

TERMS AND CONDITIONS OF SERVICE

(Please Read Carefully)

All shipments to or from Shipper (which term includes the exporter, importer, sender, receiver, owner, consignee, consignee, transferor or transferee of the shipments or the agent thereof) will be handled by the forwarder and/or customs broker handling this shipment, whose name appears on the reverse side, (the "Company") on the following terms and conditions. No agent or employee of either party may alter or waive any of the following terms or conditions:

- 1. Choosing Routes and Agents.** Company shall have complete freedom in choosing the means, route and procedure to be followed in the handling, transportation and delivery of the goods. If Shipper requests motor carrier service or if Company decides that Shipper's shipment should be transported by motor carriage rather than air for all or part of the transportation, Company shall arrange with authorized motor carrier(s) to perform such transportation, which shall be done either as exempt carriage as defined by 49 U.S.C. § 13306(a)(8), or, if not exempt, as "contract carriage" within the meaning of 49 U.S.C. § 13102(d)(4) under these terms and conditions. Shipper expressly waives all rights and remedies it may have as to Company and its appointed motor carriers under 49 U.S.C. Subtitle IV, Part B (excluding §§ 13703, 13706, 14101 and 14103) to the full extent permitted by 49 U.S.C. § 14101(b)(1), each as amended from time to time. Advice by Company to Shipper that a particular person or firm has been selected to render services as to the goods shall not be construed to mean that Company warrants or represents that such person or firm will render such services.
- 2. Services by Third Parties.** Unless Company carries, stores or otherwise physically handles the shipment, and the loss, damage, expense or delay occurs during such activity, Company assumes no liability as a carrier and shall not be held liable for any loss, damage, expense or delay to the goods shipped hereunder, except as provided in and subject to the limitations of Paragraphs 8 and 9. Company undertakes only to use reasonable care in the selection of carriers, motor carriers, forwarders, customhouse brokers, agents, warehousemen and others to whom it may entrust the goods for transportation, cartage, handling, delivery and/or storage or otherwise. When Company carries, stores or otherwise physically handles the shipment, including in the performance of any local pick-up or delivery services, it does so subject to the limitation of liability set forth in Paragraph 8 unless a separate bill of lading, air waybill or other contract is issued by Company, in which event the terms thereof shall govern.
- 3. Acknowledgement of the Role and Limitations of Third Parties.** Company is authorized to select and engage carriers, motor carriers, forwarders, customhouse brokers, agents, warehousemen and others as may be required, to transport, store, deal with and deliver the goods, all of whom shall be considered as agents of Shipper. The goods may be entrusted to such parties subject to all conditions as to limitations 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, motor carriers, forwarders, customhouse brokers, agents, warehousemen and others. Company shall in no event be liable for any loss, damage, expense or delay to the goods for any reason whatsoever when such goods are in the custody, possession or control of third parties selected by Company to forward, enter and clear, transport or render other services with respect to such goods.
- 4. Shipments Subject to Re-Weight/Re-Measurement.** Shipper shall provide weight and measurements for its shipments. Shipments are subject to re-weight and re-measurement by Company. If the weight or measurements of the goods as delivered are different from Shipper's representations, or if pick-up or delivery time is changed by Shipper, Company's rates, charges and fees are subject to change. If dimensional weight applies under tariff rule, dimensions shall be shown on the airbill as follows: Length x Width x Depth = Cubic Inches (or applicable metric measurement). Customer shipments will be rated at dimensional or actual weight, whichever is greater based on a domestic factor of 194 and an international factor of 166.
