

CLOUD OCEAN LINE - BILL OF LADING Terms & Conditions

(Version 01/2012)

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1. LAW AND JURISDICTION

- 1.1** The contract evidenced by or contained in this Bill of Lading shall be governed by and construed in accordance with the laws of Hong Kong.
- 1.2** Any claim against Carrier under this Bill of Lading or otherwise arising from the Carriage or in relation to the Goods shall be determined exclusively by the Courts of Hong Kong to which jurisdiction Merchant hereby irrevocably submit. Merchant agrees that it shall not institute legal proceedings in any other Courts and shall Indemnify Carrier for all legal costs and expenses incurred by Carrier to stay or remove a suit filed in another forum.
- 1.3** Carrier shall be entitled to bring any legal proceedings against Merchant in the Courts of Hong Kong or in any other jurisdiction (including jurisdiction(s) where Merchant has a place of business or assets) and legal proceedings by Carrier in any one or more jurisdictions shall not preclude legal proceedings by it in any other jurisdiction, whether concurrent or not.

2. DEFINITIONS

In this Bill of Lading, unless the context otherwise requires:

“Carriage” means the whole or any part of the operations and services of whatsoever nature undertaken or performed by or on behalf of Carrier in relation to the Goods covered by this Bill of Lading.

“Carrier” means Cloud Ocean Line Ltd. (trading as Cloud Ocean Line), Unit 1516-20, 15/F, Nan Fung Commercial Centre, 19 Lam Lok Street, Kowloon Bay, Kowloon, Hong Kong on whose behalf this Bill of Lading has been signed.

“Combined Transport” arises if either or both of the Place of Receipt and the Place of Delivery are duly indicated in the relevant boxes on the face hereof.

“Container” includes any type of container, trailer, transportable tank, platform, lift van, flat, pallet, skid, and any other articles used to consolidate or transport goods and including any ancillary or associated equipment.

“Freight” includes the freight and all charges, demurrage, detention costs and all expenses and other monetary obligations, including (without limitation) duties, taxes and dues payable by Merchant to Carrier in accordance with Carrier’s applicable Tariffs or this Bill of Lading.

“Goods” means the whole or any part of the cargo received by or for Carrier from Merchant for Carriage under this Bill of Lading and includes any Container, packing or equipment not supplied by or for Carrier.

“Hague Rules” means the provisions of the International Convention for Unification of Certain Rules relating to Bills of Lading signed at Brussels on 25th August 1924.

“Hague-Visby Rules” means Hague Rules as amended by the Protocol signed at Brussels on 23rd February 1968. (It is expressly provided that nothing in this Bill of Lading shall be construed as contractually applying the Hague-Visby Rules.)

“Indemnify” includes defending, indemnifying and holding harmless, including in respect of legal costs and expenses.

“Liabilities” includes any and all claims, demands, losses, damages, liabilities, fines, penalties, costs and expenses (including legal costs and expenses) of whatsoever nature and howsoever arising.

“Merchant” includes any person who is or at any time has been or becomes the shipper, the consignee, the receiver of the Goods, the holder of this Bill of Lading, any person owning or

entitled to the possession of or otherwise having any interest in the Goods or this Bill of Lading, and any person acting on behalf of any such persons aforesaid.

“Pomerene Act” means the United States Federal Bill of Lading Act 1916 49 U.S.C. 801 or any amendments thereto.

“Port to Port Shipment” arises if the Carriage is not Combined Transport.

“Rights and Defences” includes any and all rights, defences, exemptions, limitations of liability, liberties, immunities and benefits of whatsoever nature and howsoever acquired.

“Sub-Contractors” includes owners, charterers and operators of Vessels, stevedores, terminal operators, forwarders, groupage operators, consolidators, warehousemen, road, rail and air transport operators, longshoremen, and any independent contractors and sub-contractors of all degrees employed or engaged directly or indirectly by Carrier for or in performance of the Carriage and including the respective officers, employees and agents of such persons aforesaid.

“U.S.A.” means the United States of America.

“US Carriage” means carriage to, from or through any port of the U.S.A.

“US COGSA” means the Carriage of Goods by Sea Act of the United States of America approved on 16 April 1936.

“Vessel” includes the vessel(s) named on the front hereof and any substitute vessel, feeder vessel, lighter or other watercraft used in the performance of the Carriage, whether owned or chartered or operated or controlled by Carrier or any Sub-Contractor or any other person.

For purpose of Carrier’s limitation of liability:

“Package” means the largest individual unit of partially or completely covered or contained cargo made up by or for Merchant which is delivered and entrusted to Carrier, including palletized units and each Container packed and sealed by Merchant or on its behalf, although Merchant may have furnished a description of the contents of such sealed Container(s) on this Bill of Lading. For the avoidance of doubt, if the Goods are received by Carrier in a Container, the Container shall be the “Package” for the purpose of calculating limitation of Carrier’s liability, unless compulsorily applicable law in the individual case stipulates otherwise; and

“Unit” has the same meaning as Package, save that in relation to US COGSA the term shall mean customary freight unit.

