts for himself and on behalf of each Merchant. The Shipper warrants to the Carrier that he is entitled and is duly authorized by any other person who owns or is entitled to possession of the Goods to this Bill of Lading to agree to and accept this Bill of Lading and to deliver the Goods to the Carrier and also in accepting endorsement or delivery hereof from the Shipper, Consignee or any other prior endorsee or holder and/or deliverer of the Goods he confirms, ratifies and agrees to be bound by all of the stipulations, exceptions and conditions stated herein whether written, printed, stamped or otherwise incorporated on the front or back hereof, and that the contract contained or evidenced herein shall be fully binding between the Carrier and such Merchant in all respects. Each Merchant agrees also that all agreements and freight arrangements previously made for the carriage of the Goods are superseded by the contract contained or evidenced herein.
- 5. SUB-CONTRACTING: Exemptions and immunities of Servants, agents and Sub-Contractors** – The Carrier shall be entitled to sub-contract on any part of the carriage, loading, unloading, storing, warehousing, handling and any and all duties whatsoever undertaken by the Carrier in relation to the Goods. The Merchant shall make no claim whatsoever in relation to the Goods against any servant, agent or sub-contractor of the Carrier or its servants or agents and shall further indemnify the Carrier against any claims which may be made upon the Carrier by any such servant, agent or sub-contractor and which arise out of any claim whether arising in negligence or otherwise in relation to the Goods against whomsoever made by the Merchant without prejudice to the foregoing every such servant, agent and sub-contractor shall have the benefit of all provisions herein for the benefit of the Carrier as if such provisions were expressly for their benefit, and in entering into this contract the Carrier to the extent of these provisions does so not only on its own behalf but also as agent and trustee for such servants, agents and sub-contractors. The Merchant authorizes the Carrier to arrange for any ocean carriage required under this Bill of Lading to be performed by any ocean carrier on the terms and conditions of the regular form of Bill of Lading in use by such ocean carrier.
- 6. ROUTE OF TRANSPORT** – (a) The Goods may, at the Carrier's absolute discretion be carried as a single or several shipments by the Vessel and or any other means of transport and through any route whatsoever, whether or not such route is the direct advertised or customary route. (b) Any action taken by the Carrier under this Clause or delay resulting therefrom shall be deemed to be included within the contractual carriage and shall not be a deviation. Should the Carrier be held liable in respect of such action, the Carrier shall be entitled to the full benefit of all privileges, rights and immunities contained in this Bill of Lading.
- 7. CONTAINER PACKED BY CARRIER** – Where Goods received for carriage under this Bill of Lading are not already contained in or on Container(s) at the time of such receipt the Carrier shall be at liberty to carry such Goods in or on Container(s).
- 8. CONTAINER PACKED BY MERCHANT** – If the Goods accepted by the Carrier is a Container(s) into which contents have been packed by or on behalf of the Merchant. (a) The Merchant guarantees that the stowage of the contents in Container(s) and the closing and sealing of the Container(s) are safe and proper and also that the Container(s) and content thereof are suitable for handling and carriage in accordance with the terms hereof, in the event of the Merchant's breach of such guarantee, the carrier shall not be responsible for any loss or damage to or in connection with the Goods, and the Merchant shall be responsible for all consequences of whatsoever kind of such breach and shall indemnify the Carrier against any loss, damage, expense or liability which the Carrier suffers or incurs as a consequence of such breach; (b) The Merchant shall inspect the Container(s) when the same are furnished by or on behalf of the Carrier, and they shall be deemed to have been accepted by the Merchant as being in sound and suitable condition for the purpose of the transport contracted herein, unless he gives notice to the contrary in writing to the Carrier, prior to packing the Container(s); (c) If the Container(s) are delivered from the Carrier with seals intact, such delivery shall be deemed as full and complete performance of the Carrier's obligation hereunder and the Carrier shall not be liable for any loss of or damage to the contents of the Container(s). (d) The Carrier shall be at liberty to inspect the contents of the Container(s) without notice to the Merchant at such time and place as the Carrier may deem necessary, all expenses incurred in respect thereof being borne by the Merchant and in case the seals of the Container(s) are broken by the Customs or other authorities for inspection of the contents of the said Container(s), the Carrier shall not be liable for any loss, damage, expenses or any other consequences arising or resulting therefrom and (e) the Bill of Lading is prima facie evidence of the receipt only of the number of Container(s) as shown on the face hereof, and the order and condition of the contents and any particulars thereof are unknown to the Carrier who accepts no responsibility in respect thereof.
