

K Terms & Conditions

K.1 Terms & Conditions of the SCHENKEROcean Bill of Lading

BILL OF LADING

RECEIVED by the Carrier in external apparent good order and condition unless otherwise stated the number of containers, packages or other customary freight units to be transported to such place as agreed, authorised or permitted herein and subject to all the terms and conditions appearing on the front and reverse of this Bill of Lading either written, printed or stamped or otherwise incorporated by which the Merchant agrees to be bound in accepting this Bill of Lading.

1. DEFINITIONS

“**Carriage**” means the whole or any part of the operations and services undertaken or performed by or on behalf of the Carrier in respect of the Goods covered by this Bill of Lading.

“**Carrier**” on whose behalf this Bill of Lading has been signed means SchenkerOcean Ltd., 35F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Hong Kong, S.A.R., China.

“**Charges**” includes freight, all expenses, costs, detention, demurrage and any other money obligations incurred and payable by the Merchant and all collection costs for freight and other amounts due from the Merchant including attorneys' fees and court costs.

“**COGSA**” means the Carriage of Goods by Sea Act of the United States of America approved on 16 April 1936.

“**Combined Transport**” arises where the Carriage called for by this Bill of Lading is not Port to Port.

“**Container**” includes any container, trailer, transportable tank, lift van, flat, platform pallet or any similar article of transport used to consolidate Goods and any connected or accessory equipment.

“**Goods**” includes the whole or any part of the cargo supplied by the Merchant and includes any Container or packing or equipment not supplied by or on behalf of the Carrier.

“**Hague Rules**” means the provisions of the International Convention for Unification of Certain Rules relating to Bills of Lading signed at Brussels on 25 August 1924.

“**Hague-Visby Rules**” means the Hague Rules as amended by the Protocol signed at Brussels on 23 February 1968 (provided that nothing in this Bill of Lading shall be construed as contractually applying the said Rules as amended by the Protocol).

“**Merchant**” includes the shipper, the consignee, endorsee, the receiver of the Goods, the holder of this Bill of Lading, any person owning or entitled to the possession of the Goods or this Bill of Lading, importer, exporter, any person having a present or future interest in the Goods and any person acting on behalf of any of the above mentioned persons.

“**Person**” includes an individual, a partnership, a body corporate or other entity.

“**Port to Port Shipment**” arises where the Place of Receipt and the Place of Delivery are not indicated on the front of this Bill of Lading or if both the Place of Receipt and the Place of Delivery indicated are ports and the Bill of Lading does not in the nomination of the Place of Receipt or the Place of Delivery on the front hereof specify any place or port within the area of the port so nominated.

“**SDR**” means Special Drawing Rights as defined by the International Monetary Fund.

“**Shipping Unit**” includes freight unit and the term “unit” as used in the Hague Rules and Hague-Visby Rules. “**Stuffed**” includes filled, consolidated, packed, loaded or secured.

"Vessel" means any waterborne craft used in the Carriage under the Bill of Lading which may be a feeder vessel or an ocean vessel.

2. CARRIER'S TARIFF

The provisions of the Carrier's applicable Tariff, if any, are incorporated herein. Copies of such provision are obtainable from the Carrier or his agents upon request or, where applicable, from a government body with whom the Tariff has been filed. In the case of inconsistency between this Bill of Lading and the applicable Tariff, this Bill of Lading shall prevail.

3. WARRANTY

The Merchant warrants that in agreeing to the terms hereof:

- (1) He is, or is the agent of and has the authority of, the Person owning or entitled to the possession of the Goods or any Person who has a present or future interest in the Goods and this Bill of Lading.
- (2) The Goods placed by the Merchant in any Container are suitable for transportation in Containers.
- (3) The Container if not supplied by or on behalf of the Carrier meets all applicable national or international safety standards and is fit in all respects for Carriage by the Carrier.

4. NEGOTIABILITY AND TITLE TO THE GOODS

- (1) This Bill of Lading shall be negotiable unless marked "non-negotiable and shall constitute title to the Goods and the holder shall be entitled to receive or transfer the Goods herein described.
- (2) This Bill of Lading shall be prima facie evidence of the taking in charge by the Carrier of the Goods as herein described. However, proof to the contrary shall not be admissible when this Bill of Lading has been negotiated or transferred for valuable consideration to a third party acting in good faith.

5. SUB-CONTRACTING

- (1) The Carrier shall be entitled to sub-contract on any terms whatsoever the whole or any part of the Carriage.
- (2) The Merchant undertakes that no claim or allegations whether arising in contract, tort, bailment or otherwise shall be made against any person or vessel whatsoever, other than the Carrier, including, but not limited to the Carrier's servants or agents, any independent contractor and his servants or agents, stevedores, terminal and groupage operators, road and rail operators and all others by whom the whole or any part of the Carriage, whether directly or indirectly, is procured, performed or undertaken which imposes or attempts to impose upon any such person or vessel owned and chartered by any of them or upon which the Goods have been carried any liability whatsoever in connection with the Goods or the Carriage of the Goods whether arising out of negligence or not on the part of such person or vessel; and if any claim or allegation should nevertheless be made to defend, indemnify and hold harmless the Carrier against all consequences thereof. Without prejudice to the foregoing every such person and vessel shall have the benefit of all provisions herein benefiting the Carrier as if such provisions were expressly for his benefit and in entering into this contract the Carrier, to the extent of these provisions, does so not only on his own behalf but also as agent or trustee for such persons and vessels and such persons and vessels shall to this extent be or be deemed to be parties to this contract.
- (3) The Merchant shall defend, indemnify and hold harmless the Carrier against any claim or liability (and any expense and all consequences arising therefrom) arising from the Carriage of Goods insofar as such claim or liability is made other than in accordance with the terms of this Bill of Lading or which exceeds the Carrier's liability under this Bill of Lading.
- (4) The defences and limits of liability provided for in this Bill of Lading shall apply in any action against the Carrier whether the action can be found in contract, in tort in bailment or otherwise.