3. INTERPRETATION AND GENERAL

- 3.1 All the persons within the definition of Merchant shall be jointly and severally liable to Carrier, its agents, servants and Sub-Contractors (together "covenantees") for all representations, warranties, undertakings, agreements, obligations, liabilities, and indemnities (together "covenants") expressed or implied to be made, given or assumed by Merchant in this Bill of Lading as if the covenants were expressly made, given or assumed by Merchant to each of the covenantees. No covenants of Merchant shall be affected by any acts or omissions (whether negligent, deliberate or otherwise) of Carrier or the other covenantees.
- 3.2 In the event that any provisions herein contained are inconsistent with any compulsorily applicable law in any individual case, those provisions, to the extent of such inconsistency, shall be null and void, but the remaining provisions of this Bill of Lading shall remain valid and enforceable, and the validity and enforceability of those provisions in any other case shall not thereby be affected. To avoid doubt, nothing herein contained shall be construed as a surrender by Carrier of any of its Rights and Defences or as an increase of any of its Liabilities under such compulsorily applicable law.
- 3.3 Subject to contrary compulsorily applicable law in the individual case, provisions herein which exempt, exclude, relieve or limit the liability of Carrier, its servants, agents or Sub-Contractors shall be operative and effective notwithstanding (i) any act or omission (whether negligent, deliberate or otherwise) of Carrier, its servants, agents or Sub-Contractors, or (ii) the circumstances or cause of any loss or damage (to which such provisions relate) be unexplained, or (iii) any other matters or causes whatsoever.
- 3.4 No servant or agent of Carrier shall have any authority to waive or vary any term of this Bill of Lading, unless such waiver or variation is specifically authorized in writing by a director or other authorized officer of Carrier.
- 3.5 Any right or remedy herein conferred on Carrier is in addition to and without prejudice to all other rights and remedies available to it.
- 3.6 References to Clauses are to clauses of the terms and conditions herein. Clause headings and sub-headings are for convenience only and do not affect the construction of the terms and conditions herein.

4. SUB-CONTRACTING

- 4.1 Carrier shall be entitled to sub-contract directly or indirectly on any terms the whole or any part of the Carriage and/or its obligations and/or duties hereunder. Merchant hereby consents to such sub-contracting arrangements, and, without prejudice to Carrier's Rights and Defences hereunder, agrees to subject the Goods and the Carriage also to other agreements or terms and conditions of transport, including without limitation Sub-Contractors' bills of lading or other transport documents, which will confer or have conferred extensive Rights and Defences on third parties in respect of the Goods and/or the Carriage.
- 4.2 Merchant undertakes that no claim or demand whatsoever shall be made against any person whomsoever (other than the Carrier) by whom the Carriage is performed or undertaken (including without limitation Carrier's officers, servants, agents and Sub-Contractors) which imposes or attempts to impose on any such person or any vessel owned or operated or controlled by any such person any liability whatsoever in connection with the Goods or the Carriage or this Bill of Lading, whether or not arising out of negligence on the part of such person and whether or not founded in contract, bailment, tort, negligence, trust, breach of express or implied warranty or otherwise. If any such claim or demand should nevertheless be made, Merchant shall Indemnify Carrier against all consequences thereof.
- 4.3 Without prejudice to the generality of the foregoing, every such person shall have the benefit of all the Rights and Defences of Carrier under or pursuant to this Bill of Lading as if the same were expressly made also for such person's benefit. For the foregoing purposes, Carrier contracts for itself as well as agent and trustee of all such persons.
- 4.4 Merchant shall Indemnify Carrier against liabilities arising from or in relation to the Carriage or the Goods or this Bill of Lading insofar as such liabilities exceeds the Carrier's liability limits under this Bill of Lading.
- 4.5 In respect of Carriage or duties or obligations sub-contracted by Carrier as aforesaid, Carrier (without prejudice to its other Rights and Defences) shall, to the maximum extent permitted by any compulsorily applicable law in the individual case, have as against Merchant the benefits of all the Rights and Defences that are available to the respective Sub-Contractors as if the same were expressly incorporated herein for Carrier's benefit (including without limitation the right of Carrier to limit its liability as if it were the owner of the Vessel).

