

# Terms and Conditions

All shipments to or from the Customer, which term shall include the exporter, importer, sender, receiver, owner, consignee, consignee, transferor or transferee of the shipments, will be handled by NATURAL FREIGHT LTD. (herein called the "Company") on the following terms and conditions.

## **1. SERVICES BY THIRD PARTIES:**

Unless the Company carries, stores, or otherwise physically handles the shipment, and the loss damage, expense, delay, or any other damage asserted, occurs during such activity, the Company assumes no liability as a carrier and is not to be held responsible for any loss, damage, or expense incurred by the Merchant or other claimant, whether arising out of delay, physical damage to the goods, or other goods or property belonging to third parties, documentary error(s), misdelivery, loss of property, tender to unauthorized parties, or any other act or omission, except as provided in Paragraph 10, and subject to the limitations of Paragraph 8 below, but undertakes only to use reasonable care in the selection of carriers, truckmen, lightermen, forwarders, customhouse brokers, agents, warehousemen and others to whom it may entrust the goods for transportation, cartage, handling, stowage and/or securing, delivery, storage or otherwise. When the Company carries, stores or otherwise physically handles the shipment, it does so subject to the limitations of liability set forth in Paragraph 8 below unless a separate bill of lading, air waybill or other contract of carriage is issued by the Company, designating the Company as carrier, in which event the terms thereof shall govern.

Additionally, to the extent the Company transports or arranges for, and/or procures the transportation of Goods in the United States between a place in --:

- A. a State and a place in another State;
- B. a State and another place in the same State through another State;
- C. the United States and a place in a territory or possession of the United States to the extent the transportation is in the United States;
- D. the United States and another place in the United States through a foreign country to the extent the transportation is in the United States; or
- E. the United States and a place in a foreign country to the extent the transportation is in the United States; and/or
- F. in a reservation under the exclusive jurisdiction of the United States or on a public highway; and/or

G. where the Carmack Amendment (ICC Termination Act of 1995) might otherwise be applicable, the parties hereby specifically agree that the Company does not agree to undertake carriage of said goods, nor assume the responsibility for transport or safeguarding such goods, and further agree specifically to opt out of the application of the ICC Termination Act. The Customer and the Company further state that at the sole option and discretion of the Company, the Company may choose to offer transportation services for the instant transaction as private contract; however in all cases, the Customer as defined herein, specifically and expressly agrees to waive any and all rights and remedies under the Carmack Amendment and/or ICC Termination Act of 1995 and Carriage of Goods which would otherwise be subject to the Act. All services will be subject to the liability limiting provisions of Paragraph 8.

## **2. LIABILITY LIMITATIONS OF THIRD PARTIES:**

The Company is authorized to select and engage carriers, truckmen, lightermen, forwarders, customhouse brokers, agents, warehousemen and others, as required, to transport, store, deal with and deliver the goods, or other goods or property belonging to third parties, all of whom shall be considered as the agents of the Customer, and the goods may be entrusted to such agencies subject to all conditions as to limitation of liability for loss, damage, expense or delay and to all rules, regulations, requirements and conditions, whether printed, written or stamped, appearing in bills of lading, receipts or tariffs issued by such carriers, truckmen, lightermen, forwarders, customs brokers, agents, warehousemen and others. The Company shall under no circumstances be liable for any loss, damage, expense or delay to the goods for any reason whatsoever when said goods are in custody, possession or control of third parties selected by the Company to forward, enter and clear, transport or render other services with respect to such goods. The customer agrees that the Company shall in no event be liable for any loss, damage or expense incurred by Customer, whether arising out of delay, physical damage to the goods, or other goods or property belonging to third parties, documentary error(s), misdelivery, loss of property, tender to unauthorized parties, or any other act or omission or other cause resulting from the negligence or other fault of the Company for any amount in excess of US\$ 50.00 per shipment as per paragraph 8.

## **3. CHOOSING ROUTES OR AGENTS:**

Unless express instructions in writing are received from the Customer, the Company has complete freedom in choosing the means, route and procedure to be followed in the handling, transportation and delivery of the goods. Advice by the Company to the Customer that a particular person or firm has been selected to render services with respect to the goods shall not be construed to mean that the Company warrants or represents that such person or firm will render such services.

