

## Terms and Conditions for Sea Waybill

### 1. Definitions

- (1) “Merchant” includes the shipper, consignor, consignee, owner and/or receiver of the Goods and the holder of this Waybill and any successor in interest, assignee, subrogee, and anyone acting on behalf of any such person or entity.
- (2) “Goods” means the cargo described on the face of this Waybill, and includes any portion thereof, and if the cargo is packed into one or more container(s) supplied or furnished by or on behalf of Merchant, the terms includes the container(s) as well.
- (3) “Units” means the customary freight unit, which will apply to the container as a whole where the Goods have been shipped in a container(s) and freight is charged on a “per container” basis, and shall also apply to automobiles, farm equipment, and pieces of machinery, shipped as one unit or under one freight rate.
- (4) “Carrier” means the company mentioned on the face hereof by whom or in whose name this contact of carriage is made and who undertakes to perform the carriage hereunder.
- (5) “Actual Carrier” means the carrying vessel(s), its owners, charterers, and operators, and shall also include any carriers, in-land carriers, stevedores, terminal operators, subcontractors, and independent contractors, and their respective servants and agents, whose services Carrier or Actual Carrier may procure for the performance of any part of the care, custody, or transportation covered by this Waybill. Actual Carrier(s) shall be entitled to all rights, defense, liberties, and immunities available hereunder to Carrier.
- (6) “Units of Account” means the Special Drawing Right (SDR) as defined by the International Monetary Fund.

### 2. Clause paramount

- (1) As far as this Waybill covers the carriage of the Goods by sea or inland waterways, this Waybill shall have effect subject to the provisions of the International Carriage of Goods by Sea Act of Japan enacted 13 June, 1957, as amended 3 June, 1992 (hereinafter called the “Act”), unless it is adjudged that any other legislation enacting the International Convention for the Unification of Certain Rules of Law relating to Bill of Lading (hereinafter called the “Hague Rules”) done on 25 August, 1924, or the Protocol to amend the Hague Rules done on 23 February, 1968 and/or on 21 December, 1979 (hereinafter called the “Hague-Visby Rules”) , mandatorily applies to this Waybill, in which case it shall be subject to the provisions of the Hague Rules and Hague-Visby Rules, incorporated herein and to apply throughout the time the Goods are in the custody of Carrier and/or Actual Carrier and until the Goods are delivered to the nominated cargo receiver.
- (2) If any provision herein is repugnant to any extent of the Act, the Hague-Rules, the Hague-Visby Rules, or any other laws or regulations mandatorily applicable to the contract



evidenced by this Waybill, such provision shall be null and void to the extent of such repugnance but no further.

3. U.S.A. Clause Paramount

- (1) Notwithstanding clause 2 hereinabove, if the carriage covered by this Waybill includes carriage to/from or through a port or place in the United States of America or any territory or protectorate thereof, this Waybill shall be subject to the Carriage of Goods by Sea Act of the United States of America approved 16 April 1936 ("U.S. COGSA), and the terms of U.S. COGSA shall apply throughout the custody of Carrier or any Actual Carrier and until the Goods are delivered to the nominated cargo receiver.
- (2) If U.S. COGSA applies, the liability of Carrier shall not exceed U.S. \$500 per unit or package, as set forth in Clause 20 herein below, unless the nature and value of the Goods have been declared on the face hereof and an ad Valorem freight has been prepaid to Carrier and agreed to by Carrier (or prepaid to and accepted by Carrier), in which case the stated value of the Goods shall be the limit of Carrier's liability for total loss of the Goods and shall be used to adjust any partial loss on a pro rata basis, as set forth in Clause 22.
- (3) Carrier shall not be liable in any capacity whatsoever for loss or, damage to, or delay in receipt of the Goods where the Goods are in transit beyond the place of delivery identified on the face hereof. The responsibility of Carrier, if any, in such case shall only be to procure, as agent of Merchant, transportation by inland carriers (one or more) and such inland carrier(s) shall be deemed acting on behalf of Merchant in taking delivery. Only if and to the extent Carrier may be found not to have acted as agent shall Carrier's liability for loss of, damage to, or delay in delivery of the Goods be determined under this Waybill and in accordance with Clauses 20, 21 and 22 herein below.

4. Governing Law, Venue, Jurisdiction and Limitation Statutes

- (1) The contract evidenced by or contained in this Waybill shall be governed by Japanese law except as may be otherwise provided herein, and any action against the Carrier shall be brought before the Tokyo District Court in Japan, except where the Goods are transported to or from a point or place in the United States and are subject to U.S. COGSA, as set forth in Clause 3 hereinabove, in which case any action against Carrier shall be brought in the United States District Court for the Southern District of New York.
- (2) In any event, Carrier and Actual Carrier shall be discharged from all liability in respect of loss of or damage to the Goods unless suit is brought within nine (9) months after delivery of the Goods or, where the Goods are lost, within nine (9) months of the date of the Goods should have been delivered. Suit shall not be deemed to have been brought within the meaning of this clause unless jurisdiction over Carrier shall have been obtained by service of process.