- 9. CARRIER'S CONTAINER** – (a) The Merchant shall assume full responsibility for and shall indemnify the Carrier against any loss of or damage to the Carrier's Container(s) and other equipment which occurs while in the possession or control of the Merchant, his agents or sub-contractors engaged by or on behalf of the Merchant (b) The Carrier shall in no event be liable for and the Merchant shall indemnify and hold the Carrier harmless from and against any loss of or damage to property of other persons or injuries to other persons caused by the Carrier's Container(s) or the contents thereof during handling by, or while in the possession or control of the Merchant, his agents or sub-contractors engaged by or on behalf of the Merchant.
- 10. RETURN OF CONTAINERS** – In case goods are delivered in Container(s) which the Carrier owns or to the possession of which the Carrier is otherwise entitled, the Merchant taking delivery shall return such Container(s) promptly.
- 11. DESCRIPTION AND PARTICULARS OF GOODS** – (a) The description and particulars of the Goods set out on the face hereof are furnished by the Merchant and are unknown to the Carrier who shall be under no responsibility whatsoever in respect of such description and particulars. (b) The Merchant warrants to the Carrier that the particulars relating to the Goods as set out on the front hereof, and any other particulars furnished by or on behalf of the Merchant, are correct and shall indemnify the Carrier against all loss, damage, expenses and liability including taxes, penalties and fines suffered or incurred by the Carrier as a result of the Merchant being in breach of such warranty.
- 12. FREIGHT AND CHARGES** – (a) The freight payable hereunder has been calculated and based on particulars of the Goods furnished by or on behalf of the Merchant. The Carrier shall be entitled at any time to reweigh, re-measure or revalue the Goods and for this purpose to open and remove and examine the contents of any Container(s) and if the particulars furnished are found to be incorrect the freight shall be adjusted accordingly and the Merchant shall also pay any expenses incurred by the Carrier in checking the said particulars. (b) Freight shall be deemed earned on receipt of the Goods by the Carrier and shall be paid by the Merchant. Goods and/or conveyance lost or not lost. (c) Except to the extent (if any) to which they may be on consistent with any of the express terms of this Bill of Lading the terms of the Carrier's applicable tariff current at the time when the Goods were received by the Carrier for carriage under this Bill of Lading are incorporated into this Bill of Lading and form part of the contract or evidenced herein.
- 13. LIEN** – (a) The Carrier shall have a lien on the Goods which shall survive delivery for any sums whatsoever payable by or chargeable to or for the account of the Merchant under this Bill of Lading and any contract preliminary hereto and the cost and expenses of recovering same and may sell the Goods privately or by public auction without notice to the Merchant. If on sale of the Goods the proceeds fail to cover the amount due and the cost and expenses incurred, the Carrier shall be entitled to recover the deficit from the Merchant. (b) If the Goods are unclaimed during a reasonable time or whenever in the Carrier's opinion, the Goods will become deteriorated, decayed or worthless, the Carrier may, at his discretion and subject to his lien and without any responsibilities attaching to him, self-abandon or otherwise dispose of such Goods solely at the risk and expense of the Merchant.
- 14. EXPENSES** – The Merchant shall be liable for and shall indemnify the Carrier and hold it harmless against all loss, damage, costs, expenses and liability (including taxes, penalties and fines) of whatsoever nature suffered or incurred by the Carrier in connection with the Goods or the Container(s) because of failure by the Merchant to procure consular, Department of Health or other permits or any papers that may be required at any port of place in connection with the Goods or to supply information or otherwise to comply with all laws and regulations in connection with Goods or any expenses or disbursements incurred in accordance with Paragraph 18 (a) and 9 (b) hereof or from any other act or omission of the Merchant and also against all damages, charges, legal fees and other expenses which the Carrier may incur in connection with attachments, seizures, executions, claims or legal proceedings of any description against Goods by third parties, or any proceedings by way of interpleader or otherwise which the Carrier may bring to determine the right or ownership or possession in or to the Goods or Container(s) also against any expenses or charges for regaining or attempting to regain possession of the Goods or Container(s). The Merchant authorizes the Carrier to pay and/or incur all such costs, expenses and charges and to do any matters mentioned above at his expense and as his agent and engage other persons to regain or seek to regain possessions of Goods or Container(s) and do all things deemed advisable for the benefit of Goods or Container(s). The Merchant and the Goods shall be jointly and severally liable for the payment of any sums due to the Carrier hereunder by the Merchant. Without in any way limiting the generality of the foregoing, the Merchant shall indemnify the Carrier in respect of any dues or duties or other charges which the Carrier becomes legally liable to pay and pass to any governmental customs or other authority in respect of the Goods.