## **4. QUOTATIONS NOT BINDING:**

Quotations as to fees, rates of duty, freight charges, insurance premiums or other charges given by Carrier to Merchant are for informational purpose only and are subject to change without notice and shall not under any circumstances be binding upon Carrier unless Carrier in writing specifically undertakes the handling or transportation of the shipment at a specific rate. Under those circumstances, the Merchant hereby understands and agrees that the Carrier may be relying upon the rates of sub-contracting third-party carriers in offering these rates, and that those rates may be subject to space availability, and where said subcontracting third-party carriers do not honor quoted rates, or where the agreed upon rates are otherwise not honored due to circumstances beyond the control of the Carrier, Carrier shall not be liable thereunder and in no event shall be liable in excess of the amounts as specified in Paragraph 8.

## **5. DUTY TO FURNISH INFORMATION:**

A. On an import at a reasonable time prior to entering of the goods for U. S. Customs, the Customer shall furnish to the Company invoices in proper form and other documents necessary or useful in the preparation of the U.S. Customs entry and, also, such further information as may be sufficient to establish, *inter alia*, the dutiable value, the classification, the country of origin, the genuineness of the merchandise and any mark or symbol associated with it, the Customer's right to import and/or distribute the merchandise, and the merchandise's admissibility, pursuant to U.S. law or regulation. If the Customer fails in a timely manner to furnish such information or documents in whole or in part, as may be required to complete U.S. Customs entry or comply with U.S. laws or regulations or if the information or documents furnished are inaccurate or incomplete, the Company shall be obligated only to use its best judgments in connection with the shipment and in no instance shall be charged with knowledge by the Customer or the true circumstances to which such inaccurate, incomplete, or omitted information or documents pertains. Where a bond is required by U.S. Customs to be given for the production of any document or the performance of any act, the Customer shall be deemed bound by the terms of the bond notwithstanding the fact that the bond has been executed by the Company as principal, it being understood that the Company entered into such undertaking at the instance and on behalf of the Customer, and the Customer shall indemnify and hold the Company harmless for the consequences of any breach of the terms of the bond.

B. On an export at a reasonable time prior to the exportation of the shipment the Customer shall furnish to the Company the commercial invoice in proper form and number, a proper consular declaration, weight, measures, values and other information in the language of and as may be requested by the laws and regulations of the U.S. and the country of destination of the goods.

C. On an export or import the Company shall not in any way be responsible or liable for increased duty, penalty, fine or expense unless caused by the negligence or other fault of the Company, in which event its liability to the Customer shall be governed by the provisions of paragraph 8-10 below. The Customer shall be bound by and warrant the accuracy of all invoices, documents and information furnished to the Company by the Customer or its agent for export, entry or other purposes and the Customer agrees to indemnify and hold harmless the Company against any increased duty, penalty, fine or expense, including attorney's fees, resulting from any inaccuracy, incomplete statement, omission or any failure to make timely presentation, even if not due to any negligence of the Customer.

## **6. DECLARING HIGHER VALUATION:**

Inasmuch as truckers, carriers, warehousemen and others to whom the goods are entrusted usually limit their liability for loss or damage unless a higher value is declared and a charge based on such higher value is agreed to by said truckers, etc., the Company must receive specific written instructions from the Customer to pay such higher charge based on valuation and the trucker, etc., must accept such higher declared value, otherwise the valuation placed by the Customer on the goods shall be considered solely for export or customs purposes and the goods will be delivered to the truckers, etc. subject to the limitation of liability set forth herein in paragraph 8-10 below with respect to any claim against the Company and subject to the provisions of paragraph 2 above.

## **7. INSURANCE:**

The Company will make reasonable efforts to effect marine, fire, theft and other insurance upon the goods only after specific written instructions have been received by the Company in sufficient time prior to shipment from point of origin, and the Customer at the same time states specifically the kind and amount of insurance to be placed. The Company does not undertake or warrant that such insurance can or will be placed. Unless the Customer has its own open marine policy and instructs the Company to effect insurance under such policy, insurance is to be effected with one or more insurance companies or other underwriters to be selected by the Company. Any insurance placed shall be governed by the certificate or policy issued and will only be effective when accepted by such insurance companies or other underwriters. Should an insurer dispute its liability for any reason, the insured shall have recourse against the insurer only and the Company shall not be under any responsibility or liability in relation thereto, notwithstanding that the premium upon the policy may not be at the same rates as that charged or paid to the Company by the Customer, or that the shipment was insured under a policy in the name of the Company. Insurance premiums and the charge of the Company for arranging the same shall be at the Customer's expense. If for any reason the goods are held in warehouse, or elsewhere, the same will not be covered by any insurance, unless the Company receives written instructions from the Customer.

Unless specifically agreed in writing, the Company assumes no responsibility to effect insurance on any export or import shipment which it does not handle.

