



# DIVERSIFIED FREIGHT SYSTEM CORPORATION

## TERMS AND CONDITIONS

### 1. DEFINITIONS:

"Vessel" means the intended Ocean Vessel named on the front hereof and any vessel, craft, lighter or other means of conveyance which is or shall be substituted in whole or in part by the Carrier and also includes any other Vessels 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.

"Carrier" means **Diversified Freight System Corp.**, acting as a non-vessel operating common carrier, as defined under the Shipping Act of 1984 and any amendments thereto, which acts as an ocean carrier only in the U.S. import-export trade lanes.

"Merchant" includes the shipper, consignor, consignee, exporter, importer, the holder of the Bill of Lading and/or the receiver or the owner of the Goods, any person entitled to possession of the Goods, any Person having a present or future interest in the Goods or any Person acting on behalf of any of the above-mentioned Persons.

"Container" includes container, flat, pallet and any other receptacle for Goods (excluding a ship, a rail or road vehicle or an aircraft but including a trailer towed or intended to be towed by a road vehicle) supplied or intended to be supplied by or on behalf of the carrier or the carriage of cargo.

"Charges" includes freight, demurrage, and all expenses and monetary obligations incurred and payable by the Merchant.

"Package" is the largest individual unit of partially or completely covered or contained cargo made up by or for the Merchant which is delivered and entrusted to Carrier, including palletized units and each container packed and sealed by the Merchant or on its behalf, although the Merchant may have furnished a description of the contents of such sealed container(s) on this bill of lading.

"Place of Receipt", "Intended Port of Loading", "Intended Port of Discharge" and "Intended Place of Delivery", means respectively the place of receipt, port of loading (ocean vessel), port of discharge (ocean vessel) and place of delivery nominated on the front hereof.

The term "Goods" means the whole or any part of the cargo described on the fact of this Bill of Lading and, if the cargo is packed into container(s) supplied or furnished by or on behalf of the Merchant, includes the container(s) as well.

### 2. CLAUSE PARAMOUNT:

A. To and From non-United States Ports. As far as this Bill of Lading covers the Carriage of Goods by sea to and from non-United States ports by the Carrier and any Participating Carrier, the Contract evidenced in this Bill of Lading shall have effect subject to the Hague-Visby Rules, if and as enacted in the country of shipment and any legislation making those Rules compulsorily applicable to this Bill of Lading shall be deemed incorporated herein and made part of this Bill of Lading contract. When no such enactment is in force in the country of shipment, the Hague-Visby Rules will apply. The Hague-Visby Rules shall also govern before the Goods are loaded on and after they are discharged from the vessel and throughout the entire time the Goods are in the actual custody of the Carrier or Participating Carrier. The Hague-Visby Rules shall also 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. To or From United States Ports. If the Carriage called for in this Bill of Lading is a shipment to or from the United States, the liability of the Carrier shall be exclusively determined pursuant to COGSA; the Pomerene Act [49 U.S.C. §80101 et. seq.] for

both export and import cargo moving to/from the United States; and Article 7-301 of the Uniform Commercial Code. The provisions cited in the Hague Rules and COGSA shall also govern before the Goods are loaded on and after they are discharged from the Vessel and throughout the entire time the Goods are in the actual custody of the Carrier or Participating Carrier.

C. Other Applicable Laws. The Carrier shall be entitled to (and nothing in this Bill of Lading shall operate to deprive or limit such entitlement) the full benefit of, and rights to, all limitation of and exclusions from liability and all rights conferred or authorized by any applicable law, statute or regulation of any country (including, but not limited to, where applicable any provisions or sections 4281 to 4287, inclusive, of the Harter Act 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 regulation available to the Owner of the vessel on which the Goods are carried.

### **3. LIMITATION OF LIABILITY:**

Insofar as loss of or damage to or in connection with the Goods is caused during the part of the custody or carriage, such compensation shall be calculated as follows:

A. Where the Hague-Visby Rules apply hereunder by virtue of clause 2, the Carrier's liability shall in no event exceed the greater of 2 SDRs per kilo of gross weight of the Goods lost or damaged or 667 SDRs per Package.

B. Where Carriage includes Carriage to, from or through a port in the United States of America and US COGSA applies by virtue of clauses 2, Carrier shall not in any event be or become liable in an amount exceeding US\$500 per Package or customary freight unit.