5. Multimodal Transport Waybill



- (1) Carrier, by the issuance of this Multimodal Transport Waybill, undertakes to perform the entire transport from the place of receipt identified on the face hereof, to the point or place designated for delivery stated on the face of this Waybill.
  - (2) Notwithstanding the above, the provisions set out and referred to this Waybill shall also apply when the transport is performed by only one (1) mode of transport. In the case that this Waybill is used as ocean bill of lading, Carrier shall not be liable for any loss or damage of Goods occurring before loading onto the vessel at the loading port and/or after discharge from the vessel at the discharging port.
6. Non-Negotiability
- (1) By accepting this Waybill, Merchant hereby agrees with Carrier that this Waybill is “Nonnegotiable” and not assigned by endorsement of this Waybill.
  - (2) This Waybill shall not be prima facie evidence of the taking in charge by Carrier of the Goods as described on the face hereof if the description of the Goods is qualified by a phrase such as “said to contain”, “contents unknown”, “shipper’s weight, load, and count”, “shipper’s weight, load stow, and count”, or similar expressions appearing on the face hereof, in which case it is agreed by and between Merchant and Carrier that the description, weight, count, and other particulars of the Goods have been supplied by Merchant and have not been verified by Carrier, and that this Waybill shall not be prima facie evidence of receipt by Carrier of the Goods as so described or in such weight, count and/or other particulars.
7. Carrier’s Tariff
- Carrier has a tariff which sets forth freight rates and other charges which may be applicable to the contract evidenced by this Waybill, and such tariff may also contain other terms or conditions which likewise may be applicable. Copies of such tariff provisions may be obtained from Carrier upon request. However, in the event of any inconsistency between this waybill and the terms or conditions of the tariff, this Waybill shall prevail.
8. Reception of the Goods
- (1) Merchant shall be deemed to have guaranteed to Carrier the accuracy and the correctness of the description, weight, count, and particulars of the Goods furnished by merchant at the time the Goods are delivered to Carrier. This waybill is issued setting forth such particulars as to description, weight, count, marks, number, quantity, and volume as furnished by Merchant, and Merchant shall indemnify Carrier against any loss, damage, expense, cost, and fee arising from or in connection with any inaccuracy, incorrectness, and/or insufficiency of such particulars.
  - (2) Merchant, in accepting this Waybill, acknowledges its duty to properly and visibly mark the Goods. Unless, before the Goods are received by Carrier, leading marks shall have been clearly and durably stamped or marked upon the exterior of the Goods, units, packages,



and/or containers, as the case may be, in letters and numbers not less than five (5) centimeters or two(2) inches high, together with the name of the port of discharge and place of delivery, if different than port of discharge, Carrier shall not be liable for any loss, damage, expense, cost, and fee arising from or in connection with any failure of or delay in delivery in accordance with the marks.

- (3) Carrier makes no representation whatsoever as to the weight, load, stow, count, volume, order, condition, or description of the Goods, and Merchant specifically agrees that the weight, load, count, volume, order, condition, and description set forth on the face of this Waybill has been supplied by Merchant and Carrier has not verified same and this Waybill shall not serve as prima facie evidence thereof.

9. Methods and Routes of Carriage and Inspection of Containers

- (1) Carrier may, but shall not be obligated to, at any time and without notice to Merchant, (a) use any means of transport or storage, and/or (b) transfer the Goods from one conveyance to another, and/or (c) transship the Goods, and/or (d) undertake the carriage of the Goods on a Vessel or Vessels other than that named on the face of this Waybill, and/or (e) proceed at any speed and/or by any route in the Carrier's discretion including to stay at any place or port whatsoever once or more often and in any order, and/or (f) inspect, unpack, and/or remove the Goods which have been packed into a container and forward them in another container, and/or (g) load and unload the Goods at any place or port, whether or not such place or port is the port named as the port of place of loading or port or place of discharge on the face hereof. The Carrier may store the Goods or terminate transportation at any such alternate place or port, in which case delivery shall be deemed to have been made at such alternate place or port at the time written notification of the termination of transportation is given to Merchant. Merchant shall be liable for any cost(s) and/or expense(s) incurred in connection with such inspection, unpacking, forwarding and/or storing, in addition to cost(s) and/or expense(s) incurred in any reworking, repackaging, or reconditioning which Carrier may, but shall not be obligated to, undertake.
- (2) Carrier shall have liberty to comply with any orders or recommendations given by any government agency, entity, or authority, or any person or body having, under the terms of any insurance on any conveyance employed by Carrier, the apparent right to give such orders. Merchant acknowledges Carrier or Actual Carrier may be ordered by a government agency or authority, or other such regulatory entities, including but not limited to Classification Societies, Protection and Indemnity Club representatives, or insurers, or their agents, to comply with such orders as those persons or entities deem fit, and Merchant further acknowledges Carrier has the right, but not the obligations, to follow the recommendations of such government or regulatory entities, specifically including but not limited to Classification



Society representatives, Protection and Indemnity Club representatives, insurers, or the agents or servants of such entities.