- 5. Shipper's Duty to Furnish Information.** (a) On an import, at a reasonable time prior to entry of the goods to U.S. Customs, Shipper shall furnish to Company invoices in proper form together with other documents necessary or useful in the preparation of the U.S. Customs entry, and such further information as may be sufficient to establish the dutiable value, classification and admissibility of the goods pursuant to U.S. law or regulation or ruling. If Shipper fails to timely furnish all of such information or documents, as may be required to complete U.S. Customs entry, or if such information or documents is inaccurate or incomplete, Company shall be obligated to use its best judgment in connection with the shipment. Where a bond is required by U.S. Customs to be given for the production of any document or the performance of any act, Shipper shall be deemed bound by the terms of the bond notwithstanding the fact that the bond has been executed by Company as principal, it being understood that Company entered into such undertaking at the request and on behalf of Shipper, and Shipper shall indemnify and hold 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, Shipper shall furnish to Company the commercial invoice in proper form and number, a proper consular declaration, weights, measures, values and other information in the language of and as may be required by the laws and regulations of the U.S. and the country of destination of the goods. (c) On an export or import, Company shall not in any way be liable for increased duty, penalty, fine or expense unless caused by the gross negligence or other fault of Company, in which event its liability to Shipper shall be governed by the provisions of Paragraph 8. Shipper shall be bound by and warrant the accuracy of all invoices, documents and information furnished to Company by Shipper or its agents for export, entry to or other purposes and Shipper agrees to indemnify and hold harmless Company against any increased duty, penalty, liquidated damages, fine or expense, including attorney fees, resulting from any inaccuracy or omission or any failure to make timely presentation, even if not due to any negligence or fault of Shipper. The submission of incomplete or inaccurate information related to an import entry, including descriptions, quantities, weights, purchase prices, discounts, commissions, charged selling prices at time of exportation, assists, country of origin, etc., makes Shipper liable to severe government penalties or sanctions. In the event the information forwarded to Company, or which accompanied the shipment does not accurately reflect the entire transaction, Shipper shall immediately notify us so that Company can take corrective action.
- 6. Declaring Higher Valuation.** Shipper acknowledges and agrees that motor carriers, 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 motor carriers, etc. Company must receive specific instructions from Shipper to pay such higher charges based on valuation and the motor carrier, etc., must accept such higher declared value; otherwise the valuation placed by Shipper on the goods shall be considered solely for export or customs purposes and the goods will be delivered to the motor carriers, etc., subject to the limitations of liability set forth in Paragraphs 3 and 8.
- 7. Insurance.** Company will not arrange to insure the goods unless specific written instructions from Shipper providing the kind and amount of insurance have been received and acknowledged by Company in sufficient time prior to shipment from point of origin. Company does not undertake or warrant that such insurance can or will be placed. Unless Shipper instructs Company to effect insurance under Shipper's own open marine policy, insurance is to be effected with one or more insurance companies or other underwriters to be selected by Company. Any insurance placed shall be governed by the certificate or policy issued and will only be effective when accepted by such insurance companies and underwriters. Insurance cover provided by Company will be assessed at a rate negotiated between the parties separate from any freight charges. Insured value is not to exceed the actual value of the goods. Shipments must be packaged to withstand the normal hazards of transportation for any claim to be valid. In the event Shipper does not elect to insure all or part of a shipment, Company's liability for any losses, damages or delays to such shipment shall be limited in accordance with the provisions of Paragraph 8. Should an insurer dispute its liability for any reason, the insured shall have recourse against the insurer only and 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 Company by Shipper, or that the shipment was insured under a policy in the name of Company. Insurance premiums and the charge of Company for arranging the same shall be at Shipper's expense. Insurance coverage is not available through Company on furs, gold, works of art, personal effects, used equipment or used machinery. If for any reason the goods are held in warehouse, or elsewhere, the same will not be covered by any insurance, unless Company receives written instructions from Shipper and same is provided in accordance with this Paragraph 7. Unless specifically agreed in writing by Company, Company assumes no responsibility to effect insurance on any export or import shipment which it does not handle.
