

**UPS OCEAN FREIGHT SERVICES, INC.
MULTIMODAL TRANSPORT OR PORT TO PORT SHIPMENT
CONDITIONS**

1. DEFINITIONS

- “Carriage” means the whole of the operations and services described by this document as undertaken by the Carrier in respect of the Goods.
- “Carrier” means the party on whose behalf this negotiable bill of lading or non-negotiable sea/air waybill has been issued as indicated on the face hereof. If the Goods are lost, damaged, or delayed on the sea portion of the Carriage, and the vessel owner or demise charterer seeks to limit its liability pursuant to 46 U.S.C. §§ 181 et seq. or pursuant to a similar global limitation regime of another nation, only the owner or demise charterer will be the Carrier.
- “Container” includes any container, trailer, transportable tank, flat or pallet or any similar article used for the transportation of Goods.
- “Dangerous Goods” means any Goods that may present or are reasonably believed to present a danger to any means of transportation or place of handling or storage, whether the Goods are identified as dangerous by any authority or are not so identified. Dangerous Goods include, but are not limited to, Goods listed as dangerous by the United States Department of Transportation at 49 C.F.R. or the International Maritime Dangerous Goods Code of the International Maritime Organization of the United Nations or other regulatory agencies.
- “Goods” means the cargo described on the face hereof or on an attached or referenced manifest, whether packed in Containers or not, and includes any Container not supplied by or on behalf of the Carrier.
- “Merchant” includes the consignor, shipper, consignee, the receiver of the Goods, any person, including any corporation, company or other legal entity owning or entitled to the possession of the Goods, or anyone acting on behalf of any such person.
- “Package” means the object referred to in the “No. of Pkgs.” column on the face of this document.
- “Signature” means a written signature or an electronic signature.
- “Special Carriage” means ventilated, heated, or refrigerated Carriage or any other Carriage requiring special care.
- “Subcontractor” shall include direct and indirect agents, subcontractors, and their respective servants and agents.
- “Vessel” includes any vessel, ship, craft, lighter, vehicle and other means of transport used to perform the Carriage.

2. MULTIMODAL TRANSPORT OR PORT TO PORT NEGOTIABLE BILL OF LADING

If only the Bill of Lading box on the face of this document is checked, this document will constitute a multimodal transport or port to port negotiable bill of lading. If this document constitutes a

negotiable bill of lading, all original bills of lading, properly indorsed, must be surrendered when the cargo is delivered. If the person receiving the Goods from the Carrier wishes to surrender fewer than all the original bills of lading that were issued, and if the Carrier agrees to deliver against fewer than all the originals, the person receiving the Goods hereby agrees to indemnify the Carrier against all damages which the Carrier may be liable to pay as a result of delivering the Goods without surrender of all original bills of lading. If one original bill of lading is surrendered, other original bills of lading will be void. In any event, the negotiable bill of lading will become void six months after it is issued.

3. MULTIMODAL TRANSPORT OR PORT TO PORT NON-NEGOTIABLE SEA/AIR WAYBILL

If only the Waybill box on the face of this document is checked, this document will constitute a multimodal transport or port to port non-negotiable sea/air waybill and the Carrier is under no obligation to demand the surrender of this document before delivering the Goods. If no box is checked or if both boxes are checked, this document will constitute a non-negotiable sea/air waybill, and the Carrier may, but is not required to demand its surrender before release of the Goods.

4. CARRIER'S TARIFF

The Carriage of the Goods is subject to all of the terms and provisions of Carrier's tariffs on file or published or required to be filed or published, as the case may be, with the Federal Maritime Commission, the Interstate Commerce Commission or other regulatory body that may govern particular portions of the Carriage ("the Tariff"). The terms of the Tariff, including but not limited to applicable provisions of the Tariff relating to freight and other compensation due from Merchant, are incorporated herein. The relevant provisions of the applicable Tariff are obtainable from the Carrier or its representatives upon request. In case of inconsistency between this document and the applicable Tariff, this document shall prevail except as otherwise required by law.

5. WARRANTY OF OWNERSHIP OR RIGHT OF POSSESSION

The Merchant warrants that, in agreeing to the terms hereof, it is, or has the authority of, the person owning or entitled to the possession of the Goods.