6. CARRIER'S RESPONSIBILITY

(1) CLAUSE PARAMOUNT

(A) Subject to Clause 15 below, this Bill of Lading insofar as it relates to sea carriage by any vessel whether named herein or not shall have effect subject to the Hague Rules or any legislation making such Rules or the Hague-Visby Rules including in either case any statutory modification thereof compulsorily applicable to this Bill of Lading and the provisions of the Hague Rules or legislation making such Rules or Hague Visby Rules applicable shall be deemed incorporated herein. In the absence of such legislation or other legislation to similar effect which is compulsorily applicable, this Bill of Lading shall have effect subject to the Hague Rules or COGSA in the case of carriage to and from the United States of America. The Hague Rules, Hague Visby Rules or COGSA shall apply to the carriage of Goods by inland waterways and reference to carriage by sea in such Rules or legislation shall be deemed to include reference to inland waterways.

(B) If and to the extent that the provisions of the Harter Act of the United States of America 1893 would otherwise be compulsorily applicable to regulate the Carrier's responsibility for the Goods during the period prior to loading on or after discharge from the vessel the Carrier's responsibility shall instead be determined by the provisions of Clause 6(3) below, but if such provisions are found to be invalid such responsibility shall be subject to COGSA.

(C) The Carrier shall be entitled to (and nothing to this Bill of Lading shall operate to deprive or limit such entitlement) the full benefit of, and rights to all limitations and exclusions of liability and all right conferred or authorised by any applicable law, statute or regulations of any country (including, but not limited to, where applicable any provisions of sections 4281 to 4287, inclusive, of the Revised Statutes of the United States of America and amendments thereto and where applicable any provisions of the laws of the United States of America) and without prejudice to the generality of the foregoing also any law, statute or regulations available to the owner of the vessel(s) on which the Goods are carried.

(D) This Bill of Lading shall be subject to the COGSA if Carriage takes place to from or through a port in the United States of America which terms shall be incorporated herein and shall be paramount throughout the Carriage by sea and at the sea terminal

in the United States of America prior to loading and after discharge from the vessel provided that the Carrier shall not be liable for any loss, damage or delay to the Goods which occurs in the United States of America whilst the Goods are outside the sea terminal and not in the custody of the Carrier. In such circumstances the Merchant agrees that the Carrier shall act as agent only for the Merchant to arrange the Carriage by an inland Carrier in the United States of America according to the usual business terms of such Person performing the Carriage and shall not be liable to the Merchant for any loss, damage or delay to the Goods whilst in the custody of such Person performing the Carriage. The liability of the Carrier whilst Carriage or this Bill of Lading is subject to COGSA shall not exceed the limits in Clause 6(4) herein.

(2) PORT TO PORT SHIPMENT

- (A) Where the Carriage is Port to Port Shipment, the responsibility of the Carrier is limited to that Carriage from and during loading onto the vessel up to and during discharge from the vessel or any other vessel onto which the Goods have been transhipped and the Carrier shall not be liable for any loss or damage or delay whatsoever and howsoever caused in respect of the Goods or for any other matter arising even though the Goods may be in its actual or constructive possession and Charges for the whole Carriage have been charged by the Carrier. Liability shall be determined in accordance with any legislation making the Hague Rules or Hague Visby Rules compulsorily applicable or if none in accordance with the Hague Rules. The Merchant constitutes the Carrier as agent to enter into contracts on behalf of the Merchant with others for transport, storage, handling or any other services in respect of the Goods prior to loading and subsequent to discharge of the Goods from the vessel without responsibility for any act or omission whatsoever on the part of the Carrier or others and the Carrier may as such agent enter into contracts with others on any terms whatsoever including terms less favourable than the terms in this Bill of Lading.
- (B) Notwithstanding (A) above to the extent that any compulsorily applicable legislation makes the Carrier responsible for any additional period and in all other cases the Carrier shall have the benefit of the Hague Rules (and COGSA where Carriage occurs in the United States of America) in respect of any loss, damage or delay arising prior to loading or subsequent to discharge from the vessel even though such did not occur at sea or whilst the Goods were in the custody of the Carrier.

- (C) Where COGSA applies, then the provisions stated in the said Act shall govern before loading on the vessel or after discharge therefrom, as the case may be, during Carriage to or from a container yard or container freight station in or immediately adjacent to the sea terminal at the Port of Loading and/or Discharge. If the Carrier is requested by the Merchant to procure Carriage by an inland carrier in the United States of America and the inland carrier in his discretion agrees to do so, such carriage shall be procured by the Carrier as agent only to the Merchant and such carriage shall be subject to the inland carrier's contract and tariff. If for any reason the Carrier is denied the right to act as agent at these times, his liability for loss, damage or delay to the Goods shall be determined in accordance with Clause 6 (3) thereof.

(3) COMBINED TRANSPORT

Save as otherwise provided in this Bill of Lading, if the Carriage is Combined Transport the Carrier undertakes to perform or to procure performance of the Carriage and shall only be liable for loss of or damage or delay to the Goods occurring from the Place of Receipt, if applicable otherwise the Port of Loading, up until the Place of Delivery, if applicable otherwise the Port of Discharge, indicated on the face of the Bill of Lading to the extent set out below.

- (A) Where the stage of Carriage where the loss or damage occurred cannot be proved
- (i) The Carrier shall be entitled to rely upon all exclusions of liability under the Hague Rules or Hague Visby Rules or legislation that would have applied under 6(1)(A) above had the loss or damage or delay occurred at sea or, if there was no carriage by sea, under the Hague Rules (or COGSA if the Carriage is to or from the United States of America).
 - (ii) Where under (i) above, the Carrier is not liable in respect of some of the factors causing the loss or damage or delay to the Goods, he shall only be liable to the extent that those factors for which he is liable have contributed to the loss or damage.
 - (iii) Subject to Clause 7(3) below, when the Hague Rules or any legislation applying such Rules (such as COGSA) or the Hague-Visby Rules is not compulsorily applicable, the Carrier's liability shall not exceed in any circumstances SDR 666.67 per package or shipping unit or SDR 2.00 per

kilo of the gross weight (whichever is less) of the Goods lost, damaged or delayed or, where carriage includes Carriage to, through or from a port in the United States of America, US\$500 per package or shipping unit or USD 2.00 per kilo of the gross weight of the Goods (whichever is less).