5. CLAUSE PARAMOUNT

- 5.1 Subject to Clause 16 below, this Bill of Lading insofar as it relates to sea carriage by any vessel whether named herein or not shall have effect subject to any applicable legislation making the Hague Rules or the Hague-Visby Rules compulsorily applicable to this Bill of Lading and the provisions of such legislation shall be deemed incorporated herein. In the absence of such legislation, this Bill of Lading shall have effect (without prejudice to Carrier's other Rights and Defences) subject to the Hague Rules (Articles 1 to 8 inclusive) or US COGSA in the case of carriage to and from the U.S.A. The Hague Rules, Hague-Visby Rules or US COGSA shall apply to the carriage of Goods by inland waterways and reference to carriage by sea in such Rules or legislation shall be deemed to include reference to inland waterways.
- 5.2 If and to the extent that the provisions of the Harter Act of the United States of America 1893 would otherwise be compulsorily applicable to regulate the Carrier's responsibility for the Goods during the period prior to loading on or after discharge from the vessel the Carrier's responsibility shall instead be determined by the provisions of Clause 7 below, but if such provisions are found to be invalid such responsibility shall be subject to US COGSA.
- 5.3 The Carrier shall be entitled to (and nothing to this Bill of Lading shall operate to deprive or limit such entitlement) the full benefit of, and rights to all limitations and exclusions of liability and all rights conferred or authorized by any applicable law, statute or regulations of any country (including, but not limited to where applicable any provisions of the laws of the U.S.A.) and without prejudice to the generality of the foregoing also any law, statute or regulations available to the owner of the vessel(s) on which the Goods are carried.
- 5.4 In the case of carriage of goods where the contract evidenced by this Bill of Lading is governed by the US COGSA (if the port of loading or the port of discharge is in the U.S.A.), then the provisions US COGSA shall apply, and the Carrier shall have the benefit of any and all rights and defences and limitations to which it is entitled under US COGSA for the time the Goods are in the possession of Carrier or its Sub-Contractors, including the time following receipt prior to loading and following discharge prior to delivery whether carried on deck (without prejudice to Clause 16.1.) or under deck.
- 5.5 For US Carriage this Bill of Lading shall have effect subject to the provisions of US COGSA, and further, for carriage from the U.S.A., this Bill of Lading shall have effect subject to the Pomerene Act, regardless of whether either of said Acts would apply of their own force.

6. CARRIER'S RESPONSIBILITY (PORT TO PORT SHIPMENT)

- 6.1 If Carriage is Port to Port, the responsibility of Carrier shall be limited to that Carriage from and during loading onto the Vessel up to and during discharge from the Vessel. The liability of Carrier shall be determined in accordance with:
- (a) any applicable legislation making the Hague Rules or Hague-Visby Rules compulsorily applicable to this Bill of Lading;
 - (b) if the Carriage is to or from a port in U.S.A., the US COGSA, and unless Clause 8.3 is applicable, such liability shall in no event exceed US\$500 per Package or in case of Goods not shipped in packages per customary freight unit;
 - (c) in any other case, (without prejudice to Carrier's other Rights and Defences) the Hague Rules (Articles 1 to 8 inclusive only) save that unless Clause 8.3 is applicable, such liability shall in no event exceed US\$ 100 per Package or Unit or US\$ 2 per kilo of the gross weight of the Goods lost or damaged, whichever is lower.
- 6.2 Carrier shall be under no liability whatsoever for loss or damage to Goods before loading or after discharge, howsoever caused. Any services rendered to or in respect of the Goods prior to loading or after discharge shall be services rendered by others procured by Carrier as agent only of Merchant, and in respect of such services Carrier shall have no liability whatsoever.
- 6.3 Notwithstanding Clause 6.2, if and to the extent that any compulsory applicable law provides for any additional responsibility for those part(s) of Carriage before loading or after discharge, Carrier shall have the benefit of all Rights and Defences under such compulsorily applicable law, and, subject thereto, all the Rights and Defences pursuant to or under Clause 6.1(c) during those additional part(s) of the carriage, even though the matter giving rise to Carrier's liability did not occur at sea.
- 6.4 If US COGSA applies then the provisions stated in US COGSA shall govern Carrier's liability throughout the Carriage by sea and the entire time that the Goods are in the actual custody of the Carrier or its Sub-Contractor at the container yard, freight station or area immediately adjacent to the sea terminal before loading onto the vessel or after discharge therefrom as the case may be.
- 6.5 References in the Hague Rules, Hague-Visby Rules, the legislation apply them compulsorily to this Bill of Lading, and the US COGSA to carriage of goods by sea as applied herein shall be deemed to include inland waterways carriage.