- (3) The liberties set out in the preceding (1) and (2) may be invoked by Carrier for any purpose whatsoever, whether or not connected with the transportation of the Goods. Anything done in accordance with the preceding (1) and (2) and/or any delay arising therefrom shall be deemed to be within the contractual carriage and shall not be considered a deviation.
- (4) Carrier shall not be liable for any loss of or damage to the Goods if Carrier has performed in accordance with preceding subparts (1) and/or (2), and Carrier shall be entitled to recover all expensed incurred in connection therewith from merchant. Merchant shall procure all certificated from consular, customs, health and welfare authorities or similar certificated to accompany the Goods in compliance with all laws and regulations of any port or place to which the Goods are to be transported under this Waybill.

#### 10. Contingencies

- (1) If the transportation is, or is reasonably likely to be, delayed or interrupted by any hindrance, risk, danger, delay, difficulty, disadvantage, perils or conditions which result in the carriage of Goods not being able to be safely or properly carried without incurring additional expense, or which cannot be avoided by exercise of reasonable endeavors, the Carrier may, but is not obligated to, terminate the transportation of the Goods, without prior notice to or approval of Merchant. Carrier also may, but is not obligated to, discharge, store, dispose, warehouse, or take any other measures as Carrier deems necessary, including discharging the Goods at any place or port at merchant's disposal, risk, and expense.
- (2) The contingencies referred to in the preceding subpart shall include, but not be limited to, danger or disturbance cause by the existence or apprehension of war, hostilities, warlike, or belligerent acts of operations, riots, civil commotion or other disturbances, or interdict or prohibition of (or restriction on ) commerce or trading, quarantine, or other similar regulation or restrictions, strikes, lockout or other labor troubles whether or not involving employees of Carrier or any Actual Carrier, and shall also include congestion of port, sea terminal, or any other place, as well as shortage, absences, or obstacle of labor or facilities for loading, discharges, delivery, any other handling of the Goods, and shall also include diseases, bad weather, ice, or any other obstacles to the loading, stowing, transportation, entry into port, or discharging of the Goods.
- (3) In the case of termination of the transportation hereunder due to one or more contingencies set forth in the preceding (1) and (2), Carrier shall have earned and be entitled to collect all freight and other charges due in relation to the Goods. Merchant shall be liable for payment of all freight to the port of discharge or place of landing or for any other expenses incurred at such port or place as a result of any of the foregoing action taken by Carrier in relation to the



Goods, which expenses shall likewise be considered freight and included in Carrier's lien on the Goods.

11. Optional Stowage and Deck Cargo

- (1) Merchant acknowledges and agrees that the Goods may be packed by Carrier in any container and consolidated with goods of other merchants for transportation.
- (2) Merchant further acknowledges and agrees that Carrier may carry the Goods, whether packed in containers or not, on deck without notice to Merchant, unless on the face hereof it is specifically stipulated that the Goods will be carried "under deck". If the Goods are carried on deck, Carrier shall not be required to note on this Waybill any statement of such on deck carriage. Such Goods shall whether carried on deck or under deck and whether or not stated to be carried on deck shall participate in general average and shall be deemed to be within the definition of the Goods for the purpose of U.S. COGSA and/or the Hague-Rules or Hague-Visby Rules as provided in Clauses 2 and 3 hereof.
- (3) Notwithstanding subpart (2) set forth hereinabove, any Goods which are stated herein to be carried on deck are carried without responsibility of Carrier for any loss or damage arising during carriage by sea whether caused by unseaworthiness or negligence or any other cause whatsoever.

12. Delivery of the Goods

- (1) Except as otherwise specifically provided in this Waybill, delivery of the Goods will be made only to the Consignee named on the face hereof, or his authorized agents, on production of proof of identity at the Port of Discharge or the Place of Delivery. The Consignee by presenting this Waybill and/or requesting delivery of the Goods, however, undertakes all liabilities of the shipper hereunder. The Benefit of the contract evidenced by this Waybill shall thereby be transferred to the consignee or other person presenting this Waybill.
- (2) If the Goods are placed in a container(s) packed and sealed by Merchant, and the container is subsequently delivered with the seal intact, such delivery with the seal intact shall constitute prima facie evidence of delivery by Carrier of the goods in the same weight, load, stow, count, volume, order, condition, description as received by Carrier, and Carrier shall bear no liability for loss damage, or shortage of the Goods, or other discrepancy in the contents of the container. Merchant however, acknowledge that customs agents and other governmental authorities open and inspect containers and sealed units from time to time and the breaking of a seal for such purpose shall neither impose not from the basis for any liability on Carrier.
- (3) Notwithstanding subpart (2) hereinabove, any container packed by Merchant may be opened and on condition that the Carrier shall not be liable for any shortage, loss, damage or discrepancies of the Goods with are found upon unpacking the container, the contents thereof may be delivered by Carrier, at the absolute discretion of Carrier, in accordance with the



brands, marks, numbers, sized, or types of packages or pieces, and such delivery shall constitute proper delivery of the contents under this Waybill.