IF NO LIMITATION AMOUNT IS APPLICABLE UNDER ANY OF THE ABOVE RULES OR LEGISLATION, THE LIMITATION SHALL BE US\$500 PER PACKAGE OR CUSTOMARY FREIGHT UNIT.

### **4. CARRIER'S RESPONSIBILITY:**

A. PORT TO PORT SHIPMENT: Except as otherwise provided herein, the Carrier's responsibility for Goods shall commence at the time when such Goods are received by the Carrier at the Port of Loading and shall terminate when such Goods are delivered by or on behalf of the Carrier at the intended Port of Discharge. Notwithstanding the above where the space(s) entitled "Place of Receipt" and/or "Place of Delivery" on the face hereof are completed, the contract contained in or evidenced by this Bill of Lading is for through transportation from and/or to the place(s) so named and the Carrier's responsibility shall then commence at the time when the Goods are delivered at the Place of Receipt so named (if any) and/or terminate when the Goods are delivered at the Place of Delivery so named (if any). The Merchant constitutes the Carrier as agent to enter into contracts on behalf of the Merchant with other 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.

B. COMBINED TRANSPORT: Except as otherwise provided in this Bill of Lading, the Carrier shall be liable for loss of or damage to the Goods occurring from the time that the Goods are taken into his charge until the time of delivery to the extent set out below:

(1) 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 rules or legislation that would have applied under Clause 2 above had the loss or damage occurred at sea or, if there was no carriage by sea, under the Hague Rules (or COGSA).

(II) Where under (1) above, the Carrier is not liable in respect of some of the factors causing the loss or damage, it shall only be liable to the extent that those factors for which it is liable have contributed to the loss or damage.

(III) Where the Hague Rules (or any legislation applying such rules or Hague-Visby Rules such as COGSA) is not compulsorily applicable, the Carrier's liability shall not exceed US \$2.00 per kilo of the gross weight of the Goods lost, damaged or in respect of which the claim arises or the value of such Goods, whichever is the lesser; and

(IV) The value of the Goods shall be determined according to the commodity exchange price at the place and time of delivery to the Merchant or at the place and time when they should have been so delivered, or, if there is no such price, according to the current market price by reference to the normal value of the Goods of the same kind and quality, at such place and time.

(2) 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 cannot be departed from by private contract to the detriment of the Merchant and 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 occurred and had received as evidence thereof any particular document must be issued in order to make such international convention or national law applicable.

(II) Where (I) above does not apply and liability of the Carrier shall be determined by Clause 2.

C. DELAY, CONSEQUENTIAL LOSS: Except as otherwise provided herein, the Carrier shall in no circumstances be liable for direct, indirect or consequential loss or damage by delay or any other cause whatsoever and howsoever caused. Without prejudice to the foregoing, if the Carrier is found liable for delay, liability shall be limited to the freight applicable to the relevant stage of the transport.

D. AD VALOREM DECLARED VALUE OF PACKAGES OR SHIPPING UNIT: The Carrier's liability may be increased to higher value 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 on the front of this Bill of Lading in the space provided for 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.

E. 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.

F. 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 or damage to the Goods indicating the general nature of such loss or damage shall have been given in writing to the Carrier or to his representative at the place of delivery before or at the time of removal of the Goods into the custody of the person entitled to

delivery thereof under this Bill of Lading or, if the loss or damage is not apparent within three consecutive days thereafter.

#### **5. REFRIGERATED CARGO:**

Goods of a perishable nature shall be carried in ordinary containers without special protection, services or other measures unless there is noted on the front of this Bill of Lading that the goods will be carried in a refrigerated, heated, electrically ventilated or otherwise specially equipped container or are to receive special attention in any way. Carrier shall not be liable for any loss of or damage to Goods in a special hold or container arising from latent defects, derangement, breakdown, or stoppage of the refrigeration ventilation or heating machinery, insulation, ship's plant, or other such apparatus of the vessel or Container, provided that Carrier shall before or at the beginning of the Carriage exercise due diligence to maintain the special hold or Container in an efficient state. Merchant undertakes not to tender for transportation any goods which require temperature control without previously giving written notice of their nature and the required temperature setting of the thermostatic controls before receipt of the goods by Carrier. In the case of a temperature controlled Container stuffed by or on behalf of the Merchant, Merchant further undertakes that the Container has been properly pre-cooled, 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. Merchant's attention is drawn to the fact that refrigerated containers are not designed to freeze down cargo which has not been presented for packing at or below its designated carrying temperature. Carrier shall not be responsible for the consequences of cargo tendered at a higher temperature than that required for the transportation. If the above requirements are not complied with, Carrier shall not be liable for any loss of or damage to the goods whatsoever. .