- (B) Where the stage of Carriage where the loss or damage occurred can be proved.
- (i) The liability of the Carrier shall be determined by the provisions contained in any international convention or national law of the country which provisions
 - (a) cannot be departed from by private contract to the detriment of the Merchant, and
 - (b) would have applied if the Merchant had made a separate and direct contract with the Carrier in respect of the particular stage of Carriage where the loss or damage or delay occurred and had received as evidence thereof any particular document which must be issued in order to make such international convention or national law applicable.
 - (ii) If no international convention or national law is applicable then, any liability of the Carrier shall be determined by Clause 6(3)(A) above.
 - (iii) In the case of shipment to or from the United States of America, the liability of the Carrier shall be determined by the provisions of COGSA if the loss or damage or delay is known to have occurred during Carriage by sea to or from the United States of America or during Carriage to or from a container yard or cargo berth in or immediately adjacent to the sea terminal at the Port of Loading or Port of Discharge in ports of the United States of America.
 - (iv) With respect to the transportation to the Port of Loading or from the Port of Discharge in the United States of America the responsibility of the Carrier shall be to procure transportation by carriers (one or more) and such transportation shall be subject to the inland carriers' contracts of carriage and tariffs in whose custody the loss or damage occurred and any law compulsorily applicable. The Carrier shall not be liable for any loss, damage, or delay to Goods during such transportation as provided in Clause 6(1)(d) above.

(4) GENERAL PROVISIONS

(A) Delay. Consequential Loss

The Carrier does not undertake that the Goods or any documents relating thereto shall arrive or be available at any point or place during the Carriage or at the Place of Delivery at any particular time (whether advertised or not) or to meet any particular requirement of the Merchant or any market or use of the goods and the Merchant agrees that save as otherwise provided herein, the Carrier shall under no circumstances whatsoever be liable for any direct, indirect or consequential loss, loss of profits or loss of market or loss of contract or loss of revenue or use claims, punitive or exemplary damages or damage caused by delay or any other cause whatsoever and howsoever caused. Without prejudice to the foregoing, if notwithstanding the Carrier is found liable for any such direct, indirect or consequential loss caused by such alleged delay, liability shall be limited to the freight or other charges applicable to the relevant stage of the Carriage.

(B) Once the Goods have been received by the Carrier for Carriage, the Merchant shall not be entitled either to impede, delay, suspend or stop or otherwise interfere with the Carrier's intended manner of performance of the Carriage or the exercise of the liberties conferred by this Bill of Lading or to instruct or require delivery of the Goods at a place or point other than the Port of Discharge or Place of Delivery named on the reverse hereof or such other port or place selected by the Carrier in the exercise of the liberties herein, for any reason whatsoever including but not limited to the exercise of any right of stoppage in transit conferred by the Merchant's contract or sale or otherwise. The Merchant shall indemnify the Carrier against all claims, liabilities, loss, damages, costs, delay, attorney fees and/or expenses caused to the Carrier, his directors, officers, sub-contractors, employees or agents or to any other cargo or to the owner of such cargo during the Carriage arising or resulting from any stoppage (whether temporary or permanent) in the Carriage of the Goods whether at the request of the Merchant, or in consequence of any breach by the Merchant of this clause, or in consequence of any dispute whatsoever in respect of the Goods (including, but not without restriction, disputes as to ownership, title, quality, quantity or description of and/or payment for the Goods) involving any one or more party defined herein as the Merchant as between themselves or with any third party other than the Carrier.

(C) Definition of Packaging or Shipping Unit

Where a Container is used to consolidate Goods and such Container is stuffed by the Carrier the number of packages or shipping units stated on the face of this Bill of Lading in the box provided shall be deemed the number of packages or shipping units for the purpose of any limit of liability per package or shipping unit provided in any international convention or national law relating to the carriage of Goods by sea. Except as aforesaid, the Container shall be considered the package or shipping unit.

The words "shipping unit" shall mean each physical unit or piece of cargo not shipped in a package, including articles and things of any description whatsoever, except Goods shipped in bulk, and irrespective of the weight or measurement unit employed in calculating freight charges. As to Goods shipped in bulk, the limitation applicable thereto shall be the limitation provided in such convention or law which may be applicable, and in no event shall anything herein be construed to be a waiver of limitation as to Goods shipped in bulk.

(D) Rust, etc.

It is agreed that superficial rust, oxidation or any like condition due to moisture, is not a condition of damage but is inherent to the nature of the Goods and acknowledgement of receipt of the Goods in apparent good order and condition is not a representation that such conditions of rust oxidation or the like did not exist on receipt.

(E) Notice of Loss or Damage

The Carrier shall be deemed prima facie to have delivered the Goods as described in this Bill of Lading unless notice of loss of, or damage or delay to, the Goods, indicating the general nature of such loss, damage or delay shall have been given to the Carrier or his representative at the Place of Delivery before or at the time of removal of the Goods into the custody of the person to delivery thereof under this Bill of Lading or, if the loss or damage is not apparent, within three consecutive days thereafter. In case of damage not apparent upon inspection, the onus of proof that such occurred during Carriage shall be on the Merchant. Any notation of loss or damage on the receipt or notice given by the Merchant shall be unequivocal

failing which the Carrier shall not accept responsibility for such loss or damage howsoever occurring.