- (4) In the Goods have been packed into a container by Carrier, Carrier may, but shall not be obligated to, deliver the Goods in the container to Merchant who shall undertake to unpack the Goods, without any risk or expense to Carrier, and such delivery of the container shall constitute proper delivery of the Goods under this Waybill.
  - (5) Where delivery is effected as set forth in the preceding subparts in this clause, Carrier shall not be liable for any loss, damage, or shortage of the Goods, or other discrepancy in the contents of the container.
  - (6) Merchant shall assume full responsibility for and shall indemnify Carrier against any loss of or damage to any container or other equipment furnished or arranged to be furnished by Carrier to Merchant if such loss or damage occurs while in the possession or control of Merchant, its agent, or any inland carrier engaged by or on behalf of Merchant.
  - (7) If delivery of the Goods, or any part thereof, is failed to be taken by Merchant at the time and the place when and where Carrier is permitted to call upon the Merchant to take delivery under this Waybill, then Carrier may, but is not obligated to, transport the Goods to a location for storage including any place of another port which is reasonable, and/or warehouse or store the Goods, and/or unpack the Goods from any container in which they were carried at risk and cost of Merchant. Merchant shall be liable for all costs incurred by Carrier for transporting, unpacking, and storing/warehousing the Goods. Carrier shall have a lien on the Goods for these costs as well as any incidental costs, which shall be considered freight and included in Carrier's lien for freight.
  - (8) Notwithstanding the above sub-clause (7), in case of handling over the Goods to an authority or other third party to whom, pursuant to law or regulations applicable at the port of discharge, the Goods must be handed over, such handling over shall be deemed the delivery of the Goods under this Waybill and Carrier's responsibility shall cease.
  - (9) If the Goods are unclaimed after a reasonable time, or whenever the Goods have become deteriorated or worthless, Carrier may, at its discretion and subject to its lien, and without any responsibility or liability whatsoever, sell, abandon, or otherwise dispose of the Goods solely at the risk and expense of Merchant.
  - (10) The Merchant shall inspect any container before packing the contents into the container and the use of the container shall be prima facie evidence of the container being sound and suitable for use and in compliance with law.
13. Carriers failure to load and delay in delivery
- (1) In the event Carrier or Actual Carrier fails to load the Goods on the vessel specified on the face hereof, whether due to act(s) or omission(s) of Merchant, Actual Carrier, Carrier, or from



any other cause whatsoever, Carrier shall have the right, but not the obligation, to arrange for transport on another vessel, or by other means as set forth in Clause 9 hereinabove, or Carrier may choose to cancel this contract. Any extra freight charges, or expenses incurred by Carrier to so arrange for alternate transport shall be for the account of Merchant, and Carrier shall have a lien on the Goods for these extra charges and expense, which shall likewise be considered freight, in addition to the freight quoted and/or set forth on the face hereof.

- (2) Carrier does not guarantee that the Goods shall arrive at the port of discharge or the place of delivery at any particular time or in time to meet any particular market use, and Carrier shall not be responsible or liable for loss of or diminution in value due to any such delay. In any event and without prejudice to the foregoing the liability of the Carrier for loss or damage and/or expense resulting from delay in delivery shall be limited to an amount equivalent to two and half times the freight payable for the Goods delayed, but not exceeding the total freight applicable to the relevant stage of the carriage.
- (3) Any clause herein giving names of parties who desire to be notified on the arrival of the vessel or other means of transport at destination is solely for the information of Carrier and its agents, and failure to notify such party (ies) shall not result in any liability on the part of Carrier.

14. Dangerous Goods, Radioactive Materials, Contraband and Heavy Lift

- (1) Goods which are dangerous, hazardous, flammable, poisonous, noxious, radioactive or of other similar nature shall be declared as such by Merchant prior to the time tendered for transport under this Waybill, and the nature shall be distinctly marked on the outside of the package. Merchant shall be solely responsible for ensuring proper packaging, labeling, marking, and complete transport documentation required by any government agency or entity into whose jurisdiction the transportation may be reasonably expected to come within. The transport documentation shall be presented at the time the Goods are tendered to Carrier for transport, and Carrier reserves the right to refuse to accept Goods for any reason whatsoever. Notwithstanding, Carrier's acceptance of the Goods shall not operate to limit Merchant's continuing responsibility to properly package, label, mark, and provide transport documents as set forth hereinabove or as may be required as a result of any action taken pursuant to Clause 10 hereinabove.
- (2) If the Goods in the discretion of Carrier are or become contraband, dangerous, hazardous, poisonous, noxious, radioactive or a potential detriment to health or property, Carrier shall have the right, but not the obligation, to discharge, dispose of, or render innocuous such goods, without any compensation to Merchant for loss of or damage to such Goods. All risks, costs, and expenses incurred by Carrier for discharge, disposal, rendering innocuous, and/or clean-up shall be for the account of Merchant. Carrier shall have a lien on the Goods, and any



other cargo (es) tendered by Merchant for transport, for such costs, in addition to freight.

- (3) If the weight of any single piece, component, or package of Goods which is to be loaded aboard the vessel exceeds one (1) metric ton or four thousand, four hundred eighty (4,480) ponds gross weight, including the packaging, pallet, crate, lifting eyes or other temporarily affixed appurtenances, such weight shall be declared by Merchant in writing prior to booking. The gross weight must be clearly and visibly affixed letters at least five (5) centimeters or two (2) inches high and in ink sufficient to withstand wetness, rain, winds, sea spray, and all reasonably foreseeable conditions of transport. Such piece or package shall be liable for extra charges, if any in accordance with tariff rates in effect at the time of shipment for loading, handling, transshipping or discharging.
- (4) Whether or not Merchant was aware of the dangerous, hazardous, flammable, poisonous, noxious, radioactive or other similar nature of the Goods, in any event, Merchant shall be responsible and fully indemnify Carrier against personal injury or death and all claims, losses, damages, or expenses arising from such nature of the Goods carried hereunder.