7. CARRIER'S RESPONSIBILITY (COMBINED TRANSPORT)

- 7.1 If Carriage is Combined Transport, Carrier shall be liable only for loss of or damage to the Goods occurring during the Carriage from the Place of Receipt or the Port of Loading (whichever is applicable) up until the Place of Delivery or the Port of Discharge (whichever is applicable), to the extent set out below.
- 7.2 If the stage of Carriage at which the loss or damage occurred is known or Merchant can prove such stage beyond reasonable doubt, the liability of Carrier shall be determined as follows:
- 7.2.1 if it is established that the loss or damage occurred at or during the stage of the Carriage referred to in Clause 6, then in accordance with the provisions thereof;
- 7.2.2 if it is established that the loss or damage occurred at or during any other stage of the Carriage, then:
- (a) in accordance with any compulsorily applicable law or international convention (including without limitation any applicable international convention relating to carriage by air or land) which provisions cannot be departed from by private contract or agreement to the detriment of Merchant and which would have applied if Merchant had made a separate and direct contract with Carrier in respect of the particular stage of the Carriage at or during which the loss or damage occurred; but
 - (b) if either Clause 7.2.2 (a) is not applicable or, if applicable, the applicable law or international convention does not specify any liability limits, then in accordance with Clause 7.3.
- 7.3 If the stage of Carriage at which the loss or damage occurred is not known or cannot be proved by Merchant beyond reasonable doubt, then the liability of Carrier shall be determined as follows:
- (a) Carrier shall be entitled to rely on any provisions excluding or exempting or relieving Carrier from liability contained in the Hague Rules (Articles 1 to 8 inclusive only) or the applicable legislation making the Hague Rules or the Hague-Visby Rules applicable to this Bill of Lading or the US COGSA as if the loss or damage had occurred at or during carriage by sea.
 - (b) Carrier shall be relieved of liability for any loss or damage or any other matter whatsoever arising or resulting from (i) any cause or event which Carrier could not have reasonably avoided, prevented or foreseen; or (ii) compliance with instructions or directions of Merchant or any person authorized to give them.

- (c) Except where Clause 8.3 is applicable, the liability of Carrier for any matter whatsoever and howsoever arising shall (without prejudice to Carrier's other Rights and Defences hereunder) be determined in accordance with the Hague Rules (Articles 1 to 8 inclusive only), save that such liability shall in no event exceed US\$100 per Package or Unit or US\$ 2 per kilo of the gross weight of the Goods lost or damaged, whichever is lesser.

7.4 If the Place of Receipt or Place of Delivery is not duly indicated in the relevant box on the front hereof, Carrier shall be under no liability whatsoever in respect of any matter whatsoever occurring prior to loading of the Goods onto or after discharge thereof from the Vessel and Clauses 6.2 and 6.3 shall apply mutatis mutandis. It shall not be a proper indication if only the name of a port is indicated without specifying an address outside the port area.

8. GENERAL LIABILITY PROVISIONS

8.1 Carrier's Rights and Defences

(a) The Rights and Defences of Carrier provided in this Bill of Lading shall apply in any action or claim against Carrier whether founded in contract, tort, bailment, trust, breach of express or implied warranty or otherwise and notwithstanding any negligence, unseaworthiness, deviation, non-delivery, mis-delivery or any fundamental breach of contract on the part of carrier, its officers, employees and/or Sub-Contractors.

(b) Without prejudice to the generality of (a) above, unless contrary to the compulsorily applicable law in the individual case, the defences and limits of liability referred to herein shall apply not only in respect of loss or damage to the Goods, but are also applicable in the event of "loss" of the Goods or loss caused to Merchant (or any of them) by reason of delivery of the Goods to the Notify Party named overleaf or Merchant (or any one of them) without the presentation of this Bill of Lading to Carrier, its employees, agents or Sub-Contractors.

8.2 Value of Goods

Subject always to Carrier's right to limit liability as contained herein, if Carrier is liable for compensation in respect of loss of or damage to Goods, such compensation shall be calculated by reference to the invoice value of the Goods plus freight and insurance if paid. If there is no (or no bona fide) invoice value of the Goods, such compensation shall be calculated by reference to the value of goods of the same or similar kind and quality at the place and time the Goods are received by the Carrier or the Goods are delivered or should have been delivered to Merchant, whichever value is the lowest.

8.3 Ad Valorem Declared Value

Higher compensation than the limits provided for elsewhere in this Bill of Lading shall not be claimed unless, with Carrier's consent, Merchant has (i) declared the value of the Goods prior to commencement of the Carriage, (ii) stipulated such declared value on the front hereof, and (iii) paid such additional charges as required by Carrier. In that case the amount of the declared value will be substituted for the Carrier's limits of liability laid down elsewhere in this Bill of Lading and any partial loss or damage shall be adjusted pro rata on the basis of such declared value.

8.4 Delay, Consequential Loss

Carrier does not undertake that the Goods or any documents relating thereto shall arrive or be available at any point or place during the Carriage or at the Port of Discharge or Place of Delivery at any particular time (whether advertised or not) to meet any requirement of

Merchant or any market or use of the Goods or any other purposes. Carrier shall under no circumstances whatsoever be liable for;

- (i) any direct or indirect loss caused by delay;
- (ii) any indirect loss of whatsoever nature and howsoever caused.

If notwithstanding the foregoing, Carrier is found liable for any loss falling within (i) and/or (ii) above, its total liability (despite declaration of value and additional freight may have been made and paid pursuant to Clause 8.3) shall be limited to an amount equals the freight or other charges applicable to the relevant stage of the Carriage which have been paid by Merchant.

(For the foregoing purposes, "indirect loss" includes without limitation any consequential loss, loss of profits, loss of market, loss of contract, loss of revenue, loss of use, punitive or exemplary damages or damage.)