(F) Time-bar

The Carrier shall be discharged of all liability whatsoever in respect of the Goods unless suit is brought in the proper forum and written notice thereof received by the Carrier within nine months after delivery of the Goods or if the Goods are not delivered the date when the Goods should have been delivered. Notwithstanding the above, where the Hague Rules or Hague Visby Rules or COGSA apply whether by incorporation in this Bill of Lading or by compulsorily applicable law, the Carrier shall be discharged of all liability whatsoever in respect of the Goods unless such is brought in the proper forum within one year of their delivery or of the date when they should have been delivered.

(G) Inspection By Authorities

If by the order of the proper authorities at any point of the Carriage, the Goods or a Container has to be opened in which the Goods are stuffed to be inspected, the Carrier will not be liable for any loss, damage or delay incurred either to the Goods, the Carriage or to the carrying vessel as a result of such inspection including the cost of opening, unstuffing, inspection or repacking, which cost shall be recoverable by the Carrier from the Merchant as part of the Charges.

7. COMPENSATION AND LIABILITY

- (1) Subject always to the Carrier's right to limit liability as provided for herein, if the Carrier is liable for compensation in respect of loss of or damage to the Goods, such compensation shall be calculated by reference to the invoice value of the Goods plus charges and insurance if paid. If there is no invoice value of the Goods or if any such invoice is not bona fide (and in this respect the Carrier shall be at liberty to seek to challenge the invoice value), such compensation shall be calculated by reference to the value of such Goods at the place and time they are delivered or should have been delivered to the Merchant. The value of the Goods shall be fixed according to the current market price, by reference to the normal value of goods of the same kind and/or quality.

- (2) Where the Hague Rules or Hague Visby Rules or any legislation making either of such Rules compulsorily applicable (such as COGSA) to this Bill of Lading apply, the Merchant agrees that the Carrier has no knowledge of the value of the Goods and shall not, unless a declared value has been noted in accordance with Clause 7(3) below, be or become liable for any loss or damage to or in connection with the Goods in an amount per package or shipping unit in excess of the package or shipping unit limitation as laid down by such Rules or legislation. Where Carriage is to, from or through the United States of America, such limitation amount of the Carrier or the Vessel according to COGSA is US \$500 per package or customary freight unit unless a declared value has been noted in accordance with Clause 7(3) below. If such Rules or legislation are not compulsorily applicable, subject to any other compulsory applicable convention or national legislation, the limitation amount shall not exceed the amount of SDR 666.67 per package or shipping unit or SDR 2.00 per kilo of the gross weight (whichever is less) of the Goods lost, damaged or delayed or where Carriage includes Carriage to, from or through a port in the United States of America US \$500 per package or shipping unit or USD2.00 per kilo of the gross weight of the Goods whichever is less.
- (3) The Merchant agrees and acknowledges that the Carrier has no knowledge of the value of the Goods and the Carrier's liability may be increased to a higher value only by a declaration in writing of the value of the Goods by the Merchant upon delivery to the Carrier of the Goods for shipment, such higher value being inserted with the consent of the Carrier on the front of this Bill of Lading in the space provided and, if required by the Carrier, extra freight paid. In such case, if the actual value of the Goods shall exceed such declared value, the value shall nevertheless be deemed to be the declared value and the Carrier's liability, if any, shall not exceed the declared value and any partial loss or damage shall be adjusted pro rata on the basis of such declared value.

8. DESCRIPTION OF GOODS

- (1) This Bill of Lading shall be prima facie evidence of the receipt by the Carrier in apparent good order and condition save as may be otherwise noted of the total number of packages or units or containers comprising or in which the Goods have been packed or stuffed.
- (2) No representation is made by the Carrier as to the weight, contents, measure, quantity, quality, description, condition, marks, numbers, origin or value of the Goods and the Carrier shall not be under any responsibility whatsoever in respect of such description or particulars. .
- (3) The description and particulars of the Goods set out on the face hereof are furnished by the Merchant and the Merchant warrants to the Carrier that the description and particulars provided by it or on its behalf including but not limited to, of weight, measure, quantity, quality, description, conditions, marks, numbers, origin and value have been checked by the Merchant and that such description and particulars including any other particular furnished by or on behalf of the Merchant are true, adequate and correct. The Merchant is responsible for any customs or other fines and penalties imposed on or in respect of any Goods which have been incorrectly described or declared to the Carrier. The Merchant also warrants that the Goods are lawful goods according to the applicable laws including those of the country of the Place of Receipt and that of the Place of Delivery and are not, or do not contain, contraband, prohibited or illegal substances or articles, drugs or stowaways and that neither the Goods nor the Carriage thereof will cause any loss, expense or delay to the Carrier or to the Vessel or to any other cargo during the Carriage.

9. MERCHANT'S RESPONSIBILITY

- (1) The Merchant shall comply with all applicable laws, regulations and requirements of customs, port and other authorities and shall bear and pay (or indemnify the Carrier if the latter shall be obliged to pay first) all duties, taxes, fines, imposts, expenses, and losses incurred or suffered and be liable for all losses (whether direct, indirect or consequential), damages, fines, delay and any attorney fees in respect of the Goods by reason of any illegal, incorrect, untimely, or insufficient declaration, marking, number or addressing of the Goods. In particular, but without limitation, in case of any such non-compliance the Carrier and/or its agents shall

be at liberty to reserve not to load the Goods or, if loaded, to arrange at the Merchant's risk and expense for such Goods to be landed and stored without compensation to the Merchant and such shall be deemed to constitute due delivery under this Bill of Lading.

- (2) The Merchant undertakes that the Goods are packed in a manner, and if applicable stuffed into a Container (in the case of not being stuffed by or on behalf of the Carrier) , adequate to withstand the ordinary risks of carriage having regard to their nature and in compliance with all laws, regulations and requirements which may be applicable.