#### **6. CARGO STOWED IN CONTAINERS BY MERCHANTS:**

The Carrier shall not be responsible for the safe and proper stowing of cargo in containers if such containers are loaded with cargo by Merchant, consolidator or inland carrier, and no responsibility shall attach to the Carrier for any loss or damage caused to contents by shifting, overloading or improper packing of the container. Containers loaded by the Merchant or their agent shall be properly sealed and the seal identification reference, as well as the container reference, shall be shown herein. The Merchant, consolidator or inland carrier shall inspect containers before loading them and loading of the containers shall be prima facie evidence that the containers were sound and suitable for use. Carrier has the right but not the obligation to open and inspect the containers at any time without notice to Merchant, and expenses resulting from such inspections shall be borne by Merchant. Merchant warrants that the stowage and seals of the containers are safe and proper and suitable for handling and carriage and indemnifies Carrier for any injury, loss or damage caused by breach of this warranty. The Carrier will not be liable in any event for the particulars furnished by the Merchant as shown on the front of this Bill of Lading. This Bill of Lading is a receipt only for the number of containers, packages or pieces as shown on the front of this Bill of Lading. The Carrier has counted only the number of containers (If container received already loaded) or the number of packages or pieces (if the Carrier has loaded the container) and under no circumstances shall the Bill of Lading be prima facie evidence of the marks, quantity, weight, description, measurement and other particulars furnished by the Merchant. Delivery shall be deemed as full and

complete performance when the containers are delivered by Carrier with the seals intact.

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 following matters: loss or damage caused by the manner in which the Container has been stuffed; loss or damage caused by the unsuitability of the Goods for Carriage in Containers; loss or damage caused by the unsuitability or defective conditions of the Container, provided that where the Container has been supplied by or on behalf of the Carrier, this paragraph shall only apply if the unsuitability or defective condition would have been apparent upon reasonable inspection by the Merchant at or prior to the time when the Container was stuffed; and loss or damage if the Container is not sealed at the commencement of the Carriage except where the Carrier has agreed to seal the Container.

## **7. OPTIONS OF THE CARRIER:**

A. Subcontracting: The Carrier shall be entitled to subcontract on any terms the whole or any part of the handling, storage or carriage of the Goods and any and all duties whatsoever undertaken by the Carrier in relation to the Goods. The Merchant shall defend, indemnify and hold harmless the Carrier against any claims, which may be made upon the Carrier by any servant, agent or subcontractor of the Carrier in relation to the claim against any such person made by the Merchant. The provisions of COGSA or its applicable foreign equivalent at point of origin or destination shall apply by agreement of the parties to all agents, contractors, and subcontractors, including but not limited to, draymen, truckers, and stevedores, prior to the loading of and after the unloading of the cargo. Without prejudice to the foregoing, every such servant, agent and subcontractor shall be entitled to the same rights, exceptions, exemptions, defenses, immunities, limitations of liability, privileges and conditions granted or provided by this Bill of Lading, tariff or statute, including but not limited to the provisions of COGSA or its applicable foreign equivalent, to which Carrier is entitled and 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 his own behalf but also as agent and trustee for such servants, agents and subcontractors. The above shall also apply to and for the benefit of the officers and employees of the Carrier and the agents, officers and crew of the vessel and to and for the benefit of all parties performing services in connection with the Goods as agents or contractors of the Carrier (including, without limitation, stevedores, terminal operators, and agents) and the employees of each of them. By 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 deemed parties to this contract.