8.5 **Notice of Loss or Damage**

- (a) Unless notice of loss or damage shall have been given in writing to Carrier or his representative at the Port of Discharge or Place of Delivery before or at the time of removal of the Goods into the custody of the person entitled to delivery thereof under this Bill of Lading or, if the loss or damage is not apparent, within three consecutive days thereafter, such removal shall constitute due delivery of the Goods hereunder.
- (b) Any notation of loss or damage on the receipt or notice made by Merchant shall not be binding on Carrier.

8.6 **Time-bar**

- (a) Carrier shall be discharged of all liability whatsoever in respect of the Goods or this Bill of Lading or the Carriage or anything whatsoever in relation thereto, unless suit is brought in the proper forum and notice thereof given to Carrier within nine (9) months after the date the Goods were delivered or deemed delivered or should have been delivered (whichever is the earliest) unless the compulsorily applicable law in the individual case provide for a longer term of prescription.

8.7 **Limitation of Liability**

Subject to contrary compulsorily applicable law in the individual case, (save where Clause 8.3 is applicable, but without prejudice to its other Rights and Defences) the liability of Carrier shall in no event exceed (i) the liability limits set forth in the compulsorily applicable legislation making the Hague Rules or Hague-Visby Rules compulsorily applicable; (ii) where the US COGSA applies, US\$500 per Package or in case the Goods are not shipped in packages,

US\$500 per customary freight unit; and (iii) in any other case, US\$100 per Package or Unit or US\$ 2 per kilo of the gross weight of the Goods lost or damaged whichever is the lowest.

8.8 **Brazilian Customs Regulations**

As per Brazilian Customs Regulations Customs authorities may release cargo without presentation of Original House Bill(s) of Lading and without notifying carriers.

Agents and carrier are not responsible for such release and do not accept any liability, including liability for payment of cargo value to the Exporter/Shipper.

8.9 **Misdelivery without production of this Bill of Lading**

If there is any misdelivery of goods without production of this Bill of Lading negligently or deliberately done by the Carrier's agent or sub-contractor that has no prior approval of the Carrier, the Carrier shall be liable for any claim relating to the aforesaid misdelivery of goods. However, the Carrier's aforesaid liability shall not exceed a total of US\$ 2 per kilogram of the gross weight of that part of the goods misdelivered.

9. MERCHANT'S WARRANTIES AND RESPONSIBILITY

9.1 Merchant warrants to Carrier as follows:

- (a) in accepting this Bill of Lading, Merchant agrees to be bound by all stipulations, exceptions, terms and conditions on the face and back thereof, whether written, typed, stamped or printed, as fully as if signed by Merchant;
- (b) Merchant accepting this Bill of Lading accepts and is authorized to accept the said stipulations, exceptions, terms and conditions for itself and for all other persons within the meaning "Merchant".
- (c) the particulars relating to the Goods set out on the front hereof have been checked by Merchant on receipt of this Bill of Lading, and that such particulars and all other information relating to the Goods or otherwise provided by Merchant for the Carriage are complete, accurate and true;
- (d) the Goods are lawful goods and contain no contraband or prohibited items;
- (e) without prejudice to Clause 9.1 (c) if the Carriage is a US Carriage, all information relating to the Goods is complete, accurate and true and in all respects in conformity and compliance with cargo declaration requirements of the U.S. Customs Regulations and other related laws, rules and regulations;
- (f) the Goods delivered to Carrier are properly packed, prepared, marked, numbered and addressed and are suitable for the Carriage; and
- (g) Merchant shall comply with all applicable laws, regulations, rules, requirements, directions, recommendations, guidelines of customs, port, import, export and other authorities.

9.2 Merchant shall Indemnify Carrier from and against any and all Liabilities incurred due to a breach of any of Merchant's obligations, undertakings, representations and warranties contained in this Bill of Lading.

10. DESCRIPTION OF GOODS

- 10.1 This Bill of Lading shall be prima facie evidence of the receipt by Carrier from the Merchant in apparent good order and condition, except as otherwise noted, of the total number of Containers or other Packages or Units indicated on the front hereof as **“TOTAL NUMBER OF CONTAINERS OR PACKAGES OR UNITS RECEIVED BY THE CARRIER”**.
- 10.2 Save as provided in Clause 10.1, Carrier makes no representation or acknowledgement and assumes no responsibility whatsoever as to any weight, measure, quantity, quality, contents, description, marks, numbers, place of origin, value or condition of the Goods (all of which are unknown to it).
- 10.3 Any information on the front hereof relating to any invoice, export or import license, documentary credit, order, contract, or like matters is included solely at the request of Merchant and is not verified by Carrier. No such information shall constitute any declaration of value of the Goods by Merchant or in any way increase Carrier's liability hereunder.
- 10.4 The term “apparent good order and condition” when used in this Bill of Lading with reference to Goods which require temperature control shall in no circumstances be construed to mean that the Goods when received were verified by Carrier as being at the designated carrying temperature.
- 10.5 It is agreed that superficial rust, oxidation or any like condition due to moisture, is not “damage” but is inherent to the nature of the Goods and acknowledgement of receipt of the Goods in apparent good order and condition is not a representation that such conditions of rust, oxidation or the like did not exist on receipt.
- 10.6 Where an “On Board” endorsement is made on the front hereof it means that the Goods are loaded either on board (i) the vessel named in this Bill of Lading, or (ii) rail cars, trucks, lorries, feeder ships, barges or other means of transportation, and are in the custody of an inland or ocean carrier for transportation in accordance with the terms of this Bill of Lading.