- (3) The Merchant shall be liable for the loss, damage, contamination, soiling, detention or demurrage before, during and after the Carriage of property (including, but not limited to, Containers) of the Carrier or any person or vessel (other than the Merchant) referred to in Clause 5(2) above caused by the Merchant or any person acting on his behalf or for which the Merchant is otherwise responsible. The Merchant shall indemnify the Carrier, his servants and agents for all losses, damages, liabilities and expenses of whatever nature suffered or incurred by the Carrier as a result of the Merchant's failure to comply with Clause 9(2) above including but not limited to environmental damage or loss, clean up costs, removal of hazardous material or substances and fines imposed by governmental agencies or port authorities.

- (4) The Merchant (and each of the persons within the definition of Merchant shall be jointly and severally liable and remain so whether or not the Bill of Lading has been transferred) shall be liable to the Carrier for the due fulfilment of all obligations to be undertaken by the Merchant in this Bill of Lading and defend, indemnify and hold harmless the Carrier against any loss, damage, claim, liability or expense whatsoever arising from any breach of the provisions of this Bill of Lading or applicable law or from any cause in connection with the Goods for which the Carrier is not responsible.

- (5) The Merchant undertakes to provide to the Carrier or his agent, the name and contact details of the consignee if not stated in the Bill of Lading.

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- (1) Single packages with a weight exceeding 1,000 kilograms gross weight not presented to the Carrier in enclosed Containers or overweight Containers must be declared in writing by the Merchant before receipt by the Carrier. The weight of each such package must be clearly marked on the outside of such package in letters and figures not less than five (5) centimetres in height.
- (2) If the Merchant fails to comply with Clause 10(1), the Carrier shall not be liable for any loss or damage resulting from such failure and the Merchant shall indemnify the Carrier against all loss or damage or liability suffered or incurred by the Carrier as a result of such failure.
- (3) The Merchant agrees to comply with all laws or regulations that may be applicable during the Carriage concerning overweight Containers or any other heavy lift cargo and shall indemnify the Carrier against any and all loss or damages or liability suffered or incurred as a result of the Merchant's failure to comply with the provisions of Clause 10(1).

11 DANGEROUS GOODS

- (1) No Goods which are or may become of a dangerous, inflammable or damaging nature or which are or may become liable to damage any property or person whatsoever or other goods shall be tendered to the Carrier for Carriage, whether or not listed in any official or unofficial international or national code or convention, without previously giving written notice of their nature, type, name, label and classification to the Carrier and obtaining the Carrier's prior express consent in writing. Further the Container or other covering in which the Goods themselves are to be transported and the Goods must be distinctly marked on the outside so as to indicate the nature and character of any such Goods and so as to comply with all applicable laws, regulations and requirements.
- (2) If any such Goods are delivered to the Carrier without obtaining such written consent and without such marking or if in the opinion of the Carrier the Goods are or are liable to become of a dangerous, legal, inflammable or damaging nature and cannot safely or properly be carried or carried further whether taking any measures

or incurring additional expense or not, the Carrier at its absolute discretion and without notice to the Merchant (but as the Merchant's agent only) may at any time or place take such measures as it considers appropriate and/or incur reasonable additional expense to continue the Carriage and/or arrange at the Merchant's risk and expense for such Goods to be landed, stored, ashore or afloat, under cover or in the open, sold, destroyed, disposed of, abandoned, or rendered harmless without compensation to the Merchant and without prejudice to the Carrier's rights to Charges. Such action shall be deemed to constitute due delivery under this Bill of Lading and the Merchant shall pay all Charges incurred by the Carrier. In exercising its discretion hereunder, the Carrier shall not be under any obligation to take any particular measure and should not be liable for any loss, damage or delay howsoever arising or any lack of action relating thereto.

12.**CONTAINERS**

- (1) Goods may be stuffed by the Carrier in or on Containers and Goods may be stuffed with other Goods.
- (2) The terms of this Bill of Lading shall at all times govern all the responsibility of the Carrier in connection with or arising out of the supply of a Container to the Merchant, whether supplied before or after the Goods are received by the Carrier or delivered to the Merchant not only during the Carriage but both before and after the Carriage.
- (3) If a Container has been stuffed by or on behalf of the Merchant other than by the Carrier
 - (A) this Bill of Lading shall be a receipt only for such a Container and the Carrier shall not be liable for loss or damage or delay to the Goods howsoever carried including but without prejudice to the generality hereof where such is:
 - (i) caused by the manner in which the Container has been stuffed
 - (ii) caused by the unsuitability of the Goods for carriage in Containers
 - (iii) caused by the unsuitability or defective condition of the Container provided that where the Container has been supplied by or on

behalf of the Carrier, this sub-clause (iii) shall only apply if the unsuitability or defective conditions arose (a) without any want of due diligence on the part of the Carrier or (b) would have been apparent upon reasonable inspection by the Merchant at or prior to the time when the Container was stuffed

- (B) the Merchant shall defend, indemnify and hold harmless the Carrier against any loss, damage, claim liability or expense whatsoever arising from one or more of the matters converted by (A) above except for (A)(iii)(a) above.
- (4) The Merchant is responsible for packing and sealing all Containers not stuffed by the Carrier and if any such Container is delivered by the Carrier with its original seal as affixed by the Merchant intact, the Carrier shall not be liable for any shortage of goods on delivery nor for any condensation or humidity loss or damage.
- (5) Where the Carrier is instructed to provide a Container in the absence of a written request to the contrary, the Carrier is not under an obligation to provide a Container of any particular type of quality. The Merchant shall inspect the Container prior to stuffing and use of such Container shall be deemed to be acceptance by the Merchant of it being sound and suitable for use. Unless otherwise agreed with the Carrier, the Merchant is responsible for returning the empty Containers with clean interiors to the point or place designated by the Carrier or its agents within the time prescribed in the Carrier's applicable Tariff. In such case if the Containers are not returned within the time prescribed in the Carrier's applicable Tariff, the Merchant shall be liable for detention and demurrage at the rates specified in the Carrier's applicable Tariff together with any other losses and expenses arising from such non-return including those incurred by Carrier or its agents in seeking the return of the Containers. In the event that the Carrier assumes responsibility to return the empty Containers, the Merchant agrees to indemnify the Carrier in respect of any charges, costs and expenses of whatsoever nature incurred by the Carrier in returning the empty Containers caused by any act, omission and/or delay on the Merchant's part.