15. Valuable Goods

Carrier shall not be responsible to any extent for any loss of or damage to platinum, gold, silver, jewelry, precious metals, radioisotopes, precious chemicals, bullion, specie, currency, negotiable instruments, securities, writing, documents, pictures, embroideries, works or art, curios, heirlooms, collections of every nature or any valuable Goods whatsoever, including goods having particular value only for Merchant, unless the true nature and value of the goods have been declared in writing by Merchant before receipt goods by Carrier, and the same is inserted on the face hereof and an ad valorem freight has been prepaid to and accepted by Carrier.

16. Automobiles, Machinery, Farm Equipment and Other Unpacked Goods, and Metal Products

- (1) The term “apparent good order and condition” when used in this Waybill with reference to unpackaged Goods, including but not limited to, automobiles, machinery, farm, equipment, and metal products(including but not limited to steel coils, steel sheet, wire rod or pipe) shall not mean the Goods are free of dents, scratches, discoloration, chipping, marring, rust or similar visible defects. Upon demand by Merchant prior to tendering the Goods for shipment, a substitute Waybill will be issued by Carrier noting all dents, scratches, discoloration, chipping, marring rust or other visible condition(s). If no such substitute Waybill is requested in writing prior to tender of the Goods for transport under this Waybill, the “apparent good order and condition” notation shall not constitute prima facie evidence that the Goods were delivered to Carrier without such visible condition(s).
- (2) Superficial rust, oxidation, moisture or any like condition of any iron, steel or metal products is not a condition of damage but is inherent to the nature of the Goods and acknowledgement



of receipt of the Goods in apparent good order and condition does not mean that the Goods when received were free of visible rust, oxidation or moisture. The Carrier shall in no event be liable for loss or damage arising out of or resulting from such inherent nature of the Goods

17. Precise Machinery

Merchant acknowledges that Carrier has not undertaken an inspection of moving parts or the operation of machinery tendered for transport. Any statement on the face hereof that such Goods have been received by Carrier in “apparent good order and condition” shall not be construed as a representation or warranty of the working order of such Goods, and shall not constitute prima facie evidence of the good order of such Goods with regard to damage not readily determinable by visible inspection or without opening packaging, including but not limited to: damage caused by shock, vibration, or other movement of these Goods in the course of handling, loading, or transport. Merchant further acknowledges Carrier has not undertaken to carry the Goods under special care or specific instructions for care or handling, unless Carrier has agreed in writing on the face hereof to provide such special care or follow such specific instructions and additional freight has been prepaid to and accepted by the Carrier. Notwithstanding such special care or instructions, and additional freight paid to Carrier therefor, Carrier shall nonetheless be entitled to all exemptions, defenses, immunities, exceptions, presumptions and inferences arising under this Waybill or any applicable law.

18. Temperature Controlled Goods

- (1) Merchant acknowledges that the Goods do not require special care in the stowage, handling, or transport, such as ventilation, humidity control, refrigerated carriage, or watering (in the case of live plants) unless Merchant has declared the need for such special stowage or care in writing prior to tendering the Goods to Carrier and Carrier has agreed in writing to undertake such special care, and a higher rate has been paid therefor. In the event Merchant declares the need for special care, and Merchant’s instructions for special care are inserted on the face hereof, and higher freight is paid therefor, Carrier shall exercise due diligence to provide such special care, but in no event shall Carrier be liable for any breakdown, stoppage, malfunction, or latent defect in any refrigeration or temperature controlling equipment.
- (2) If the Goods have been packed into a refrigerated or reefer container by Merchant, merchant acknowledges and agrees that it has inspected such container and has found it suitable and operational, including its refrigeration plant and thermostatic controls. Merchant agrees that it shall set the proper temperature range sufficiently prior to loading the container for safe receipt of the Goods, and further agrees that Carrier shall not be liable for any loss or damage to the Goods arising from any failure to perform Merchant’s obligations hereinabove.
- (3) If the goods have been packed into a refrigerated or reefer container by Carrier and the



temperature range requested by Merchant has been set forth on the face of this Waybill, Carrier shall undertake to set the temperature range as requested, but shall not be responsible for any loss or damage to the Goods due to fluctuations in temperature, and Carrier does not guarantee the maintenance of such temperature range within the Container.

19. Live Animals and Plants

Live animals and/or plants, when accepted for carriage, are accepted for carriage solely and absolutely at the risk of Merchant and without any warranty or undertaking whatsoever by Carrier that the vessel and other means of transport are seaworthy, fitted, manned, equipped, and supplied for the reception, carriage, and preservation of such Goods.