11. CONTAINERS

Carrier Containers

- 11.1 Goods may be consolidated by Carrier in or on Containers and Goods may be consolidated with other goods. Except otherwise agreed by Carrier in writing, Carrier is not obliged to provide any Container of a particular type or quality.
- 11.2 Any Container released into the care of Merchant for packing, unpacking or any other purposes shall be deemed to be in sound condition suitable for Merchant's purpose unless objection is given to Carrier forthwith upon receipt by Merchant. Merchant shall redeliver the Container to Carrier within the time, at the place and in the condition prescribed by Carrier and empty Containers shall be re-delivered with their interiors properly brushed and cleaned. Until proper re-delivery to Carrier the Container shall be at the sole risk of Merchant. If the Container is not timely and properly returned, Merchant shall pay Carrier all applicable demurrage, detention and other charges and expenses and shall Indemnify Carrier for all Liabilities arising therefrom.
- 11.3 Merchant shall be responsible for any loss and/or damage to, and any Liabilities caused or incurred by such Container whilst in its custody or control.

Merchant Packed Container

- 11.4 Acknowledgement of receipt by Carrier of a Container not packed by Carrier (a "Merchant Packed Container") is acknowledgement of the receipt only of that Container and not its contents. Carrier assumes no liability for any loss or damage whatsoever to the contents of such Container arising out of:
- (a) the manner in which the Container has been packed;
 - (b) the unsuitability for Carriage of the contents of the Container;
 - (c) (if the Container was not supplied by Carrier) the unsuitability, defective condition or the incorrect setting of temperature controls thereof;

- (d) (if the Container was supplied by Carrier) the unsuitability, defective condition or incorrect setting of temperature controls thereof which could have been discovered upon reasonable inspection by Merchant at or prior to the time the Container was packed; or
- (e) the packing in the Container of temperature controlled Goods that are not at the correct temperature for Carriage.

11.5 Merchant warrants that all Merchant Packed Containers (i) (which are not provided by Carrier) meet all ISO and/or other international safety standards and are fit in all respects for Carriage; (ii) have been duly inspected prior to and at the time of packing and have been found to be in good repair and condition suitable for packing the Goods and the Carriage; and (iii) the packing and sealing thereof are proper, safe and suitable for the Carriage and the seal number shall be communicated in writing by Merchant to Carrier.

11.6 Delivery of a Merchant Packed Container by Carrier with its original seal intact shall be deemed to be a full and complete delivery under this Bill of Lading. Carrier shall not be liable for any shortage of Goods.

12. INSPECTION OF GOODS

- 12.1 Carrier and any person authorized by it may (but is not obliged to), without notice or liability to Merchant, open and/or scan any Container or package at any time and at any place and inspect, examine, weigh or measure the contents thereof. All related expenses shall be borne by Merchant.
- 12.2 If by the order of any proper authorities, the Goods or a Container in which the Goods are stuffed has to be opened for inspection, Carrier shall not be liable for any loss, damage or delay incurred to the Goods, the Carriage or the carrying Vessel. The cost of opening, unstuffing, inspection, repacking and any other costs shall be recoverable by Carrier from Merchant as part of the Freight.

13. PERISHABLE GOODS/TEMPERATURE CONTROLLED CARGO

- 13.1 Goods of a perishable nature will be carried in ordinary Containers without special protection, services or other measures unless (i) otherwise expressly agreed in writing by Carrier before receipt of the Goods, (ii) there is noted on the front hereof that the Goods will be carried in a refrigerated or heated or electrically ventilated or other specially equipped Container, and (iii) any applicable extra freight and charges have been paid by Merchant.
- 13.2 Merchant shall not tender for Carriage any Goods which require temperature control or refrigeration without Carrier's prior written consent. Where Carrier in its sole discretion agrees to accept such Goods, Merchant warrants and undertakes that (i) Merchant has notified Carrier in writing of the nature of the Goods and the required temperature setting of the thermostatic controls before Carrier received the Goods, (ii) the relevant box on the front hereof will be appropriately completed and will state the nature of the Goods and the particular temperature range required to be maintained, and (iii) (in the case of a temperature controlled Container not consolidated by or for Carrier), the Container has been properly pre-cooled, the Goods therein have been properly consolidated and the thermostatic controls have been properly set by Merchant, all before Carrier received the Goods.
- 13.3 Merchant acknowledges that refrigerated Containers are not designed to freeze down cargo which has not been presented for stuffing at or below its designated carrying temperature and Carrier shall not be responsible for the consequences of Goods presented at a higher temperature than that required for Carriage.
- 13.4 Carrier shall not be liable for any loss of or damage to the Goods caused by or arising from:
- (a) any non-compliance of this Clause 13 by Merchant (who shall Indemnify Carrier for any Liabilities suffered by Carrier resulting from such non-compliance);
 - (b) defects, derangement, breakdown, stoppage of the temperature controlling machinery, plant, insulation or any apparatus of the Container (whether or not supplied by or for Carrier).
- 13.5 Merchant acknowledges that temperature controlled Containers are not designed to monitor and control humidity levels and Carrier does not guarantee the maintenance of any particular humidity level inside any Container.