- (1) Goods including those of a perishable nature, shall be carried in ordinary Containers unless there is noted on the Bill of Lading that the Goods need specific protection. The Merchant undertakes not to tender for transportation any Goods which require refrigerated, heating, ventilation or other control without previously giving written notice (and filling in the box on the front of this Bill of Lading if this Bill of Lading has been prepared by the Merchant or a person acting on his behalf) of the nature of the Goods and the particular temperature or other setting of the thermostatic, ventilation or other controls to be maintained. In the case of a temperature controlled Container stuffed by or on behalf of the Merchant, the Merchant further undertakes that the Container has been properly pre-cooled, or pre-heated as applicable, that the Goods have been properly stuffed in the Container and that its thermostatic controls have been properly set by the Merchant before receipt of the Goods by the Carrier. In particular, the Merchant acknowledges and accepts that temperature controlled Containers are not designed to monitor and control humidity levels and the Carrier does not guarantee the maintenance of any particular humidity level inside any Container. If any of the above requirements are not complied with the Carrier shall not be liable for any loss of or damage to the Goods howsoever arising.

- (2) The Carrier shall not be liable for any loss of or damage to the Goods arising from defects, derangement, breakdown, stoppage of the temperature controlling machinery, plant, insulation or any apparatus of the Container, provided that the Carrier shall before or at the beginning of the Carriage exercise due diligence to maintain the refrigerated Container in an efficient state.

14**INSPECTION OF GOODS**

The Carrier or any person authorised by the Carrier shall be entitled but under no obligation to open and/or scan any Container or package at any time and to inspect the Goods.

15.**MATTERS AFFECTING PERFORMANCE**

- (1) If at any time the Carriage, the Vessel or other goods on board the Vessel are or are likely to be affected by any hindrance, risk, danger, delay, difficulty or disadvantage of whatsoever kind (including the condition of the Goods), or the Goods cannot safely or properly be carried or carried further at all or without

incurring additional expense whensoever and howsoever arising (whether or not the Carriage has commenced) without notice to the Merchant, the Carrier at its sole discretion may:

- (A) carry the Goods to the Place of Delivery by an alternative route to that indicated in this Bill of Lading. If the Carrier does so, he shall be entitled to charge such additional charges as the Carrier may determine; or
- (B) suspend the Carriage of the Goods and store them ashore or afloat subject to the terms of the Bill of Lading and use reasonable endeavours to forward them the Goods if practicable to destinations abandon the Carriage of the Goods and where reasonably possible place the Goods or any part of them at the Merchant's disposal at any place which the Carrier may deem safe and convenient, whereupon the responsibility of the Carrier in respect of such Goods shall cease; or
- (C) without notice to the Merchant, abandon the Carriage of the Goods and where reasonably possible place the Goods or any part of them at the Merchant's disposal at any place which the Carrier may deem safe and convenient, whereupon the responsibility of the Carrier in respect of such Goods shall cease.
- (D) without prejudice to the Carrier's rights subsequently to use an alternative route under (A) or to suspend Carriage under (B) or to abandon the Carriage under (C) above, continue the Carriage.

In any event the Carrier shall be entitled to full Charges on Goods received for Carriage and the Merchant shall pay any additional costs resulting from the above mentioned circumstances.

- (2) Subject to (1) above in any event, the responsibility and liability of the Carrier in respect of the Goods shall cease on the delivery or other disposition of the Goods in accordance with the Orders or recommendations given by any government or authority or any person acting or purporting to act as or on behalf of such government or authority.

16. METHODS AND ROUTE OF TRANSPORTATION

- (1) The Carrier may at any time and without notice to the Merchant use any means of transport or storage whatsoever; load, transfer or carry the Goods on any vessel other than that named on the front hereof or by any other means of transport whatsoever even though transshipment or forwarding may not have been contemplated or provided for; at any place unpack and remove Goods which have been stuffed in or on a Container and forward the same in a Container or in any manner whatsoever; proceed at any speed and by any route in his discretion (whether or not the nearest or most direct or customary or advertised route) and proceed to, return to or stay at any port or place whatsoever (whether or not the place is a port named on the front hereof as the intended Port of Loading or intended Port of Discharge) and in any order in or out of the route or in a contrary direction to the Port of Discharge; comply with any orders or recommendations given by any government or authority or any person or body acting or purporting to act as or on behalf of such government or authority or having under the terms of the insurance on any conveyance employed by the Carrier the right to give orders or directions, permit the vessel to proceed with or without pilots to tow or to be towed or to be dry-docked with or without Goods or Containers; permit the vessel to carry livestock, Goods of all kinds dangerous, or otherwise, contraband, explosives, munitions or warlike stores and sail armed or unarmed.
- (2) The liberties set out in sub-clause (1) above may be invoked by the Carrier for any purposes whatsoever whether or not connected with the Carriage of the Goods including but not limited to loading or unloading other goods, bunkering, embarking or disembarking other persons, undergoing repairs and/or dry docking, towing or being towed or assisting other vessels. Anything done in accordance with (1) above or any delay arising therefrom shall be deemed to be within the contractual Carriage and shall not be a deviation of whatsoever nature or degree.

17. DECK CARGO (AND LIVESTOCK)

- (1) Goods of any description whether stuffed in containers or not may be carried on or under deck at the sole discretion of the Carrier without notice to the Merchant and such stowage shall not be a deviation of whatsoever nature or degree. If carried on deck, the Carrier shall not be obliged to note, mark or stamp on the bill of lading any statement that the Goods are carried on deck. Subject to (2) below such

Goods whether carried on deck or under deck and whether or not stated as carried on deck shall participate in General Average and such Goods (other than livestock) shall be deemed to be within the definition of Goods for the purposes of the Hague Rules or any legislation making such Rules or the Hague-Visby Rules compulsorily applicable (such as COGSA) whichever is applicable to this Bill of Lading.