20. Limitation of Liability and Defenses

- (1) Merchant agrees Carrier shall be relieved of liability for any loss or damage to the Goods, diminution in Value, or delay in delivery arising from:
  - (a) Act, neglect, or default of the master, mariner, pilot, or the servants of Carrier or Actual Carrier in the navigation or the management of the ship;
  - (b) Fire, unless caused by the actual fault or privity of Carrier or Actual Carrier;
  - (c) Perils, dangers, and accidents of the sea or other navigable waters;
  - (d) Act of God;
  - (e) Act of war or warlike operations;
  - (f) Act of public enemies;
  - (g) Arrest or restraint of princes, rulers, or people, or seizure under legal process;
  - (h) Quarantine restrictions;
  - (i) Act or omission of Merchant or the owner of the Goods, its agents or representatives;
  - (j) Compliance with the instruction of the person entitled to give them;
  - (k) Defect of the container or similar article supplied by the Merchant or any other person acting on behalf of the Merchant;
  - (l) Handling, loading, stowage or discharge to end from container or similar article by the Merchant or any other person acting on behalf of the Merchant;
  - (m) Strikes or lockouts or stoppage or restraint of labour from whatever cause, whether partial or general;
  - (n) Riots or civil commotions;
  - (o) Saving or attempting to save life or property at sea;
  - (p) Wastage in bulk or weight or any other loss or damage arising from inherent nature, defect, quality, or vice of the Goods;
  - (q) Insufficiency of packing or packaging, or in the preparation of the Goods for transport;
  - (r) Insufficiency or inadequacy of marks;



- (s) Latent defects;
  - (t) Any other cause arising without the actual fault or privity of Carrier or Actual Carrier or without the fault or neglect of the agents or servants of Carrier or Actual Carrier;
- (2) In any event, where the Goods are shipped to or from any port or place in the U.S.A., Carrier shall be entitled to limit its liability to U.S. \$500 per package, or per customary freight unit where the Goods are not shipped in packages or the Goods are shipped in the container packed and sealed by Merchant, in which case the container shall be deemed the “package” for purposes of this Waybill. However, if freight is assessed on a “per container” basis, the Goods shall be considered as not having been shipped in a package and the container shall be deemed the “customary freight unit”, and Carrier’s liability shall be limited to U.S. \$500 per container. Where the Goods are shipped to or from a country that is a signatory to the Hague Rules or Hague-Visby Rules, Carrier’s liability shall be limited to G.B.P 100 per package or unit, or such other limitation amount as may apply by Protocol, and if the Goods are shipped in a container locked and sealed by Merchant, the applicable limitation amount shall apply on a “per container” basis.
- (3) In accepting this Waybill, Merchant acknowledges that it has been offered the opportunity to declare the actual value of the Goods in the space on the face of this Waybill so designated. If no value appears in the space on this Waybill designated for the “declaration of value”, or if the entry “NVD” or any other notation indicating no value has been declared appears in the space, then Merchant acknowledges that it has chosen not to declare a value for the Goods, If Merchant chooses to declare a value for the Goods, then an ad valorem freight rate shall be assessed, and Merchant shall pay any additional freight based thereon prior to the commencement of the transportation covered by this Waybill. If Merchant fail to declare such value, then Merchant agrees that Carrier’s liability is limited to U.S. \$500 per customary freight unit or container, or to U.S. \$500 per package where goods are not shipped in a container are subject to U.S. COGSA, or to G.B.P. 100 per package or unit where the Goods are shipped subject to the Hague Rules or Hague –Visby Rules, as set forth in subpart (2) hereinabove. Whenever the Goods are shipped to and from countries which are not signatories to the Hague Rules or Hague Visby Rules, then the Carrier’s liability shall be limited to U.S. \$500 per container if the Goods are shipped in containers, or to U.S. \$500 per package or customary freight unit, whichever results in a lesser limit of liability, if the Goods are not shipped in a container.
- (4) The defenses, exceptions, presumptions, inferences, and limitations of liability provided for in this Waybill shall apply in any action against Carrier and/or Actual Carrier for loss or damage to the Goods, or delay in delivery, whether the action be founded in contract, in tort, or any other basis whatsoever.



- (5) Unless written notice of loss or damage to the Goods, and the general nature of such loss or damage, is given to Carrier at the place and time of delivery, before removal of the Goods into the custody of the person entitled to take delivery under this Waybill, such removal shall be prima facie evidence of the delivery by Carrier of the Goods in the same like order, condition, count, weight, volume, number, and description as received by Carrier. If the loss or damage is not apparent, the written notice must be given within three (3) days of the time of delivery.
- (6) The Carrier shall be discharged from all liability in respect of loss or damage unless suit is brought within nine (9) months after delivery of the Goods or the date when the Goods should have been delivered. In the event such time period shall be found to be contrary to any international convention or mandatory national law shall then apply but in that circumstance only.
- (7) If the stage of the Carriage during which the loss or damage occurred is known, the liability of the Carrier shall be determined by the provisions contained on any international convention or mandatory national law with provisions: (a) cannot be departed from by private contract to the detriment of the Merchant, (b) or would have applied if the Merchant has made a separate and direct contract with the Actual Carrier in respect of particular stage of the carriage during which the loss or damage occurred and received as evidence thereof any particular documents which must be issued in order to make such international convention or national law applicable.
- (8) If it can be proved that the loss or damage occurred during inland carriage while the Goods were in custody of the Actual Carrier, the liability of the Carrier and the limitation thereof shall be determined in accordance with the Actual Carrier's contract of carriage or tariff, provided herein. If such contract of tariff does not exist, the limit shall be set out herein.
- (9) Notwithstanding the above stipulation, if it can be proved that the loss or damage occurred during the inland carriage while the Goods were collected or delivered in Japan, the liability of the Carrier shall be determined in accordance with Japanese standard terms and conditions of consigned motor truck transportation (Public Notice of the Ministry of Transport No. 579 of 1990), unless otherwise agreed by the parties.
- (10) If it cannot be proved in which custody the Goods were lost or damaged, it shall be deemed to have occurred during the sea transport and the Carrier shall be liable to the extent prescribed hereby.