- 8. Limitation of Liability Per Shipment.** (a) In connection with any international shipments in which Company provides services as a carrier, Company's liability shall be limited in accordance with any applicable international carriage of goods convention as noted in Paragraph 21 below. (b) In connection with all other international shipments, including shipments within the United States its Territories, and insular possessions, as well as in any instance involving international shipment in which the terms of an international carriage of goods convention do not apply, Shipper agrees that Company shall in no event be liable for any loss, damage, expense or delay to the goods for any reason, including as a result of the gross negligence or other fault of Company, for any amount in excess of \$ 50/pound, \$50 per shipment, or the invoice value, whichever is less, and any partial loss or damage for which Company shall be liable shall be adjusted pro rata on the basis of such valuation. (c) As to any shipments under this agreement, Shipper has the option in Paragraphs 6 and 7 above of paying special compensation to increase the liability for the shipment in excess of the above stated amounts in case of any loss, damage, expense or delay, but such options can be exercised only by specific written agreement made with Company prior to shipment which agreement shall indicate the declared agreed value and the additional compensation for the added liability to be assumed. COMPANY SHALL NOT IN ANY CIRCUMSTANCES BE LIABLE FOR PUNITIVE OR EXEMPLARY DAMAGES OR CONSEQUENTIAL OR INDIRECT DAMAGES, INCLUDING WITHOUT LIMITATION, DAMAGES ARISING FROM LOSS OF PROFIT.
- 9. Liability of Company.** It is agreed that any claim or demand for loss, damage, expense or delay shall be only against the carriers, motor carriers, forwarders, customhouse brokers, agents, warehousemen or others in whose actual custody or control the goods may be at the time of such loss, damage, expense or delay, and that Company shall not be liable or responsible for any claim or demand from any cause whatsoever, unless in each case the goods were in the actual custody or control of Company and the damages alleged to have been suffered be proven to be caused by the negligence or willful misconduct of Company, its officers or employees, in which event the limitation of liability set forth in Paragraph 8 shall apply.
- 10. Presenting Claims.** To preserve a claim, the following must be adhered to: (a) As to all shipments within the United States its Territories, or insular possessions, claims for lost or damaged shipments must be made within two hundred seventy (270) days of the shipping date. Initial notification of visible damage to the shipment must be made in writing on the bill-of-lading by Shipper or the consignee at the time of delivery, and a signed receipt absent such notation shall be proof of apparent good order and condition at delivery. Notification of concealed damage must be made to Company within 24 hours of receipt of delivery of the shipment. Original shipping carton and contents must be retained by consignee for inspection. Claims for overcharges must be presented to Company within 60 days of the shipping date. (b) As to all shipments for export or import, in no event shall Company be liable for any act, omission or default by it in connection with an exportation or importation, unless a claim therefor shall be presented to it at its office at 15350 Vickers Drive, Houston, Texas, 77032 within one hundred eighty (180) days from date of exportation or importation of the goods in a written statement to which sworn proof of claim shall be attached. No suit to recover for any claim or demand made under (a) or (b) of this Paragraph shall in any event be maintained against Company unless instituted within one year after presentation of the said claim, as above provided.
- 11. Advancing Money.** Company shall not be obliged to incur any expense, guarantee payment or advance any money in connection with the importing, forwarding, transporting, storing or cooping of the goods, unless the same is previously provided to Company by Shipper on demand. Company shall be under no obligation to advance freight charges, customs duties or taxes on any shipment, nor shall any advance by 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 Company for ocean or other freight, duties, fines, penalties, liquidated damages or other money due arising from a shipment of goods of Shipper, Shipper agrees to indemnify and hold harmless Company for any amount Company may be required to pay such carrier, other person or governmental agency together with reasonable expenses, including attorney fees, incurred by Company in connection with defending such claim or legal action and obtaining reimbursement from Shipper. The confiscation or detention of the goods by any governmental authority shall not affect or diminish the liability of Shipper to Company to pay all charges or other money due promptly on demand.
- 13. Sale of Perishable Goods.** Perishable goods or live animals to be exported or which are cleared through customs concerning which no instructions for disposition are furnished by Shipper may be sold or otherwise disposed of without any notice to Shipper, owner or consignee of the goods, and payment or tender of the net proceeds of any sale after deduction of charges shall be equivalent to delivery. In the event that any shipment is refused or remains unclaimed at destination or any transshipping point in the course of transit or is returned for any reason, Shipper shall nevertheless pay Company for all charges and expenses in connection therewith. No provision hereof shall obligate Company to forward, enter or clear the goods or arrange for their disposal.