6. SUBCONTRACTING, CONSOLIDATION AND PARTIES AGAINST WHOM CLAIMS MAY BE BROUGHT

6.1 The parties agree that part of the Carriage or all the Carriage or related services may be performed by Subcontractors.

6.2 The Carrier shall be entitled to consolidate the Goods with other cargo and to procure the performance of the whole or any part of the Carriage by contracting with any person on any terms for the movement of a consolidated shipment that includes the whole or any part of the Goods.

6.3 In the event the Goods are lost, damaged, or delayed while onboard a Vessel and the Vessel owner or demise charterer initiates limitation proceedings as referred to in the definition of Carrier in clause 1 of this document, claims or suits may only be brought against that Vessel owner or demise charterer. In all other cases, claims or suits may be brought only against the Carrier. In the event a claim or suit is brought against anyone participating in the performance of the Carriage other than the Carrier, that party is entitled to all exceptions, exemptions, defenses, immunities, limitations of liability, privileges and conditions granted or provided by this document, any applicable Tariff, and any law governing it or incorporated by reference into it as if the protected party were a party to this document. These protected parties include, but are not limited to, Subcontractors, stevedores, terminals, watching services, participating land, air, or sea carriers and their direct or indirect subcontractors. Each of these parties is a third party beneficiary of this document.

7. CLAUSE PARAMOUNT AND RESPONSIBILITY OF CARRIER

7.1 Clause Paramount. The contract of carriage evidenced by this document is governed with the force of law during any sea Carriage by the United States Carriage of Goods by Sea Act, 46 U.S.C. App. §§ 1300 et seq. (COGSA), which shall be deemed to be incorporated herein, and nothing contained herein shall be deemed a surrender by the Carrier of any of its rights or immunities or an increase of any of its responsibilities under COGSA. Except with respect to air Carriage and as provided herein, COGSA is also incorporated by reference as terms of the contract of carriage whether the Goods are carried on or under deck, whether or not the Carriage is in U.S. foreign trade, between U.S. ports, or between non-U.S. ports, before the Goods are loaded on and/or after the Goods are discharged from the Vessel, and throughout the entire time that the Goods are in the custody or are the responsibility of the Carrier in performing the Carriage hereunder, whether acting as carrier, bailee, stevedore, or terminal operator. COGSA shall not be incorporated by reference into the contract of carriage which is governed by force of law by the Convention for the Unification of Certain Rules Relating to International Carriage by Air, signed at Warsaw 12 October 1929 ("Warsaw Convention"), and any amendments thereto that apply with the force of law. The rules relating to the Warsaw Convention shall apply to the international carriage of Goods insofar as the same is governed thereby. All the rights, privileges, defenses, immunities from and limitations of liability provided in this document shall apply in any action against the Carrier for loss of or damage to the goods, or otherwise in connection with the Goods, whether such action be founded in contract, tort, or otherwise.

7.2 Limitation of Liability. Subject to the shipper's declaration of a higher value as provided below, the Carrier's liability for loss or damage to the Goods shall be limited as follows: for loss or damage occurring during any air portion of the Carriage that is governed with the force of law by the Warsaw Convention, the Carrier's liability shall be limited to \$20.00 per kilogram, or during Carriage governed with the force of law by the Warsaw Convention as amended by Montreal Protocol No. 4, to 17 Special Drawing Rights (SDR's) of the International Monetary Fund per kilogram; for loss or damage occurring during any portion of the Carriage that is governed by COGSA, either by force of law or by incorporation as provided herein, the Carrier's liability shall be limited to \$500 per package, or for Goods not shipped in packages, per customary freight unit; and for loss or damage occurring during any other portion of the Carriage when such limitation provisions are inapplicable, the Carrier's liability shall be limited to \$0.50 per pound, or such lower amount as may be provided by any applicable laws. The shipper or Merchant may avoid these limitations by declaring a higher value per kilogram, package, customary freight unit or entire shipment, as the case may be, by inserting such higher value on the face of this document, and paying a higher freight. In any event, the Carrier shall not be liable for consequential damages.