14. HEAVY LIFT

- 14.1 Any single package with a weight exceeding 1,000 kilograms gross weight must be declared in writing by Merchant before tendering to Carrier for Carriage. The weight of each such package must be clearly and durably marked by Merchant on the outside in letters and figures not less than five (5) centimeters in height.
- 14.2 Merchant undertakes to comply with all laws and regulations that may be applicable during the Carriage concerning overweight Containers or any other heavy lift cargo.
- 14.3 In the event of any non-compliance by Merchant of Clause 14.1 or Clause 14.2;
- (a) Carrier shall be released of all liabilities in respect of the Goods;
 - (b) Merchant shall Indemnify Carrier against all Liabilities incurred by it by reason of such non-compliance;
 - (c) Carrier (and its agents) may without notice and without liability to Merchant (i) refuse to load the Goods, or, (ii) if loaded, arrange at Merchant's risk and expense for the Goods to be landed and stored, and such landing and storage shall be deemed to constitute due delivery of the Goods under this Bill of Lading.

15. DANGEROUS GOODS

- 15.1 "Dangerous goods" includes any goods which are or may become dangerous, hazardous, inflammable, or injurious (including radio-active materials) in nature (whether or not listed in any official or unofficial international or national code or convention), or which are or may become liable to damage any property or person whatsoever or other goods.
- 15.2 Merchant warrants that it shall not tender to Carrier for Carriage any Dangerous goods unless Merchant has:
- (a) given written notice of their nature, type, name, label and classification to Carrier, and obtained Carrier's prior express consent in writing;
 - (b) distinctly and durably marked on the outside of the Container or other packaging, in which the Dangerous goods are to be transported, the nature and characteristics of such goods so as to comply with any laws or regulations which may be applicable during the Carriage;
 - (c) submitted to Carrier and the relevant authorities all documents required by any laws which may become applicable during the carriage or otherwise required by Carrier; and
 - (d) not permitted incompatible goods to be packed in the same Container.
- 15.3 If any Goods (which are Dangerous goods) are delivered to Carrier for Carriage in breach of Clause 15.2 or such Goods, although tendered in compliance with Clause 15.2, in the opinion of Carrier cannot safely or properly be carried or carried further (whether taking any measures or incurring additional expense or not) THEN Carrier may exercise its rights under Clause 20, without prejudice to its other Rights and Defences.
- 15.4 Merchant shall fully Indemnify Carrier against all Liabilities arising out of the Carriage of any Dangerous goods tendered by Merchant including (without limitation) Liabilities resulting from injuries caused to any person (including Carrier's employees, agents and Sub-Contractors), damage to any property (including any Container and vessel), environmental damages (direct and indirect), clean up, removal, rehabilitation expenses, legal costs (on an indemnity basis), and fines and penalties imposed by any governmental agencies or authorities.

16. DECK CARGO AND LIVESTOCK

- 16.1 Goods whether containerized or not may be stowed on or under deck at the sole discretion of Carrier without notice to Merchant and such stowage shall not be a deviation of whatsoever nature or degree. If Goods are carried on deck, Carrier shall not be required to note, mark or stamp on the face hereof any statement of such deck carriage. Save where Clause 16.2 applies, all Goods whether carried on deck or under deck shall participate in General Average and such Goods (other than livestock) shall be deemed to be within the definition of "Goods" for the purposes of the Hague Rules (Articles 1 to 8 inclusive) or any legislation compulsorily applying the Hague Rules (including the US COGSA) or the Hague-Visby Rules.
- 16.2 Goods which are stated on the front hereof to be carried on deck and which are so carried (and livestock, whether or not carried on deck) are carried at the sole risk of Merchant without any responsibility on the part of Carrier for loss or damage or delay or any matter of whatsoever nature whether or not caused by unseaworthiness or negligence or any other cause whatsoever. The Hague Rules, the Hague-Visby Rules and the US COGSA shall not apply to such Carriage. Merchant shall indemnify Carrier against all and any extra cost incurred for any reason whatsoever in connection with Carriage of such Goods or livestock.