B. Route and Tran-shipment: The Carrier may at anytime and without notice to the Merchant, use any means of transport or storage in any reasonable manner and by any reasonable means, methods and routes, including but not limited to, inland carriage by truck, rail and/or air; load or carry the Goods on any vessel, whether named on the front hereof or not; transfer the Goods from one conveyance to another, including transshipping or carrying the same on another vessel than that named on the front hereof or by any other means of transport whatsoever; at any place unpack and remove Goods which have been stuffed in or on a Container and forward the same in any manner whatsoever; proceed at any speed and by any route in Carrier's discretion (whether or not the nearest, direct, customary, advertised, or published route) and proceed to or stay at any place whatsoever once or more often and in any order; load

or unload the Goods from any conveyance at any place (whether or not the place is a port named on the front hereof as the intended Port of Loading or intended Port of Discharge); comply with any orders or recommendations given by any government, 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 the conveyance employed by the Carrier, the right to give orders or directions; permit the vessel to proceed with or without pilots, save or attempt to save life or property, adjust navigational instruments, make trial trips, go to repair yards, shift berths, take in fuel or stores, embark or disembark any persons to tow or be towed, or to be dry-docked; permit the vessel to carry livestock, Goods of all kinds, dangerous or otherwise, contraband, explosives, munitions or warlike stores, and sail armed or unarmed. These liberties may be invoked by the Carrier (without notice to the Merchant), either with or without the goods on board, for any purposes whatsoever, whether or not connected with the Carriage of the Goods. Any act involving delays resulting from such activities shall not be deemed a deviation of whatsoever nature or degree.

C. Conditions affecting Performance:

(1) Carrier shall use reasonable endeavors to complete transport and to deliver the goods at the place designated for delivery. If at any time the performance of this contract as evidenced by this Bill of Lading in the opinion of Carrier is or will be affected by any hindrance, risk, delay, injury, difficulty or disadvantage of any kind including strike and if by virtue of the above it has rendered or is likely to render it in any way unsafe, impracticable, unlawful, or against the interest of Carrier to complete the performance of the contract, Carrier, whether or not the transport is commenced, may without notice to Merchant elect to:

i. treat the performance of this contract as terminated, abandon the Carriage of the Goods and place the goods, or any part of them, at Carrier's disposal at any place which the Carrier shall deem safe and convenient, whereupon the responsibility of the Carrier in respect of such Goods shall cease; or

ii. continue the Carriage and deliver the goods at the place of delivery. In any event, Carrier shall be entitled to full freight for any goods received for transportation and additional compensation for extra costs resulting from the circumstances referred to above.

(2) If, after storage, discharge, or any actions taken above, Carrier makes arrangements to store and/or forward the goods, it is agreed that he shall do so only as agent for and at the sole risk and expense of Merchant without any liability whatsoever in respect of such agency. Merchant shall reimburse Carrier forthwith upon demand for all extra freight charges and expenses incurred for any actions taken according to Clause 7C(1), including delay or expense to the Ship, and Carrier shall have a lien upon the goods to that extent.

(3) The situations referred to in Clause 7C(1) above shall include, but shall not be limited to, those caused by the existence or apprehension of war declared or undeclared, hostilities, riots, civil commotions, or other disturbances, closure of, obstacle in, or danger to any port or canal, blockade, prohibition, or restriction on commerce or trading quarantine, sanitary, or other similar regulations or restrictions, strikes, lockouts or other labor troubles whether partial or general and whether or not involving employees of Carrier or its Subcontractors, congestion of port, wharf, sea terminal, or similar place, shortage, absence or obstacles of labor or facilities for loading, discharge, delivery, or other handling of the goods, epidemics or diseases, bad weather, shallow water, ice, landslide, or other obstacles in navigation or carriage.

(4) Carrier, in addition to all other liberties provided for in this Clause, shall have liberty to comply with orders, directions, regulations or suggestions as to navigation

or the carriage or handling of the goods or the ship howsoever given, by any actual or purported government or public authority, or by any committee or person having under the terms of any insurance on the Ship, the right to give such order, direction, regulation, or suggestion. If by reason of and/or in compliance with any such order, direction, regulation, or suggestion, anything is done or is not done the same shall be deemed to be included within the contractual carriage and shall not be a deviation.

D. Variation of the Contract: Only Carrier's officers, directors, or agents with actual authority shall have power to waive, vary, alter, or modify any terms herein. Any changes must be agreed upon in writing by Carrier and Merchant.