7.3 Delay. The Carrier shall not be liable for delay unless the parties have agreed in writing that the Goods will be delivered by a certain date and that damages of a certain amount will be incurred by the Merchant if the Goods are not delivered by a certain date and the Goods, in fact, are not delivered by that date.

7.4 Exceptions. Carrier shall not be liable for any loss, damage, delay or failure in performance hereunder occurring at any time, including before loading on or after discharge from the Vessel or during any voyage, arising or resulting from the happening and/or threat and/or effects of one or more of the following: act of God, act of war, force majeure, quarantine restrictions, embargo, acts of public enemies, thieves, pirates, assailing thieves, arrest or restraint of princes, rulers or people, seizure under legal process, act or omission of the Merchant, its agent or representative, strikes or lockouts, or stoppage or restraint of labor from whatever cause, partial or general (except that nothing herein shall be construed as relieving the Carrier from responsibility for its own acts), riots or civil commotions, act, neglect or fault of the master, mariner, pilots or the servants of the Carrier in the navigation or management of the Vessel, barratry, ice, explosion, collision, stranding, perils, dangers or accidents of the sea or other navigable waters, wastage in bulk or weight, or any other loss or damage arising from inherent defect, quality, or vice of the

Goods, insufficiency of packing, insufficiency or inadequacy of marks, bursting of boilers, breakage of shafts or any latent defect in hull, equipment, machinery, hawsers or lines, unseaworthiness unless caused by want of due diligence by the Carrier to make the Vessel seaworthy or to have her properly manned, equipped and supplied, and to make the holds, refrigerating and cooling chambers and all of other parts of the Vessel fit and safe for the reception, carriage and preservation of the Goods, saving or attempting to save life or property at sea or any deviation in rendering such service, loss of or material damage to the Vessel, or any similar or dissimilar cause beyond the control of the Carrier.

7.5 Assignment and Subrogation. The Merchant agrees that in consideration for any payment to the Merchant by the Carrier for any lost, damaged, or delayed Goods, the Merchant will be deemed to have assigned its entire claim and cause of action to the Carrier and that the Carrier will be assigned and subrogated to the Merchant's rights. The Merchant agrees to execute papers required by the Carrier to proceed as assignee and/or subrogee against third parties and to cooperate fully in any action brought by the Carrier against other parties.

7.6 Ad Valorem. In the event that the shipper declares a value higher than the limitation amount as provided herein, any partial loss or damage to the Goods shall be adjusted pro rata on the basis of such declared value. Such value shall not exceed the actual value.

8. EVIDENCE OF DELIVERY IN GOOD CONDITION

Receipt by or delivery to the person entitled hereunder to delivery of the Goods without complaint or notice of loss or damage, in the manner and within the time periods as applicable and set forth below, shall be *prima facie* evidence that the Goods have been delivered in good condition and in accordance with this document.

9. COMPLAINT AND NOTICE OF LOSS OR DAMAGE, AND STATUTES OF LIMITATION

9.1 Air Carriage. With respect to air Carriage, any complaint regarding loss or damage must be made by the person entitled to delivery in writing to the Carrier forthwith after discovery of the damage or delay, or at least within the following time periods: in the case of damage, no later than fourteen (14) days from the receipt of the Goods; in the case of delay, no later than twenty-one (21) days from the date when the Goods should have been delivered. Provided that: if any other time periods for submitting complaints are set forth in the Warsaw Convention or any amendment thereto that applies with force of law, such time periods shall apply. Except in case of fraud, no action for loss or damage to the Goods or delay may be brought against the Carrier unless such a complaint has been made in accordance with the aforesaid time periods. In any event, any right to damages against the Carrier shall be extinguished if an action is not brought within two (2) years after delivery of the Goods or, in the case of a claim for delay, the date on which delivery should have occurred.