- 14. C.O.D. Shipments.** Goods received with instructions to "Collect on Delivery" (C.O.D.) by drafts or otherwise, or to collect on any specified terms by time drafts or otherwise, are accepted by Company only upon the express understanding that Company will exercise reasonable care in the selection of a bank, correspondent, carrier or agent to whom it will send such item for collection, and Company will not be responsible for any acts, omission, default, suspension, insolvency or want of care, loss, negligence, or fault of such bank, correspondent, carrier or agent, nor for any delay in remittance lost in exchange, or loss during transmission, or while in the course of collection. Shipper must enter the amount of any Shipper's C.O.D. which shall be collected subject to the fee and rules of the delivering carrier. Unless caused by Shipper's willful or intentional misconduct, under no other circumstances shall Company's liability relating in any way to Shipper's C.O.D. exceed the limits of liability as set forth in Paragraph 8.
- 15. Shipper Liable for Fees.** Notwithstanding any payment instructions given to Company, Shipper shall be responsible for all fees, costs, and charges of any kind hereunder if Company is unable to collect such charges, which shall include special handling fees, duties or taxes which have been advanced, from consignee or other third party within 45 days of delivery.
- 16. Lien or Retention.** Company shall have a general lien on any and all property (and documents relating thereto) of Shipper, in its actual or constructive possession, custody or control or en route, for all claims for charges, expenses or advances incurred by Company in connection with any shipments of Shipper or storage of goods on behalf of Shipper or Consignee, even if previously delivered by Company, and if such claim remains unsatisfied for thirty (30) days after demand for its payment is made. Company may sell at public auction or private sale, upon ten (10) days written notice, sent certified or registered mail with return receipt requested from Shipper, 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 Company. Any surplus from such sale shall be transmitted to Shipper, and Shipper shall be liable for any deficiency in the sale.
- 17. Compensation of Company.** Payment terms are net due on receipt. Contract or special rates may be considered void and the shipment re-rated at full charges if invoice is not paid in 30 days. Contract or special rates apply only to prepaid shipments unless specifically stated in a contract rate proposal. Invoicing hereunder while a shipment remains in transit shall not close out this agreement. The compensation of Company for its services shall be included with and in addition to the rates and charges of all carriers and other agencies selected by Company to transport and deal with the goods and such compensation shall be exclusive of any brokerage, commission, dividends or other revenue received by Company from carriers, insurers and others in connection with the shipment. Surcharges, including, without limitation, fuel, peak season, security, or government imposed charges, may apply as set forth in Company's various surcharge rate sheets as may be published by Company on its website at www.cevalogistics.com and modified by Company in its sole discretion from time to time. If Shipper's account is past due, Company is not obligated to refund any overcharges or pay any other obligation to Shipper and Company in its sole discretion, may apply any overcharge amounts or other payments Company agrees it owes Shipper, against the oldest outstanding invoices. In any referral for collection or action against Shipper for monies due to Company, upon recovery by Company, Shipper shall pay all expenses of collection and/or litigation, including reasonable attorneys' fees, collection agency fees, and court costs. Any invoiced amounts not paid within thirty (30) days of the date of invoice shall accrue interest at the highest rate allowable by applicable law. All billing or invoice inquiries or disputes must be presented to Company within one hundred and eighty (180) days of receipt of invoice. All payment inquiries or disputes must be presented to the other party within one hundred and eighty (180) days of receipt of payment. Any inquiries or disputes not presented within the time frames set forth herein shall be deemed waived. Notwithstanding the foregoing, Company may at any time offset any amounts owed or paid by the Shipper to Company against any amounts owed by Company to the Shipper, including, without limitation, unidentified payments and credits in the Shipper's favor, duplicate payments by the Shipper, and accounts payable to the Shipper.