21. Liability of Servants, Agents, and Sub-Contractors

- (1) The Merchant shall indemnify the Carrier against any claim which may be made upon the Carrier by Actual Carrier(s) or any servant, agents, subcontractors, in-land carriers, stevedores, or independent contractor(s) in relation to the claims made against them by the Merchant.



- (2) In entering into this contract, Carrier, to the extent of those provisions, does so not only on its behalf but also on behalf of the Actual Carrier(s) , as well as any and all servants, agents, subcontractors, in-land carriers, stevedores, and independent contractor(s), performing any of Carrier's or Actual Carrier's duties or obligations hereunder. All such persons and entities shall be beneficiaries of the waybill and entitled to avail themselves of the rights, defenses, exceptions, presumptions, inferences, immunities, and limitations of liability to which Carrier is entitled under this Waybill.
- (3) Merchant acknowledges that the aggregate of any amount it shall be entitled to recover from Carrier or Actual Carrier(s) shall in no case exceed the limitation of liability provided for hereinabove.
- (4) No servant, agent, subcontractor, carrier, sub-carrier, in-land carrier, stevedore, or any other independent contractor(s) performing any of Carrier's duties or obligations hereunder, and specifically including the carrying vessel identified on the face hereof, its owner(s), operator(s), manager(s), time charterer(s), and any other ocean vessel performing any part of the contract evidenced by this Waybill, shall have the power to waive or vary any of the terms of this Waybill unless such waiver is authorized or ratified, in writing, by Carrier prior to the time the Goods are tendered for transportation under this Waybill.

## 22. Settlement of Claims

- (1) Merchant acknowledges that Carrier shall not be responsible for any claim comprised of loss of profits, exemplary, special, consequential, or indirect damages, or loss of market value due to delay in arrival or delivery of the Goods.
- (2) Merchant acknowledges and agrees that if a declaration of value for the Goods has been declared and inserted on the face hereof, such value shall not exceed the invoice value of the Goods, plus the freight costs and insurance premiums paid, if any. Merchant further acknowledges and agrees that, in no event, shall Carrier be responsible for any claim for damage to or loss of the Goods which exceeds the invoice value of the Goods
- (3) The Carrier shall in no event be liable for any loss of or damage to the Goods in an amount exceeding the equivalent of 666.67 Units of Account per package or per unit or 2 Units of Account per kilogram of gross weight of the Goods lost or damaged, whichever is the higher; provided, however, that if the Goods are shipped to or from any port or place in the U.S.A., the amount shall be subject to 3. The amount shall be converted into national currency on the date to be determined by the law of country in which the case is instituted.
- (4) Where Merchant has declared an ad valorem value and such declared value is inserted on the face of this Waybill in the space provided therefor, and an ad valorem freight has been prepaid to and accepted by Carrier, prior to Carrier's acceptance of the Goods, for the transportation covered by this Waybill, such declared value shall be the limit of Carrier's liability, if any, for



damage to or loss of the Goods. In the event of a partial loss or partial damage, such as liability shall be adjusted prorata on the basis of the declared pro rata on the basis of the declared value.

- (5) When the Goods have been packed by or on behalf of the Merchant, and when the number of package or units packed into the container is not enumerated on the face hereof, each container shall be considered as one package for the purpose of application of the Carrier's limitation of liability.
- (6) Any claim in relation to any loss, damage or delay in delivery of the Goods which are shipped from any area other than Japan shall be handled by the Agent of the Place of Receipt on the face of this Waybill.

#### 23. Merchants Responsibility

- (1) The Merchant warrants that in agreeing to terms and conditions hereof, he is, or has the authority of, the person owning or entitled to the possession of the Goods and this Waybill
- (2) The Merchant shall comply with any and all laws and conventions related to the shipment, including but not limited to the requirement to provide Verified Gross Mass (VGM) under the International Convention for the Safety of Life at Sea (SOLAS), and all regulations or requirements of customs, port and other authorities, and shall bear and pay all duties, taxed, fines, imposts, expenses or losses (including, but not limited to, freight for additional carriage undertaken) incurred or suffered by reason of any illegal, incorrect or addressing of the goods, and shall indemnify the Carrier in respect thereof.