- (2) Goods (not being Goods stuffed in or on Containers other than open flats or pallets) which are stated on the front of this Bill of Lading to be carried on deck and which are so carried (and livestock, whether or not carried on deck) are carried without responsibility on the part of the Carrier for loss or damage of whatsoever nature or delay arising during Carriage whether caused by unseaworthiness or negligence or any other cause whatsoever on the part of the Carrier, its servants or agents. The Hague Rules or the Hague Visby Rules as applicable (or COGSA if applicable) shall not apply to such carriage. The Merchant shall defend, indemnify and hold harmless the Carrier against all and any extra cost incurred for any reason whatsoever in connection with carriage of such Goods or livestock.
- (3) Where local legislation at the Port of Loading or Place of Receipt provides that for Goods carried on or above deck that the Carrier must have the agreement in writing of the Merchant to permit Carriage on or above deck, then to such extent Clause 6(1) and 6(2) is to be read as modified thereby.

18**DELIVERY OF GOODS**

- (1) If delivery of the Goods or any part thereof is not taken by the Merchant at the time and place when and where the Carrier is entitled to call upon the Merchant to take delivery thereof as may be provided by the Carrier's applicable Tariff, the Carrier shall be entitled without notice to remove from a Container the Goods or that part thereof if stuffed in or on a Container and to store the Goods or that part thereof ashore, afloat in the open or under cover at the sole risk and expense of the Merchant. Such storage shall constitute due delivery hereunder, and thereupon all liability of the Carrier including for mis-delivery or non-delivery in respect of the Goods or that part thereof shall cease and the costs of the storage shall be payable forthwith upon demand by the Merchant to the Carrier.

- (2) If the Merchant fails or refuses to take delivery of the Goods within 30 days of delivery under sub-clause (1) above, or such shorter time as may be provided in any law, order, decree or regulation applicable at the place of discharge, or if in the sole opinion of the Carrier the Goods are likely to perish or be rendered less valuable or worthless sooner within that period, or incur Charges in excess of their value the Carrier shall be entitled at his discretion without further notice to the Merchant and without prejudice to any other remedies which the Carrier may have under this Bill of Lading, and without responsibility to sell by private treaty or by public auction, dispose of or destroy the Goods and apply any proceeds of sale against sums owed by the Merchant to the Carrier.

19**BOTH-TO-BLAME COLLISION**

The Both to Blame Collision and New Jason clauses published and/or approved by BIMCO and obtainable from the Carrier or his agent upon request are hereby incorporated herein.

20**GENERAL AVERAGE**

- (1) The Carrier may declare General Average which shall be adjustable according to the York/Antwerp Rules 2004 or as amended from time to time at any place at the option of the Carrier and by an adjuster appointed by or with the concurrence of the Carrier and the Merchant shall provide such security as may be required by the Carrier in this connection. General Average on a vessel not operated by the Carrier shall be adjusted according to the requirements of the operator of that vessel.
- (2) Notwithstanding (1) above, the Merchant shall defend, indemnify and hold harmless the Carrier in respect of any claim (and any expense arising therefrom) of a General Average nature which may be made on the Carrier and shall provide to the Carrier prior to delivery of the Goods such cash deposit or security as may be required by the Carrier in this connection to cover the estimated contribution in respect of the Goods and any salvage and special charges thereon.

- (3) The Carrier shall be under no obligation to take any steps whatsoever to collect security for General Average contributions due to the Merchant.

21**CHARGES**

- (1) Charges shall be deemed fully earned on receipt of the Goods by the Carrier whether or not such Charges or any of them are stated on the face of the Bill of Lading and shall be paid and non-returnable in any event Goods and/or Vessel or other conveyance lost or not lost. All sums payable to the Carrier shall be paid in full without set-off, deduction or counterclaim in United States Dollars or, at the Carrier's option, its equivalent in the currency of the Port of Loading or Port of Discharge.
- (2) The Charges have been calculated on the basis of particulars furnished by or on behalf of the Merchant and the Carrier's confirmation of the basis of the calculation shall be conclusive. The Carrier shall be entitled to production of the commercial invoice for the Goods or true copy thereof and to open the Goods or the Container to inspect, reweigh, re-measure and re-value the Goods. If the particulars are found by the Carrier to be incorrect, the Merchant shall pay the Carrier the correct Charges (credit being given for the Charges charged) together with the costs incurred by the Carrier in establishing the correct particulars.
- (3) All Charges shall be paid in full regardless of the condition and any loss or damage without any set-off, deduction or counter-claim before the delivery of the Goods to the Merchant.
- (4) If the Merchant fails to pay the Charges in full when due, the Merchant shall be liable in addition for interest due on any outstanding sum together with reasonable expenses and attorney fees incurred in obtaining payment due to the Carrier.
- (5) The Merchant shall remain responsible for all Charges, regardless of whether the Charges are stated on the face of the Bill of Lading or intended to be pre-paid or collect.

- (6) The Merchant shall pay all Charges payable by way of return freight or otherwise in the event that any Goods or the Container cannot be loaded at the Place of Loading or delivered at the Place of Delivery due to applicable law.