- 15. DANGEROUS GOODS AND CONTRABAND** – Goods of any inflammable, explosive, radioactive, corrosive, damaging, noxious, hazardous, poisonous, injurious or dangerous nature must not be tendered for carriage hereunder unless written notice of their natural name, label, classification and the method of rendering the said Goods innocuous with the names and addresses of the shipper and consignee has been previously given to the Carrier and their nature is distinctly marked on the outside of the Container(s), package(s) or piece(s) as required by applicable statutes or regulations. The foregoing written notice shall bear the certificate required by applicable statutes or regulations to certify that the Goods are properly described, packed and marked and in proper condition for transportation according to the regulations prescribed by the competent authority. If any Goods tendered for carriage without previous written declaration are or at any time become of the abovementioned nature or are or become contraband or prohibited by any law or regulations of any port or place of loading, discharge or call or any place during transit whether the Merchant is aware thereof or not, such goods, upon discovery at any time, may be rendered innocuous, thrown overboard or discharged at any port of place, or to be otherwise disposed of at Carrier's or sub-contractors discretion without liability, attaching thereto and without prejudice to the Carrier's right to freight and any other charges payable hereunder. The foregoing provisions shall also apply to any such Goods tendered for carriage with such previous declaration which in the opinion of the Carrier or his subcontractor have or are likely to become dangerous to the Carrier, Vessel, Cargo or other property or person. The Merchant shall be liable to indemnify the Carrier against all loss, damage, expenses and liabilities (including taxes, penalties and fines suffered or incurred by the Carrier as a result of the carriage of Goods. The Carrier reserves the right but shall have no obligation to strip Container(s) packed by or on behalf of the Merchant and examine the contents thereof and arrange for re-stowage, re-cooperage or reconditioning at the Carrier's or the sub-contractor's discretion but at the Merchant's risk and expense.
- 16. SPECIAL CONTAINER** – (a) The Carrier does not undertake to carry the Goods in refrigerated, heated, insulated, ventilated or any other special Container(s) nor to carry special Container(s) packed by or on behalf of the Merchant as such but the Carrier will treat such Goods or Container(s) only as ordinary goods or dry Container(s) respectively, unless special arrangements for the carriage of such Goods or Container(s) have been agreed to in writing between the Carrier and the Merchant and unless such special arrangements are noted on the face of this Bill of Lading and unless special freight as required has been paid. The Carrier does not accept responsibility for the proper functioning of special Container(s) supplied by or on behalf of the Merchant. (b) As regards the Goods which have been agreed to be carried in special Container(s) the Carrier shall exercise due diligence to maintain the facilities of the special Container(s) while they are in his actual custody and control but shall not be liable for any loss of or damage to the Goods caused by latent defects, derangement or breakdown of facilities of the Container(s). (c) If the Goods have been packed into refrigerated Container(s) by the Carrier and the particular temperature range requested by the Merchant is inserted in this Bill of Lading, the Carrier will set the thermostatic controls within the requested temperature range but does not guarantee the maintenance of such temperature inside the Container(s). (d) If the goods have been received by the Carrier in Container(s) which have been packed by or on behalf of the Merchant, it is the obligation of the Merchant to stow the contents properly and set the thermostatic controls exactly. The Carrier shall not be liable for any loss or damage to the Goods arising out of or resulting from the Merchant's failure in such obligation and further does not guarantee the maintenance of the intended temperature inside the Container(s).
- 17. DECK CARGO** – The Carrier has the right to carry goods under deck or on deck on any vessel.