9.2 All Other Carriage. With respect to all other Carriage, any claim for loss or damage to Goods, or delay, occurring during any Carriage when COGSA does not apply with the force of law must be served on the Carrier within nine (9) months of the date the Goods were delivered or should have been delivered. The place at which claims or other notices must be served is set forth at the bottom of this page. A failure to serve a claim within the nine (9) month period will prevent the Merchant from later filing suit or other proceedings to recover for the loss, damage or delay. If the loss or damage were caused during the United States portion of the move, and if a claim were filed within nine (9) months, suit must be filed within two (2) years after the time the Carrier declines the claim, in whole or in part, or the claim will be time barred. The Merchant will indemnify the Carrier against any damages the Carrier may suffer as a result of the Merchant's failure to give timely notice or otherwise fail to preserve a timely cause of action against a responsible third party. Any claim for loss or damage to Goods, or delay, occurring during any Carriage when COGSA applies by force of law shall be made by giving notice of loss or damage in writing to the Carrier or its agent, or endorsed on the receipt for the Goods. Said notice must

include the general nature of the loss or damage and may be endorsed on the receipt for the Goods given by the person taking delivery thereof. If the loss or damage is apparent, said notice must be given before or at the time of the removal of the Goods into the custody of the person entitled to delivery of them under this document; if the loss or damage is not apparent, the notice must be given within three (3) consecutive days of delivery. Provided that: no notice need be given if the state of the Goods at the time of their receipt has been the subject of joint survey or inspection. If COGSA governed with the force of law at the time of the loss, damage, or delay, a claim need not be filed within 9 months of the date the Goods were delivered or the date on which they should have been delivered. Suit must, however, be commenced within one (1) year of the date the Goods were delivered or should have been delivered. Failure to commence suit within one year will eliminate the cause of action as untimely.

10. FIRE

The Carrier shall not be liable for any loss or damage to the Goods arising or resulting from fire occurring at any time or at any place unless caused by the actual fault or privity of the Carrier or of any servant, agent, or Subcontractor of the Carrier.

11. SHIPPER PACKED CONTAINERS

If a Container has not been packed or filled, or the Goods, whether in a container or not in a container, have not been prepared or packaged for transportation by or on behalf of the Carrier, the provisions of this Clause shall apply. The Carrier shall not be liable for loss of or damage to the contents and the Merchant shall indemnify the Carrier against any loss, damage, liability or expense incurred by the Carrier if such loss, damage, liability or expense has been caused by: a) the manner in which the Container has been packed or filled; or (b) the unsuitability of the Goods for carriage in Containers; or (c) the unsuitability or defective condition of any Container supplied by or on behalf of the Carrier, (i) arising without any want of due diligence on the part of the Carrier to make the Container reasonably fit for the purpose for which it is required, or (ii) which would have been apparent on a reasonable inspection by the Merchant at or prior to the time when the Container was packed or filled; or (d) the unsuitability or defective condition of any Container not supplied by or on behalf of the Carrier; or (e) the lack of proper preparation or packing of the Goods for transportation.

12. OPTIONAL STOWAGE

12.1 The Goods may be packed by the Carrier in Containers or in similar articles of transport used to consolidate Goods.

12.2 Goods in enclosed Containers, including but not limited to Containers with a tarpaulin top, whether packed by the Shipper or the Carrier, will probably be carried on the deck of a ship specially suited to carry containers on deck. The stowage position on a vessel of Containers and Goods is decided by the Carrier or persons other than the Merchant. The stowage position of Containers may not, therefore, be indicated on this document. COGSA will govern Container deck cargo as if the Goods were carried under deck.

12.3 Goods not packed in enclosed Containers may be stowed and carried in poop, forecastle, deckhouse, shelter or any covered, but not necessarily enclosed, space commonly used for the carriage of Goods and such Goods so carried shall be deemed for all purposes to be stowed under deck.

12.4 Goods not packed in Containers may be stowed on deck if such stowage of the Goods is customary or is mandated by any authority. If deck stowage is not customary for the Goods, the Goods may be stowed on deck with the Shipper's agreement. In that event, the face of this document will be claused to indicate the on deck stowage. That on deck Carriage will not be governed by COGSA with the force of law. All defenses and limitations of COGSA, including but

not limited to the \$500 package or customary freight unit limitation, are incorporated by reference into the contract for the Carriage of such deck cargo. The burden of proof rules attributed to COGSA will not apply to such deck Carriage. The person claiming damages for loss, damage, or delay to Goods must bear the burden to prove the specific breach of the contract that caused the loss, damage, or delay.