## **8. LIMITATION OF LIABILITY:**

Subject to the provision of 19 CFR Section 111.44, which the Customer acknowledges has no application to the instant services, as same is preempted by the Customs Modernization Act, the customer agrees that the company shall in no event be liable for any loss, damage, or expense incurred by the Customer, whether arising out of delay, physical damage to the goods, or other goods or property belonging to third parties, documentary error(s), misdelivery, loss of property, tender to unauthorized parties, or any other act or omission or other cause resulting from the negligence or other fault of the Company for any amount in excess of US\$ 50.00 per shipment in case of any loss, damage, expense or delay from causes which would make the Company liable, but such option can be exercised only by specific written agreement made with the Company prior to shipment, which agreement shall indicate the limit of Company's liability and the special compensation for the added liability by it to be assumed.

## **9. PRESENTING CLAIMS:**

Subject to the provision of 19 CFR Section 111.44, which the Customer acknowledges has no application to the instant services, as same is preempted by the Customs Modernization Act, in no event shall the Company be liable for any act, omission or default by it in connection with an exportation or importation, or any other services provided hereunder, unless a claim, in writing and specifying the exact nature and quantity of damages, be presented to and received at the Company's office within ninety (90) days from the date of provision of services; a written and sworn proof of claim shall be attached, and same is a condition precedent to the maintenance of any action hereunder, regardless of prejudice. No suit to recover for any claim or demand hereunder shall in any event be maintained against the Company unless instituted within six (6) months after presentation of said claim as provided. No agent or employee of the Company shall have authority to alter or waive any provisions of this clause.

## **10. LIABILITY OF COMPANY:**

Subject to the provisions of 19 CFR Section 111.44, which the Customer acknowledges has no application to the instant services, as same is preempted by the Customs Modernization Act, it is agreed that any claim or demand for loss, damage, expense or delay shall be only against the carriers, truckmen, lightermen, forwarders, customhouse brokers, agents, warehousemen or others in whose actual custody or control the goods or other goods or property belonging to third parties, may be at the time of such loss, damage, expense or delay, and that the Company shall not be liable or responsible for any claim or demand for any cause whatsoever, unless in each case the goods were in the actual custody or control of the Company and the damages alleged to have been suffered be proven to be caused by the negligence or other fault of the Company, its officers or employees, in which event the limitation of liability set forth in paragraph 8 herein shall apply. The Company shall not in any circumstances be liable for consequential or punitive damages arising from loss of profit and shall not be liable to the Customer for actual or statutory damages unless it is first proven that the Company actually has knowledge of the circumstances giving rise to such claims and that the Company directly contributed to the act(s) allegedly causing such damages.

## **11. ADVANCING MONEY:**

The Company shall not be obliged to incur any expense, guarantee payment or advance any money in connection with the importing, forwarding, transporting, insuring, storing or cooping of the goods, unless the same is previously provided to the Company by the Customer on demand. The Company shall be under no obligation to advance freight charges, customs duties or taxes on any shipment, nor shall any advance by the Company be construed as a waiver of the provisions hereof.

## **12. INDEMNIFICATION FOR FREIGHT DUTIES:**

In the event that a carrier, other person or any governmental agency makes a claim or institutes legal action against the Company for ocean or other freight, duties, fines, penalties, liquidated damages or other money due arising from a shipment of goods of the Customer, the Customer agrees to indemnify and hold harmless the Company for any amount the Company may be required to pay such carrier, other person or governmental agency together with reasonable expenses, including attorney's fees, incurred by the Company in connection with defending such claim or legal action and obtaining reimbursement from the Customer. The confiscation or detention of the goods by any governmental authority shall not affect or diminish the liability of the Customer to the Company to pay all charges or other money due promptly on demand.

## **13. C.O.D. SHIPMENTS:**

Company's responsibility shall cease when delivery has been made to Merchant, and/or person authorized by Merchant to receive the goods, or authorized Governmental or Customs personnel as required or authorized by local authorities or regulations, or in accordance with this agreement as more specifically set forth herein and at paragraph 13, at the sole option of the carrier.

A) Goods received with Merchant's or other person's instructions to "Collect on Delivery" ("C.O.D.") by drafts or otherwise, or to collect documents or make delivery upon any specified terms by time drafts, bank release, bank guarantee, letter of credit, or otherwise, are accepted by Company only upon the express understanding that it will exercise reasonable care in selection of a bank, correspondent, carrier or agent to whom it will send such item for collections, and the carrier will not be responsible for any act, omission, default, suspension, insolvency or want of care, negligence or fault of such bank, correspondent, carrier or agent, nor for any delay in remittance lost in exchange or during transmissions, or while in the course of collection.