E. Stowage in Containers: Where the goods are not received by Carrier already in containers or 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 or quality. Goods may be stuffed by the Carrier and may be stuffed with other Goods. Merchant shall be liable to Carrier for damage to Carrier's containers or equipment if such damage occurs while such equipment is in control of Merchant or his agents. Merchant indemnifies Carrier for any damage or injury to persons or property caused by Carrier's containers or equipment during handling by or when in possession or control of Merchant.

F. On Deck Storage: Containers, whether goods therein be stowed by the Carrier or by the Merchant, and unit load machinery not containerized may be carried on or under deck without notice to the Merchants and if they are so carried, COGSA or the Hague Rules incorporated herein shall be applicable notwithstanding carriage on or under deck and the Goods and/or containers shall contribute in General Average whether carried on or under deck.

G. Inspection of Goods: Upon cause, the Carrier or any person authorized by the Carrier shall be entitled, but under no obligation, to open and inspect the Goods in any Container or package at any time.

## **8. GOVERNMENT DIRECTIONS, ETC.:**

The Carrier, Master and Vessel shall have liberty to comply with any orders or directions as to loading, departure, arrival, routes, ports of call, stoppages, discharge, destination, delivery or otherwise, howsoever given by the government of any nation or department thereof or any person acting or purporting to act with the authority of such government or of any department thereof, or by any committee or person having, under the terms of war risk insurance on the Vessel, the right to give such orders or directions shall be a fulfillment of the contract voyage. Where the Carrier delivers the Goods to person(s) charged by the law, custom, or usage of the port with the duty to receive the Goods and distribute them to the Merchant, the same shall constitute due delivery under this Bill and thereupon the liability of the Carrier in respect of the Goods shall entirely cease.

In addition to all other liberties herein, the Carrier shall have the right to withhold delivery of, reship to, deposit or discharge the goods at any place whatsoever, surrender or dispose of the goods or permit inspection or other control in accordance with any direction, condition or agreement imposed upon or extracted from the carrier by any government or department thereof or any person purporting to act with the authority or either of them, In any of the above circumstances, the Goods shall be solely at their risk and expense and all expenses and charges so incurred shall be payable by the cargo owner or consignee and shall be a lien on the goods.

## **9. MERCHANTS RESPONSIBILITY:**

Merchants and their agents shall be jointly and severally liable to Carrier for any loss or damage to containers or Goods while in their possession or the possession of their agents. The Carrier shall not in any event be liable for any loss, delay, damage or injury to the Goods, or to other property or to any persons arising out of the use or handling of Carrier's containers by Merchant or their agent. Merchant shall defend, indemnify and hold the Carrier harmless from and against any and all claims, loss, damage or fines on a container or the Goods before delivery to the Carrier at the port of loading or between containers to the Carrier. If the goods are delivered in a container, the Merchant undertakes to return the container promptly to the Carrier in the same condition as when received from the Carrier. The Merchant warrants to the Carrier that the particulars relating to the Goods as set out overleaf have been checked by the Merchant on receipt of this Bill of Lading and that such particulars, and any other particulars furnished by or on behalf of the Merchant, are adequate and correct. The Merchant also warrants that the Goods are lawful goods and contain no contraband. If the Container is not supplied by or on behalf of the Carrier, the Merchant further warrants that the Container meets all ISO and/or other international safety standards and is fit in all respects for Carriage by the Carrier. The Merchant shall defend, indemnify and hold harmless the Carrier for any injury, loss or damage, including fines arising from Merchant's failure to declare correctly herein any of the particulars furnished by him, including marks, quantity and description of the goods, weight and cubic measurement of goods and the exact total gross weight of container (container tare weight and cargo weight) and also for any kind of rerouting of the Goods at the Merchant's request or for any other act, fault or neglect of the Merchant, his agent or his servants for which the Carrier may become liable. If the container is discharged from the vessel with seals intact, the Carrier shall not be liable for any loss or damage to contents of container unless it be proven that such loss or damage was caused by the Carrier's negligence.

Merchant shall defend, indemnify and hold harmless the Carrier against any loss or damage to the vessel or cargo or to any persons or property caused by inflammable, explosive or dangerous goods, shipped with out full disclosure of their nature, whether such Merchant be principal or agent and such Goods so shipped may be thrown overboard or destroyed at any time without compensation.

#### **10. WARRANTY:**

Merchant warrants that in agreeing to the terms hereof it or its agent 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.