13. SPECIAL CARRIAGE

13.1 The Merchant warrants that, unless Special Carriage is requested and paid for, the Goods are fit to be carried in an unventilated, unheated, unrefrigerated Container or other stowage space. The Carrier shall not, unless it specifically agrees in writing and in consideration for a higher freight rate, undertake to carry the Goods in refrigerated, heated, insulated, ventilated or any other special Container(s) or other stowage space(s), or to carry special Container(s) packed by or on behalf of the Merchant, as such. The Carrier will treat such Goods or Container(s) only as ordinary Goods or dry Container(s) respectively, unless special arrangements are noted on the face of this document and all special freight, as required, has been paid. The Carrier shall not be liable for any loss or damage to the Goods caused by latent defects in the special Container or its equipment.

13.2 As regards Goods that have been agreed to be carried in special Container(s), the Carrier shall not be responsible for the control and care of the operating equipment of such Container(s) when the Containers are not in the actual possession of the Carrier. The Carrier does not warrant the suitability or performance of the equipment and the Carrier shall not be liable for any loss or damage to the Goods caused by latent defects in the refrigeration equipment.

13.3 If the Goods have been packed into special Container(s) by the Carrier and the particular temperature range requested by the Merchant is inserted in this document, the Carrier will set the thermostatic controls with the requested temperature range. The parties agree that the temperature will vary when a refrigerated Container or other refrigerated space is defrosted and when the refrigerated Container is being moved from and to various means of transportation or storage locations. The temperature of heated Containers may vary while they are moved from and to various means of transportation or storage locations.

13.4 If the Carrier receives (a) special Container(s) into which the contents have been packed by or on behalf of the Merchant, the Merchant shall pre-cool or pre-heat the Goods and to stow them properly and to set the thermostatic controls properly. The Carrier shall not be liable for loss of or damage to the Goods arising out of or resulting from the Merchant's failure in such obligations.

13.5 Live Animals. Live animals are carried at the sole risk of the Merchant. The Carrier shall be under no liability for any injury, illness, death, delay or destruction howsoever arising, even if it were caused or contributed to by the act, neglect or default of the Carrier or by the unseaworthiness or unfitness of any Vessel, Container or other means of transportation or storage. In the event the Master or other person in charge of a Vessel, Container or other means of transportation or storage, in his or her sole discretion, considers that any animal is likely to be injurious to the health of any other animal or any person on board or to cause the Carriage to be delayed or impeded, such animal may be destroyed without any liability attaching to the Carrier. The Merchant shall indemnify the Carrier against the cost of veterinary services and of providing forage for any period during which the Carriage is delayed for any reason whatsoever, and of complying with the regulations of any authority of any country whatsoever with regard to such live animals.

14. INSPECTION OF GOODS

The Carrier shall be entitled, but under no obligation, to open any Package or Container at any time and to inspect the contents. If it thereupon appears that the contents or any part thereof cannot safely or properly be carried or carried further, either at all or without incurring any

additional expense or taking any measures in relation to such Package or Container or its contents or any part thereof, the Carrier may abandon the transportation thereof and/or take any measures and/or incur any reasonable additional expense to cooperate the Goods, carry or to continue the carriage or to store the Goods ashore or afloat under cover or in the open, at any place, which storage shall be deemed to constitute due delivery under this document. The Merchant shall indemnify the Carrier against any reasonable additional expense so incurred. The Carrier in exercising the liberties contained in this Clause shall not be under any obligation to take any particular measures and the Carrier shall not be liable for any loss, damage or delay howsoever arising from any action or lack of action under this Clause. The authority of the Carrier to inspect the Goods and/or any inspection of the Goods by the Carrier does not lessen the Merchant's warranties set forth in Clauses 16, 21, 22 and 24 hereunder. The Carrier relies solely on the Merchant not to ship any Dangerous Goods.

15. DESCRIPTION OF GOODS

This document constitutes a receipt only for the external condition of the Packages or other units delivered to the Carrier and the number of Packages or other units that were visible to the Carrier. It does not act as a receipt for the number of Packages or items not readily and reasonably visible to the Carrier at the time of delivery to the Carrier.