- 18. Picking Up Shipments or Samples.** Company shall not itself be obligated to pick up a shipment from a carrier or a sample from U.S. Customs. Should Company render such a service for and on behalf of Shipper, Company shall not be responsible for loss or damage to the shipment unless it is in the actual custody and control of Company and the loss or damage is caused by the gross negligence or other fault of Company, in which event the limitation of liability set forth in Paragraph 8 shall apply.
- 19. No Responsibility For Governmental Requirements.** It is Shipper's responsibility to know and comply with all licensing, classification, valuation, marking and other Customs' requirements, laws, regulations, and rulings enforced by the U.S. and any country having jurisdiction over a shipment, the laws and regulations of any applicable governmental agency, including but not limited to the U.S. Food and Drug Administration, and all other requirements, laws and regulations of any applicable country or governmental agency. Company shall not be responsible for action taken, liquidated damages, or fines or penalties assessed by any governmental agency against the shipment because of the failure of Shipper to comply with the laws, requirements or regulations of any country or governmental agency or with a notification issued to Shipper by any such agency.
- 20. Loss, Damage or Expense Due To Delay.** Unless the services to be performed by Company hereunder are delayed by reason of the gross negligence or willful misconduct of Company, Company shall not be responsible for any loss, damage or expense incurred by Shipper because of such delay. In the event Company is at fault as above described, its liability is limited in accordance with the provisions of Paragraph 8.
- 21. Construction of Terms and Venue.** The terms and conditions hereof shall be construed according to the laws of the State of Texas. SHIPPER AND COMPANY AGREE THAT ANY CLAIM OR DISPUTE ARISING BETWEEN THEM, WHETHER UNDER FEDERAL, STATE, LOCAL, OR FOREIGN STATUTES, REGULATIONS, OR COMMON LAW, SHALL BE BROUGHT EXCLUSIVELY IN THE STATE OR FEDERAL COURTS SERVING HARRIS COUNTY, TEXAS. SHIPPER AND COMPANY HEREBY CONSENT TO THE JURISDICTION OF SUCH COURTS.
- 22. Proof of Delivery.** Shipper agrees that digitized signature or computer record of delivery receipt is acceptable as proof of delivery of any shipment hereunder.
- 23. Level of Service.** Unless Shipper properly elects Guaranteed Delivery services when tendering any shipment to Company, the shipment will automatically be shipped as a 5th day p.m. shipment if shipped within the United States or its territories.
- 24. International Carriage of Goods Convention.** If the carriage involves an ultimate destination or stop in a country other than the country of departure, the Warsaw Convention or the Montreal Convention as defined herein, may be applicable. These Conventions govern, and in most cases limit, the liability of Company in respect of loss, damage, or delay to cargo. Under either applicable Convention, liability of Company per kilogram may be limited to 17 Special Drawing Rights, converted into national currency under applicable law, unless a higher value is declared in advance by the Shipper and a supplementary charge is paid if required pursuant to Paragraphs 6 and 7 above. "Warsaw Convention" means (a) the Convention for the Unification of Certain Rules relating to International Carriage by Air, signed at Warsaw, 12 October 1929, or (b) that Convention as amended at The Hague, 28 September 1955, or (c) that Convention as amended at The Hague 28 September 1955 and by Montreal Protocol No. 1, 2, or 4 (1975), whichever may be applicable. "Montreal Convention" means the Convention for Unification of Certain Rules for International Carriage by Air, signed at Montreal on 28 May 1999.
- 25. Hazardous Materials and Dangerous Goods.** All packages containing hazardous materials/dangerous goods shall be limited to the materials and quantities authorized for air transportation under the U.S. Department of Transportation hazardous materials transportation regulations (49 C.F.R. Parts 171, 172, and 173) and the current edition of the International Air Transport Association (IATA) Dangerous Goods Regulations (together "Regulations"). Shipper and its agents shall comply with the Regulations regardless of the routing or the mode by which the shipment is transported. Each shipment requiring a Shipper's Declaration for Dangerous Goods under the Regulations shall be accompanied by properly executed documents in conformance with the requirements of the Regulations. If a shipment contains hazardous materials/dangerous goods, the contents shall be - and Shipper hereby certifies they are - fully and accurately described on the air waybill or other shipping document by proper shipping name and are classified, packaged, marked and labeled, and in proper condition for carriage by air (or, if tendered for other mode of transportation, then for carriage by such other mode) according to the Regulations and any other applicable national governmental regulations. Shipper hereby declares that all of the applicable air transport requirements have been met.