B) Company shall not be liable for the fraudulent acts of third parties, or forgery of documentation presented to Company.

C) Company shall be entitled to a reply upon the facial validity of documents presented to Company and/or upon written instructions from the Merchant or Merchant's agents or representatives.

D) Misdelivery shall be defined as the delivery of cargo to a person other than one authorized to receive same, and shall further encompass delivery to the proper party while failing to adhere to particular shipping instructions, including but not limited to the release against documents, payment, or bank guarantee or bank release. In no event shall the Company be liable for misdelivery in excess of the amounts as set forth in Paragraph 8 herein.

## **14. GENERAL LIEN ON ANY PROPERTY:**

The Company shall have a general lien on any and all property, (and documents relating thereto) of the Customer, in its possession, custody or control or en route, for all claims for charges, expenses or advances incurred by the Company in connection with any shipments of the Customer and if such claim remains unsatisfied for thirty (30) days after demand for its payment is made, the Company may sell at public auction or private sale, upon ten (10) days written notice, registered mail (R.R.R.) to the Customer, the goods, wares and/or merchandise, or so much thereof as may be necessary to satisfy such lien, and apply the net proceeds of such sale to the payment of the amount due to the Company. Any surplus from such sale shall be transmitted to the Customer, and the Customer shall be liable for any deficiency in the sale.

## **15. COMPENSATION OF COMPANY:**

The compensation of the Company for its services shall be included with and is in addition to the rates and charges of all carriers and other agencies selected by the Company to transport and deal with the goods and such compensation shall be exclusive of any brokerage, commissions, dividends or other revenue received by the Company from carriers, insurers and others in connection with the shipment. On ocean exports, upon request, the Company shall provide a detailed breakout of the components of all charges assessed and a true copy of each pertinent documents relating to these charges. In any referral for collection or action against the Customer for monies due the Company, upon recovery by the Company, the Customer shall pay the expenses of collection and/or litigation, including a reasonable attorney fee.

## **16. NO RESPONSIBILITY FOR GOVERNMENTAL REQUIREMENTS:**

It is the responsibility of the Customer to know and comply with the marketing requirements of the U.S. Customs Services, the regulations of the U.S. Food and Drug Administration, and all other requirements, including regulations of Federal, state and/or local agencies pertaining to the merchandise. The Company shall not be responsible for action taken or fines or penalties assessed by any governmental agency against the shipment because of the failure of the Customer to comply with the law or the requirements or regulations of any governmental agency or with a notification issued to the Customer by any such agency.

## **17. INDEMNITY AGAINST LIABILITY ARISING FROM THE IMPORTATION OF MERCHANDISE:**

The Customer agrees to indemnify and hold the Company harmless from any claims and/or liability arising from the importation of merchandise which violates any Federal, state and/or other laws or regulations and further agrees to indemnify and hold the Company harmless against any and all liability, loss, damages, costs, claims and/or expenses, including but not limited to attorney's fees, which the Company may hereafter incur, suffer or be required to pay by reason of claims by any government agency or private party. In the event that any action suit or proceeding is brought against the Company by any government agency or private party, the Company shall give notice in writing to the Customer by mail at its address on file with the Company. Upon receipt of such notice, the Customer at its own expense shall defend against such action and take all steps as may be necessary or proper to prevent the obtaining of a judgment and/or order against the Company.

## **18. LOSS, DAMAGE OR EXPENSE DUE TO DELAY:**

The customer agrees that the company shall in no event be liable for any loss, damage or expense incurred by the Customer, whether arising out of delay, physical damage to the goods, or other goods or property belonging to third parties, documentary error(s), misdelivery, loss of property, tender to unauthorized parties, or any other act or omission or other cause resulting from the negligence or other fault of the Company for any amount in excess of US\$ 50.00 per shipment. Unless the service to be performed by the Company on the Customer are delayed because of the negligence or other fault of the Company, the Company shall not be responsible for any loss, damage or expense incurred by the Customer because of such delay. In the event the Company is at fault, as aforesaid, its liability is limited in accordance with the provisions of paragraphs 8-10 above.

## **19. CONSTRUCTION OF TERMS AND VENUE:**

The foregoing terms and conditions shall be construed according to the laws of the State of New York. Unless otherwise consented to in writing by the Company, no legal proceeding against the Company may be instituted by the Customer, its assigns, or subrogee except in the City of New York.