16. MERCHANT'S WARRANTY AND RESPONSIBILITY

The Merchant, not the Carrier, has furnished the description of the Goods and the name and address of the shipper/exporter and consignee on the face of this document. The Merchant warrants that the description and the marks, numbers, quantities, weight of the Goods or their packages, and the name and address of the shipper/exporter and consignee, are accurate and that they comply with all regulations of relevant authorities, including but not limited to dangerous or hazardous cargo descriptions and advance manifests required by various authorities such as the U.S. Bureau of Customs & Border Protection ("CBP.") The Merchant warrants that it will provide this information to the Carrier at least 72 hours prior to Vessel loading and acknowledges that the Carrier may refuse to load any of the Goods for which the information: (i) does not comply with all such regulations of relevant authorities; or (ii) is not provided to the Carrier at least 72 hours prior to Vessel loading. The Merchant agrees to indemnify the Carrier for any and all costs (including, but not limited to, inspection, storage and/or delivery costs) incurred by the Carrier with respect to any of the Goods that are not loaded as a consequence of: (i) the Merchant's failure to provide information that complies with all such regulations of relevant authorities; (ii) the Merchant's failure to provide the information to the Carrier at least 72 hours prior to Vessel loading; or (iii) the instructions of CBP, or other relevant authority (regardless of whether the information complies with applicable regulations or is furnished 72 hours prior to Vessel loading). The Merchant furthermore agrees to indemnify the Carrier completely for any other damage (including any penalties, liquidated damages or other sanctions imposed by CBP or other relevant authority) caused either wholly or partly by any breach of this warranty and responsibility.

17. FREIGHT AND CHARGES

17.1 Freight shall be payable, at Carrier's option, on any of the following bases: gross intake weight or measurement; gross discharge weight or measurement; ad valorem; per Package or lump sum; or any other applicable rate as set forth in Carrier's applicable Tariff. Freight may be calculated on the basis of the description of the Goods furnished by the Merchant, but Carrier may at any time, weigh, measure and value the Goods and open Packages to examine contents in case the Merchant's description is found to be erroneous and additional freight is payable. The Merchant and the Goods shall be liable for any additional freight and expense incurred in examining, weighing, measuring, fumigating and valuing the Goods.

17.2 Full freight to the place of delivery named herein and all advance charges against the Goods shall be considered completely earned on receipt of the Goods by the Carrier or by its Subcontractor, whether the freight or charges be prepaid or be stated or intended to be prepaid or to be collected at port of discharge or destination or subsequently, and the Carrier shall be entitled absolutely to all freight and charges, whether actually paid or not, and to receive and retain them under all circumstances whatsoever, the Goods lost or not lost, or the voyage changed, broken up, frustrated or abandoned. Full freight shall be paid whether the Goods be damaged or lost, or Packages or customary freight units be empty or partly empty.

17.3 All freight and charges shall be paid in full and without any offset, counterclaim or deduction, in the currency named in this document or, at the Carrier's option, in its equivalent in local currency at bank demand rates of exchange in New York as of the date payment of freight shall be due hereunder. Any error in freight or in charges or in the classification herein of the Goods is subject to correction, and if, on correction, the freight or charges are higher, Carrier may collect the additional amount and the expenses of determining the correct classification of the Goods, correcting the freight rate and collecting the correct freight.

17.4 Surcharges may be imposed for increased expenses incurred by the Carrier. Such charges include, but are not limited to, bunker or fuel charges, war risk insurance premium, and charges necessary to cover other expenses.

17.5 The Merchant and the Goods *in rem* shall be jointly and severally liable to Carrier for the payment of all freight, demurrage, General Average, salvage and other charges, including but not limited to court costs, expenses and reasonable attorneys' fees incurred in collecting sums due Carrier under this document or any contract preliminary hereto. The Merchant agrees to pay any payment on account that is requested by a General Average Adjuster without regard to the Merchant's view of the Carrier's entitlement to General Average. Payment of ocean freight and charges to a freight forwarder, broker or anyone other than the Carrier or its authorized agent, shall not be deemed payment to the Carrier and shall be made at payer's sole risk.