- 18. TRANSHIPMENT AND FORWARDING** – (a) Whether arranged beforehand or not the Carrier shall be at liberty without notice to perform the contract of carriage evidenced hereby wholly or partly by the named or any other Vessel(s) or craft or by any vehicle, aircraft or other means of transport by water, land or air, whether owned or operated by the Carrier or others. The Carrier may under any circumstance whatsoever discharge the Goods or any part thereof at any port of place for transshipment and store the same afloat or ashore and then forward the same by any means of transport. (b) In case of the Goods hereby specified cannot be found at the port of discharge or the Place of Delivery or if they be miscarried then, when found, may be forwarded to their intended port of discharge or Place of Delivery at the Carrier's expense, but the Carrier shall not be liable for any loss, damage, delay or depreciation arising from such forwarding.
- 19. DELIVERY** – (a) The Carrier shall have the right to deliver the Goods at any time from or at the Vessel's side customhouse, warehouse, wharf, quay or any other place designated by the Carrier within the geographic limits of the intended Port of Discharge or the intended Place of Delivery shown on the face hereof. (b) In any case the Carrier's responsibility shall cease when the Goods have been delivered to the Merchant, his servants, agents or sub-contractors or any other person entitled to receive the Goods on his behalf at the place designated by the Carrier. Delivery of the Goods to the custody of customs or other authorities shall constitute final discharge of the Carrier's responsibility hereunder: (c) In case the Goods received by the Carrier are Container(s) into which contents have been packed by or on behalf of the Merchant, the Carrier shall only be responsible for delivery of the total number of Container(s) and deliver the contents thereof in accordance with brands, marks, numbers, sizes or types of packages or pieces; (d) In case the Goods have been packed into Container(s) by the Carrier, the Carrier shall unpack the Container(s) and deliver the contents thereof and shall not be required to deliver the Goods in Container(s); (e) In the event that the Carrier delivers or places the goods into any customs house, bond store or any other place as is prescribed in part (a) hereof or as prescribed in Clause 18 (a) hereof, the Merchant shall be liable to pay and shall pay all costs, expenses and charges associated or in any way connected therewith; (f) In the event that the Carrier attempts delivery of the goods to the Merchant pursuant to the terms hereof, during normal trading hours and the Merchant, his agents or sub-contractors or any other person nominated to take delivery of the Goods on his behalf does not take or accept delivery of the Goods, the Merchant shall be liable to pay and shall pay all costs, expenses and charges suffered or incurred by the Carrier, his servants, agents or sub-contractors in connection or in any way associated with such attempted delivery, until delivery is accomplished.
- 20. NOTICE OF CLAIM AND TIME FOR SUIT** – (a) Unless notice of loss or damage and general nature of such loss or damage be given in writing to the Carrier or his agent at the Port of Discharge or Place of Delivery before or at the time of the removal of the Goods into the custody of the person entitled to delivery thereof under this Bill of Lading, such removal shall be prima facie evidence of the delivery of the goods by the Carrier as described in this Bill of Lading. (b) In any event the Carrier shall be discharged from all liability in respect to non-delivery, misdelivery, delay, loss or damage unless suit is brought within 1 year after delivery of the Goods or the date when the Goods should have been delivered.

(c) Merchant and Carrier agree as follows: (i) All Claims will be initiated, negotiated, and settled via electronic communication, using particular forms, which are available from Carrier; electronic transmission will be deemed to be written communication, for all purposes; (ii) Any amounts negotiated and agreed to between Merchant and Carrier for the resolution of claims will be resolved via future credits against future freight charges; in no event will such amounts be paid in cash or cash equivalent; (iii) A unique Claim number will be assigned each Claim, and all communication with respect to that Claim must reference that unique number; the final **written** communication related to particular Claim number will include language demonstrating Merchant's agreement that transmission of that communication will fully and finally resolve that Claim.

**21. GOVERNING LAW AND JURISDICTION** – (a) The contract evidenced by or contained in this Bill of Lading shall be governed by the Law of the State of California in the United States of America and any action or other dispute thereunder shall be brought before the California courts unless the Carrier otherwise agrees in writing. (b) In the event that notwithstanding condition 21 (a) this contract shall be held to be subject to the laws of any other State or Country than except where repugnant to the provision of that law these conditions shall continue to apply.

**22. VARIATION OF THE CONTRACT, ETC.** – No servant or agent of the Carrier shall have power to waive or vary any of the terms hereof unless such waiver or variation is in writing and is specifically authorized or ratified in writing by the Carrier.