#### **11. FREIGHT AND CHARGES:**

A. Pre-paid freight, whether actually paid or not, shall be earned upon receipt. Payment shall be in full and in cash without any offset, counterclaim, deduction or stay of execution, in the currency named in this Bill of Lading, or another currency at Carrier's option. Interest at 18% shall run from the date when freight and charges are due. If the services of a freight forwarder are used for this transportation, those services shall be deemed to be performed as agent of Merchant and payment of freight to the freight forwarder is not payment to Carrier. Full freight shall be paid on damaged or unsound goods. In any referral for collection or action against Merchant for monies due to Carrier, upon recovery by Carrier, Merchant shall pay the expenses of collection and litigation, including reasonable attorneys' fees.

B. The Merchant shall be liable for expenses of fumigation and of gathering and sorting loose cargo and of weighing on board and expenses incurred in repairing

damage to and replacing of packaging due to excepted causes and for all expenses caused by extra handling of the cargo for any of the aforementioned reasons.

C. Any dues, duties, taxes and charges, which under any denomination may be levied on any basis such as amount of freight, weight of cargo or tonnage of the Vessel shall be paid by the Merchant.

D. The Carrier shall be entitled to all freight and other Charges due hereunder, whether actually paid or not, and to receive and retain them irrevocably under any circumstances whatsoever, whether the vessel and/or goods be lost or not, or the voyage be broken up, or frustrated, or abandoned at any stage of the entire transit period or whether Merchant has already made payment to the freight forwarder.

E. The Merchant shall be jointly and severally liable for all, and indemnify the Carrier against all dues, duties, fines, taxes and Charges, including consular fees levied on the goods or all fines and/or losses sustained or incurred by the Carrier in connection with the goods however caused, including the procedure consular, board of health, or other certification to accompany the goods. Merchant shall be liable for return freight and charges on the goods if they are refused export or import by any government.

F. The Carrier is entitled, and Merchant is liable, in case of incorrect declaration of contents, weight, measurements or value of the Goods, to claim double the correct amount of freight which would have been due if such declaration had been correctly given. For the purposes of ascertaining the actual facts, the Carrier reserves the right to obtain from the Merchant the original invoice and to have the contents inspected and the weight, measurement or value verified. Merchant will also be liable for the expenses incurred in determining and ascertaining the correct details.

G. Merchants shall be jointly and severally liable to Carrier for demurrage, detention, general order, advances and any and all costs associated with the abandonment of the freight or a refusal of the consignee to make delivery whether or not the front of this bill of lading has been marked "prepaid " or "collect " so long as freight and charges remain unpaid.

H. Merchants shall jointly and severally indemnify Carrier for all claims, fines, penalties, damages, costs and other amounts which may be incurred or imposed upon Carrier by reason of any breach of Merchant of any of the provisions of this Bill of Lading or of any statutory or regulatory requirements.

I. Merchant authorizes the Carrier to pay and/or incur all such Charges and expenses and to do any matters mentioned above at the expense of and as agent for the Merchant, to engage other Persons to regain possession of the Goods, and to do all things deemed advisable to the Carrier for payment of all Freight and Charges and for the performance of the obligation of each of them hereunder.

## **12. GENERAL AVERAGE:**

General Average shall be adjusted at New York, or any other port at Carrier's option, according to the York-Antwerp Rules of 1974. The General Average statement shall be prepared by adjusters appointed by Carrier. The Amended Jason Clause as approved by BIMCO is incorporated herein, and the Merchant shall provide such security as may be required by the Carrier in this regard. Notwithstanding the above, the Merchant shall defend, indemnify and hold harmless the Carrier in respect of any claim, whether due to negligence or not, (and any expense rising therefrom) of a General Average nature which may be made against the Carrier, and shall provide such security as may be required by the carrier in this connection. If a salving vessel is owned or operated by Carrier, salvage shall be paid for as fully as if the salving vessel or vessels belonged to strangers. The Carrier shall be under no obligation to

take any steps whatsoever to collect security for General Average contributions due to the Merchant.

**13. LIEN:**

The Carrier shall have a general lien on all property (and documents relating thereto) of Merchant, in its possession, custody or control or en route, for all claims (including past due amounts) for charges, expenses or advances incurred by Carrier in connection with any shipments of Merchant. If such claim remains unsatisfied for 30 days after demand for its payment is made, Carrier shall be entitled to sell the goods privately or by auction, without prior notice to the Merchant, as may be necessary to satisfy such lien and the costs of recovery, and apply the net proceeds of such sale to the payment of the amount due Carrier. Any surplus from such sale shall be transmitted to Merchant, and Merchant shall be liable for any deficiency in the sale.