18. LIEN

18.1 The Carrier shall have a lien on the Goods, which shall survive delivery, for all freight, dead freight, demurrage, damage, loss, charges, General Average contributions to whosoever due, expenses and any other sums whatsoever payable by or chargeable to or for the account of the Merchant under this document and any contract preliminary hereto and the cost and expenses of recovering the same, and may sell the Goods privately or by public auction without notice to the Merchant. If on sale of the Goods, the proceeds fail to cover the amount due and the cost and expenses incurred, the Carrier shall be entitled to recover the deficit from the Merchant.

18.2 If the Goods are unclaimed after a reasonable time, or the time set forth in any applicable warehouse receipt or bill of lading, whenever in the Carrier's opinion the Goods will become deteriorated, decayed or worthless, the Carrier may, at its discretion and subject to its lien and without any responsibility attaching to the Carrier, sell, abandon or otherwise dispose of such Goods solely at the risk and expense of the Merchant.

19. RUST, CONDENSATION, ETC.

It is agreed that superficial rust, oxidation or condensation inside the Container or any like condition due to moisture is not the responsibility of the Carrier, unless said condition arises out of Carrier's failure to provide a seaworthy container to the Merchant prior to loading and a reasonable inspection of the Container by the Merchant would not have disclosed the condition. If the Merchant requires special arrangements or care for the carriage of such Goods, Merchant must request same in writing to the Carrier and said arrangements must be noted on the face of this document and all special freight, as required, must be paid by the Merchant. It is agreed that superficial rust, oxidation, or condensation on steel or moisture on lumber constitutes good order

and condition, and that no exception will be taken on this document for such conditions. If the Shipper wishes exceptions to be taken on this document for such conditions, the Shipper must so instruct the Carrier in writing within a reasonable time before the Goods are delivered to the Carrier.

20. METHODS AND ROUTE OF TRANSPORTATION

20.1 The Goods will probably be carried on several modes of transportation and on several different means within each mode. The Carrier may use any means, including but not limited to, one or more Vessels, trucks, trains, and airplanes, to perform the Carriage.

20.2 The Merchant agrees that the Carrier may use any route, direct or indirect, without giving the Merchant notice of such route. The Carriage may also be interrupted without notice to the Merchant.

20.3 The Carrier may, if, in the Carrier's sole discretion, circumstances justify, destroy the Goods, abandon them, or discharge the Goods at any place and declare the Goods delivered and at the risk of the Merchant.

21. DANGEROUS, HAZARDOUS OR NOXIOUS CARGO

Goods of a flammable, explosive, corrosive, radioactive, noxious, hazardous, unstable or dangerous nature will be properly packaged and otherwise prepared for transportation by the Merchant. The Merchant shall give the Carrier proper and timely written warning that such Goods will be shipped and the Merchant shall give the Carrier instructions for the proper handling and care of such Goods. Any such Goods shipped without full disclosure in writing to the Carrier as to their nature and character, may at any time before discharge be landed at any place, thrown overboard, destroyed or rendered innocuous without liability on the part of the Carrier or other shippers or consignees. Even if such disclosure is made, the same disposition of such Goods is warranted if the Carrier, in its sole discretion, considers that they shall be or become dangerous or noxious to the Vessel or other means of transportation or other cargo, or persons. The Merchant shall indemnify the Carrier for all losses, damages, liabilities, fines, civil penalties and expenses (including attorneys' fees) incurred by the Carrier, caused in whole or in part by the Goods. The Merchant agrees to so indemnify the Carrier even if the Merchant did not know nor had reason to know of the dangerous propensity of the Goods shipped. The Carrier may accept or reject at its option any dangerous Goods offered for transportation.

22. REGULATIONS RELATING TO GOODS

The Merchant shall comply with all regulations or requirements of customs, port and other authorities and shall bear and pay all duties, taxes, fines, imposts, expenses or losses, whether imposed on the Goods or any Vessel or other conveyance carrying the Goods, incurred or suffered by reason thereof or by reason of any illegal, incorrect or insufficient description, marking, numbering or addressing of Goods, and shall indemnify the Carrier in respect thereof.

23. NOTIFICATION AND DELIVERY

The Carrier will notify the party identified as the notify party or the consignee on the face hereof or the attached manifest when the Goods are ready for delivery.