#### 24. Freight and Charges

- (1) The freight set forth on the face of this Waybill shall be considered completely earned upon Merchant's tender of the Goods for transport pursuant to this Waybill, and whether freight is stated to have been pre-paid or to be collected at the destination, all charges due under this Waybill shall become payable to Carrier immediately as such charges become due.
- (2) The Carrier shall be entitled to all freight and other charges due whether actually paid or not, under any circumstances whatsoever, whether the vessel or other means of transport or the Goods be lost or not, or the voyage or the carriage be broken up or frustrated or abandoned. The payment of freight and any further charges due under this Waybill shall be made by Merchant in cash, without reduction, counter claim or offset whatsoever.
- (3) Merchant shall be responsible for any expenses incurred by Carrier for recooling, restowing, repacking, repairing, inspecting, recollecting, fumigating, clean-up, freight for reshipment or other such services in respect of the Goods.
- (4) Merchant shall be responsible for any duties, taxed, fines, dues or other charges whatsoever that may be levied by any government, customs official, port or other such authority.
- (5) The Merchant shall be responsible for all fines and losses which carrier may incur from the



Merchant's failure to load the Goods or in part of the vessel or other means of transport from any cause whatsoever.

- (6) The freight set forth on the face hereof has been calculated on the basis of particulars furnished by Merchant. If these particulars are inaccurate or incorrect, a sum equal to double the correct freight, less the freight charged and paid, shall be payable as liquidated damages to Carrier for freight due hereunder, and Merchant also shall be responsible for any fines, penalties, expense(s) or loss(es) incurred by Carrier due to the mis-declaration of such particulars.
- (7) Merchant, including the shipper, the consignee, the owner of the Goods, and the holder of this Waybill, shall be jointly and severally liable to Carrier for payment of all freight and charges due hereunder and or for the performance of the obligations of each other.

25. Carrier's Lien

- (1) Carrier shall have a lien on the Goods, which shall survive delivery, for freight and any charges, expenses, costs, or other sums owing under this Waybill which charges, expenses, costs, or other sums shall also be considered freight. Carrier may, without notice and at the Merchant's expense and without any liability towards the Merchant, enforce this lien by public or private sale of the Goods. Carrier shall further have a lien on any other property belonging to Merchant which may be in Carrier's or Actual Carrier's possession for any sums due under this Waybill. If the proceeds of a sale of the Goods carried hereunder or of any other property belonging to Merchant fails to cover the full amount due, Carrier shall be entitled to recover the amount outstanding which remains due and owing from Merchant and shall be entitled to enforce this lien against any other property belonging to Merchant in Carrier's or Actual Carrier's possession.
- (2) Delivery shall be affected when Merchant is provided notification that the Goods have arrived at the Place of Delivery, identified on the face of this Waybill, or such other place or port as Carrier may select in accordance with Clause 10. Merchant acknowledges that the "free" time provided for Goods discharged from a vessel to the dock, quay, pier, or other port area may be extremely short, and varies from port to port. Merchant undertakes to exercise due diligence to receive the Goods as soon as notification of arrival is provided. Merchant further agrees to pay any demurrage, storage charges, warehousing fees, or other such expenses incurred by the Goods after Carrier's notification that the Goods have arrived at the Place of Delivery identified on the face of this Waybill.

26. General Average and Salvage

- (1) General Average shall be adjusted, stated and settled at port or place where the carrying vessel and/or her owner shall decide according to the York-Antwerp Rules 1974, or any amendment or modification thereof in effect, and any other rules, laws, customs or usages of



any port, or place of the adjustment. Carrier may demand a cash deposit or other security sufficient to cover the estimated contribution of the Goods and any salvage and special charges thereon, which shall be made by Merchant to Carrier, or such third party as Carrier designates, prior to the delivery of the Goods.

- (2) All expenses in connection with or related to any act by Carrier, Actual Carrier, or any other party performing any portion of Carrier's obligations herein, in order to avoid or minimize damage to the environment, shall be considered a general average expense, unless such action constitutes a remediation or clean-up-cost under Clause 14 hereinabove in which case Merchant and the Goods shall be solely responsible for such expense.
- (3) If salvage services are rendered to the vessel or the Goods, Merchant shall provide salvage security in the amount and in the form requested by the salvor, or shall provide counter-security to Carrier if Carrier has provided such security to the salvor on behalf of or to the benefit of Merchant. In the event of any failure to provide security promptly, Merchant shall indemnify Carrier for all loss and expenses, including consequential losses due to delay, suffered by Carrier.
- (4) If the Carrier delivers the Goods without obtaining security for general average contributions, the Merchant, by taking delivery of the Goods, undertakes responsibility to pay such contribution and to provide such deposit for the estimated amount of such contributions as the Carrier shall require.

27. Incorporation of Ocean Carrier's Bill of Lading or Sea Waybill

Merchant acknowledges that Carrier does not own or operate ocean vessels and that, to the extent the transportation set forth on the face of this Waybill entails transportation by water; a bill of lading or sea waybill is or may be issued by Actual Carrier(s) covering the transportation by water. Merchant agrees the terms of such Actual Carrier's Bill of Lading or Sea Waybill, excluding more disadvantageous terms for Carrier than specific terms set for the herein, are incorporated by reference, such incorporation to specifically include any Both to Blame Collision Clause, and any Jason Clause or New Jason Clause, appearing on the reverse of the Ocean Carrier's Bill of Lading or Sea Waybill, and any notation as to "on deck" stowage which appears on the face of Actual Carrier's Bill of Lading or Sea Waybill are incorporated by reference and shall have the same force and effect as if fully set forth on the face of this Waybill.