22**LIEN**

- (1) The Carrier, its servants or agents shall have a lien on the Goods and any documents relating thereto for all sums whatsoever earned or due at any time to the Carrier from the Merchant under this Bill of Lading and/or any other contract or paid by the Carrier, including but not limited to any liens or penalties levied on the Carrier, for any acts or omissions for which the Merchant is responsible and for General Average contributions to whomsoever due and for the costs of recovering the same. The Carrier shall have the right to exercise the lien at any time and at any place at its discretion to recover the sums due to the Carrier and for that purpose to sell the Goods and documents by public auction or private treaty, without notice to the Merchant and at the Merchant's expense and without any liability towards the Merchant. The Carrier shall be entitled to claim the difference in the event that the sale proceeds do not discharge in full the amount due from the Merchant. The Carrier's lien shall survive the delivery of the Goods.
- (2) For shipments to and from the United States, the Carrier shall become a warehouseman at the expiration of free time stipulated in the Tariff. The Carrier shall be entitled to exercise a warehouseman's lien and liquidation rights in respect of sums due from the Merchant, whether before or after the expiry of free time by applying a general lien on the cargo.

23**VARIATION OF THE CONTRACT**

No servant or agent of the Carrier shall have power to waive or vary any of the terms of this Bill of Lading unless such waiver or variation is in writing and is specifically authorised or ratified in writing by a director or officer of the Carrier who has the actual authority of the Carrier so to waive or vary.

24**PARTIAL INVALIDITY**

If any provision in this Bill of Lading is held to be invalid or unenforceable by any court or regulatory or self-regulatory agency or body, such invalidity or unenforceability shall attach only to such provision. The validity of the remaining provisions shall not be affected

thereby and this Bill of Lading shall be carried out as if such invalid or unenforceable provisions were not contained herein.

25 JURISDICTION AND LAW CLAUSE

The contract evidenced by or contained in this Bill of Lading shall be governed by and construed in accordance with Hong Kong law and, save as may be compulsorily applicable under the local law of the place of loading or that of discharge, any dispute arising hereunder shall be determined in the Courts of Hong Kong to which jurisdiction both the Merchant and the Carrier irrevocably agree to submit.

K.2 Conditions of Carriage of the SCHENKER Ocean Sea Waybill

CONDITIONS OF CARRIAGE

1. Paramount Clause

- (a) The contract evidenced by this Waybill is deemed to be a contract of carriage as defined in Article 1(b) of the Hague Rules, Hague Visby Rules and the US COGSA. However, this Waybill is a non-negotiable document. It is not a bill of lading and no bill of lading will be issued. However, it is agreed that the Hague Rules contained in the International Convention for the Unification of certain rules relating to Bills of Lading, dated Brussels the 25th August 1924 as enacted in the country of shipment which would have been applicable in this Waybill if it were a bill of lading shall apply to this Waybill. When no such enactment is in force in the country of shipment, the corresponding legislation of the country of destination shall apply, but in respect of shipments to which no such enactments are compulsorily applicable, the terms of the said Convention shall apply in exactly the same way.
- (b) In countries where the International Brussels Convention 1924 as amended by the Protocol signed at Brussels on February 23rd 1968 – the Hague-Visby Rules – apply compulsorily, the provisions of the respective legislation shall also apply to this Waybill.
- (c) It is agreed that whenever the Hague Rules and the Hague-Visby Rules or statutes incorporating same use the words "Bill of Lading" they shall be read and interpreted as meaning "Waybill".

2. Incorporation

- (a) Unless otherwise set out on the face and back thereof, the Containers and Goods contained therein shall be carried and the contract evidenced by this Waybill subject to:
 - (i) The terms and conditions provided for in the Carrier's applicable Bill of Lading, and the terms and conditions of the Carrier's applicable tariff, both of which are deemed to be incorporated in this Waybill and which may be inspected or a copy obtained at the Carrier's offices or at those of his authorised agents and every reference therein to the words "Bill(s) of Lading" shall be read and construed as a reference to the words "non-negotiable Waybill(s)" and the terms and conditions thereof shall be read and construed accordingly; and
 - (ii) The CMI Uniform Rules for Sea Waybills ("the Rules") excluding only Rule 4 (iii), which are available at the Carrier's offices or at those of his authorized agents.
- (b) In the event of any inconsistency between terms and conditions mentioned under (i) above or otherwise set out in this Waybill and the Rules, then the terms and conditions mentioned under (i) above or otherwise set out in this Waybill shall prevail.
- (c) The Shipper accepts the terms and conditions on its behalf and on behalf of the Consignee and owner of the Goods.

3. Delivery

- (a) Unless otherwise specified in this Waybill delivery of Goods will be made only to the Consignee named on the face hereof or its authorised agents, on production of proof of identity. In presenting this Waybill or by requesting delivery of the Goods, the Consignee undertakes all liabilities of the Shipper without prejudice to the Shipper's own liability.
- (b) In respect of Goods for Carriage to Port(s) of Discharge or Place(s) of Receipt in the United States of America, clause 3(a) shall not apply. The procedure relating to the release of Goods applicable to any particular port or place in the United States of America is set out in Carrier's published tariff. Provided that the said procedure(s) is/are followed, Carrier shall be deemed to have exercised reasonable care in relation to the release and delivery of Goods, and shall not be liable to Merchant in respect of any claim for misdelivery or wrongful release and/or delivery of the Goods. Merchant expressly acknowledges and accepts that such procedures will or may provide for the delivery of Goods to any person who presents shipment particulars to the terminal. If this sub-clause 3(b) is held invalid or inapplicable in any court of competent jurisdiction, the terms of clause 3(a) shall nevertheless apply.

- (c) If the Shipper requires delivery at a place elsewhere than at the Place of Delivery or Place of Receipt as shown on the face hereof and should written instruction accordingly be given by the Shipper to the Carrier or his agents, Carrier may, at its discretion, deliver the Goods at such other place.
- (d) If the Consignee requires delivery elsewhere than at the Place of Delivery or the Place of Receipt shown on the face hereof and should written instruction be given reasonably in advance by the Shipper or its agent, Carrier may at its discretion, without any notice to the Shipper deliver Goods at such other place PROVIDED ALWAYS that the right of control has been transferred to the Consignee in accordance with CMI Uniform Rule 6 (ii).

**Corporate Product Management Ocean Freight
Essen, 1 June 2010**