24. CARRIER'S CONTAINERS

24.1 The Merchant shall assume full responsibility for and shall indemnify the Carrier against any loss of or damage to the Carrier's Container(s) and other equipment which occurs while in the possession or control of the Merchant, his agents or any carrier (other than the Carrier) which is engaged by or on behalf of the Merchant.

24.2 The Carrier shall in no event be liable for and the Merchant shall indemnify and hold the Carrier harmless from and against any loss of or damage to property of other persons or injuries to other persons caused by the Carrier's container(s) or the contents thereof during handling by, or while in the possession or control of, the Merchant, his agents or any carrier (other than the Carrier) which is engaged by or on behalf of the Merchant.

25. BOTH-TO-BLAME COLLISION

If a Vessel on which the Goods are being carried collides with another vessel as the result of the negligence or fault of both vessels, and the Merchant collects payment for loss or damage to the Goods from the other vessel, and the other vessel obtains a contribution toward that damage payment from the Carrier, the Merchant will reimburse the Carrier for that contribution.

26. GENERAL AVERAGE

General Average shall be adjusted, stated and settled, according to York/Antwerp Rules, 1994, except Rule XXII thereof, at such port or place in the United States as may be selected by the Carrier, and as to matters not provided for by said Rules, according to the laws and usages at a port designated by the Carrier. In connection with such adjustment, disbursements in foreign currencies shall be exchanged into legal tender of the United States at the rate prevailing on the dates made and allowances for loss of or damage to cargo claimed in foreign currency shall be converted at the rate prevailing on the last day of discharge at the port or place of final discharge of such damaged cargo from the ship. Average agreement or bond and such additional security as may be required by the Carrier must be furnished before delivery of the Goods. Such cash deposit as the Carrier may deem sufficient as additional security for the contribution of the Goods and for any salvage and special charges thereon, shall, without prejudice to the ultimate liability of the parties, be made by the Goods, the shipper or the consignee to the Carrier before delivery. The Merchant agrees to pay any and all requests by the General Average Adjuster for payments on account. Such deposits shall, at the option of the Carrier, be payable in legal tender of the United States. In the event of accident, danger, damage, or disaster before or after commencement of the voyage resulting from any cause whatsoever, whether due to the Carrier's or its Subcontractor's negligence or not, for which, or for the consequence of which, the Carrier is not responsible to the Goods, the shipper or the consignee by statute, contract, or otherwise, the Goods, the shipper and consignee shall contribute with the Carrier in General Average to the payment of any sacrifices, losses, or expenses of a General Average nature that may be made or incurred and shall pay salvage, general and special charges incurred in respect of the Goods. If a salving ship is owned and operated by the Carrier or another water carrier transporting the Goods, salvage shall be paid as fully as if such salving ship belonged to strangers. The Merchant appoints the Carrier to act on behalf of the Goods in any salvage proceeding, unless the Merchant arranges for separate representation.

27. VARIATION OF THE CONTRACT, ETC.

No servant or agent of the Carrier shall have power to waive or vary any term of this document unless such waiver or variation is in writing and is specifically authorized or ratified in writing by the Carrier. If any part of this document is rendered void by any law, the remainder of this document will remain in force.

28. LAW AND JURISDICTION

This document shall be governed by the federal law of the United States, or, if federal law is not applicable, by the law of the State of New York, notwithstanding that law's choice of law rules, and all claims or disputes or questions arising from this document, including those relating to limitation of liability, shall be determined in the United States District Court for the Southern District of New York, which shall have exclusive jurisdiction over all disputes arising from this

document to the exclusion of the jurisdiction of any and all other courts. If the United States District Court for the Southern District of New York does not have subject matter jurisdiction over the dispute, the dispute will be determined in a New York State court within the Borough of Manhattan, County of New York. All claims hereunder must be filed against UPS OCEAN FREIGHT SERVICES, INC. care of UPS Supply Chain Solutions, 12380 Morris Road, Alpharetta, Georgia 30005, Attention: Claims Department. Service of process for suits must be filed against UPS OCEAN FREIGHT SERVICES, INC. care of CT Corporation Systems at the below address. They will be deemed filed when they are received by CT Corporation Systems at that address. CT Corporation Systems, 111 Eighth Avenue, New York, New York, 10011