- 26. Transportation Security Administration.** Shipper acknowledges that Company, to the extent it serves as an indirect air carrier, is required by the United States Transportation Security Administration ("TSA") to maintain an air cargo security program. Shipper hereby authorizes and consents to all cargo tendered for transportation by air to be screened as required by TSA regulations (49 C.F.R. § 1548.9(b)) and in accordance with TSA requirements (49 C.F.R. parts 1 and 2) and Company's cargo security program, including any necessary breakdown of a shipment. Shipper shall disclose to Company if it is acting as agent, representative, broker, carrier, or other freight intermediary for any other person or entity, and shall assist Company to comply with TSA requirements by enabling Company to obtain all necessary documents from such other person or entity, or otherwise qualify, such person or entity, if Shipper advises Company that Shipper or the originator of the shipment is an individual. Company will provide any required Privacy Act Notice.
- 27. Obligation to Pay Customs Charges.** The following notice required is to be given pursuant to 19 CFR part 111.29(b)(1): If you are the importer of record, payment to the broker will not relieve you of liability for customs charges (duties, taxes, or other debts owed CBP) in the event the charges are not paid by the broker. Therefore, if you pay by check, customs charges may be paid with a separate check payable to the "U.S. Customs and Border Protection" which shall be delivered to CBP by the broker.
- 28. Quotations not Binding:** Quotations as to fees, rates of duty, freight charges, insurance premiums or other charges given by the Company to the Customer are for informational purposes only and are subject to change without notice and shall not under any circumstances be binding upon the Company unless the Company in writing specifically undertakes the handling or transportation of the shipment at a specific rate.
- 29. Independent Contractor.** Except for Customs entries and duties services performed pursuant to a power of attorney, Company shall operate as an independent contractor in performing services for Shipper.
- 30. Indemnity Against Liability Arising From the Importation of Merchandise.** The customer agrees to indemnify and hold the Company harmless against 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 governmental agency or private party. In the event that any actions, suit or proceeding is brought against the Company by any governmental agency or any 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.
- 31. Guaranteed Delivery.** In the event Shipper has elected guaranteed delivery for a particular shipment, this Section 31 shall apply. If the Company has failed to deliver the particular shipment in the amount of time guaranteed, Shipper has up to fifteen (15) days from the date of the delivery of the shipment to seek refund or credit of the applicable transportation charges paid by Shipper for the particular shipment; provided however, Company will not be obligated to refund or credit Shipper's transportation charges if the failure to deliver timely resulted from any of the following circumstances: (a) the Shipper's failure to tender freight to Company within fifteen (15) minutes of the pick up cutoff posted in the quote process. (b) the unavailability or refusal of an appropriate or eligible person to accept delivery or sign for the shipment. (c) the Shipper's failure to provide complete and accurate delivery address information. (d) the Shipper's failure to provide complete and accurate information relating to the weight and dimensions of the shipment. (e) Security or other regulatory delays. (f) Perils of the air, public enemies, criminal acts of any person(s) or entities, including, but not limited to, acts of terrorism, public authorities acting with actual or apparent authority, authority of law, local disputes, civil commotion, hazard incidents to a state of war, local or national weather conditions, national or local disruptions in air or ground transportation networks (as determined solely by Company), strikes or anti-richest strikes (of any entity, including, but not limited to, carriers, vendors or suppliers), natural disasters (earthquakes, floods and hurricanes are examples of natural disasters), conditions that present a danger to Company personnel, and disruption or failure of communication and information systems (including, but not limited to, Company's systems). (g) The shipment was undeliverable or returned.