**14. WAREHOUSEMAN LIEN:**

If Goods go into demurrage, Carrier shall assume all rights of a warehouseman, and this Bill of Lading shall constitute a warehouseman's non-negotiable receipt. Goods will be delivered to the consignee or other Person(s) entitled to receipt of the goods upon payment of all Charges due. If Goods are not claimed within ten (10) days after demurrage commences, Carrier may exercise its warehouseman's right to sell or auction such Goods. Carrier may assert a general lien for Charges and expenses in relation to other Goods, whether or not these Goods have been delivered by Carrier.

**15. LAW AND JURISDICTION:**

A. Non-U.S. Trades: Except as provided in Clause 15 B below, all claims arising hereunder must be brought and heard solely in the courts of London to the exclusion of any other forum. Except as provided elsewhere in this Bill of Lading, the laws of England shall apply such claim.

B. U.S. Trades: Notwithstanding anything in Clause 15 A above, the shipment covered by this Bill of Lading is to or from the USA (including its districts, territories and possessions), all claims arising hereunder shall be determined exclusively according to the laws of the United States and the Merchant agrees that any suits against the Carrier shall be brought in the United States District Court for the Northern District of Illinois, which shall have exclusive jurisdiction. The Carrier shall be entitled to avail itself of all the terms and conditions of onward carriers, including such carriers' forum selection and limits of liability. Carrier reserves the right to bring suit against the Merchant for the collection of freight or other charges in any venue having jurisdiction over Merchant.

**16. BOTH- TO-BLAME COLLISION CLAUSE:**

If the vessel carrying the Goods (the carrying vessel) collides with any other vessel or object (the non-carrying vessel or object) due to the negligence of the non-carrying vessel or object, or their owner(s), charterer(s), or Person(s) responsible for the non-carrying vessel or object, the Merchant undertakes to defend, indemnify, and hold harmless the Carrier against all claims, liability, costs, attorneys' fees, and other expense arising therefrom, in respect of any loss, damage, or claim whatsoever of the non-carrying vessel or object.

**17. NOTICE OF CLAIM AND TIME BAR:**

Written notice of claims for loss of or damage to the Goods occurring or presumed to have occurred while in the custody or control of Carrier must be given to Carrier at

the port of discharge before or at the time of removal of the Goods by one entitled to delivery. If such notice is not provided, removal shall be prima facie evidence of delivery by the Carrier. If such loss or damage is not apparent, Carrier must be given written notice within three (3) days of delivery. In any event, the Carrier shall be discharged from any liability unless suit is brought in accordance with Clause 15 within twelve (12) months after delivery of the Goods, or the date when the Goods should have been delivered, unless such time bar is contrary to any compulsorily applicable international convention or law, which shall apply.

**18. CARRIER'S TARIFF(S) AND TERMS AND CONDITIONS OF SERVICE:**

The goods carried under this Bill of Lading are also subject to all the terms and conditions of the tariff(s) on file pursuant to the regulations of the United States Federal Maritime Commission or any other regulatory agency which governs a particular portion of the carriage and the terms are incorporated herein as part of the terms and conditions of this Bill of Lading. Copies of the Carrier's tariff(s) may be obtained from Carrier or its agents upon request or from the governmental body with whom the tariff has been filed. In the case of inconsistency between this Bill of Lading and the applicable tariff or the terms and conditions of service, this Bill of Lading shall prevail.

**19. SEVERABILITY:** 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 contract shall be carried out as is such invalid or unenforceable provisions were not contained herein.

**20. SURRENDER AND NEGOTIABILITY OF BILL OF LADING:** This Bill of Lading shall be non-negotiable unless made out "to order," in which event it shall be negotiable and shall constitute title to the Goods and the holder in due course shall be entitled to receive or to transfer the Goods herein described. In witness whereof one (1) original Bill of Lading has 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, duly endorsed, must be surrendered to the agent of the Carrier at the port of discharge, in exchange for delivery order. This Bill of Lading shall be prima facie evidence of the Carrier's receipt 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.