17. FCL MULTIPLE BILLS OF LADING

17.1 This Bill of Lading is a FCL Multiple Bills of Lading if the tally acknowledged overleaf bears the qualification to the effect that the Goods is "one of ... part cargo in the Container". The special arrangement of receiving Goods on basis of FCL Multiple Bills of Lading being issued (receiving goods as FCL and delivering them as LCL to more than one receiver) shall only be undertaken in Carrier's absolute discretion and in any event on the basis that Carrier shall not in any event be liable for any shortage, loss, damage or discrepancies of goods which are found upon unpacking of the Container. Without prejudice to any other conditions which Carrier may stipulate when accepting such special arrangement, Merchant agrees that the following provisions shall apply:

- (a) The Goods described overleaf are said by Merchant to comprise part of the contents of the Container indicated. All such particulars are unknown to and not verified by Carrier and Carrier makes no representation or acknowledgement in respect thereof.
- (b) The Goods will be delivered in the Container to Merchant only if the originals of all the bills of lading covering all the contents of the Container have been surrendered authorizing delivery of all the contents to a single Merchant at a single place.
- (c) If the Clause 17.1(b) is not fulfilled Carrier may in its absolute discretion (but is not obliged to) unpack the Container and deliver the contents for which originals bills of lading have been surrendered without the Container. Delivery of the Goods in such manner shall constitute due delivery hereunder, but will only be effected against payments by Merchant of appropriate charges and expenses as laid down in Carrier's applicable Tariffs.
- (d) If all or part of the total contents within the Container consists of bulk goods or unappropriated goods, or is or becomes mixed or unmarked or unidentifiable, the respective holders of the bills of lading relating to such contents shall take delivery thereof (including any damaged portion) and bear any shortage in such proportions as Carrier shall in its absolute discretion determine. Delivery of the Goods as aforesaid shall constitute due delivery hereunder.
- (e) Instructions in relation to Carriage which a Merchant may otherwise be entitled to give must be given by all Merchants of all the contents in the Container simultaneously and, if so required by Carrier, together with the production of the originals of all bills of lading covering all the contents in the Container.
- (f) Merchant undertakes to Indemnify Carrier from and against any and all Liabilities arising from accepting the Goods for Carriage on the basis of the aforesaid special arrangement.

18. HINDRANCES AFFECTING PERFORMANCE

- 18.1 If at any time the performance of the contract contained in or evidenced by this Bill of Lading is or is likely to be affected by any hindrance, risk, danger, delay, difficulty or disadvantage of whatsoever kind and howsoever arising (whether or not before the Carriage has commenced and whether or not before this contract has been concluded) Carrier has no duty to complete this contract and may at its sole discretion and without notice and liability to Merchant, elect any one or more of the following:
- (a) carry the Goods to the Port of Discharge or Place of Delivery by an alternative route or means; or
 - (b) suspend the Carriage of the Goods and store them ashore or afloat subject to the terms of this Bill of Lading and (if practical) use reasonable endeavors to forward them to the Port of Discharge or Place of Delivery; or
 - (c) abandon the Carriage and where reasonably possible place the Goods or any part thereof at the Merchant's disposal at any place which Carrier may deem safe and convenient, whereupon the responsibility of the Carrier in respect of such Goods shall cease.
- 18.2 Without prejudice to Carrier's other Rights and Defences, Carrier, in any of the above events shall be entitled to recover or retain full Freight for the Carriage and additional compensation for extra costs or expenses incurred by or for Carrier resulting from the circumstances (or any of them) referred to above.

19. METHODS AND ROUTE OF TRANSPORTATION

19.1 Carrier may at any time and without notice to Merchant and for whatever purposes whether or not connected with Carriage:

- (a) use any means of transport or storage whatsoever;
- (b) transfer the Goods from one conveyance to another including transshipping or carrying the same on a Vessel other than the Vessel named on the front hereof or by any other means of transport whatsoever and even though transshipment or forwarding of the Goods may not have been contemplated or provided for herein;
- (c) unpack and remove Goods which have been stuffed in or on a Container and forward the same in any manner whatsoever;
- (d) proceed at any speed and by any route in his discretion (whether or not the nearest or most direct or customary or advertised route) and proceed to or stay at any place whatsoever once or more often and in any order;
- (e) load or unload the Goods from any conveyance at any place (whether or not the place is a port named on the front hereof as the Port of Loading or Port of Discharge);
- (f) comply with any orders or recommendations given by any government or authority or any person or body acting or purporting to act as or on behalf of such government or authority or having under the terms of the insurance on the conveyance employed by Carrier the right to give orders or directions;
- (g) permit the Vessel to proceed with or without pilots, to tow or be towed or to be dry-docked with or without goods or Containers ;
- (h) permit the Vessel to carry livestock, goods of all kinds, dangerous or otherwise, contraband, explosives, munitions or warlike stores and sail armed or unarmed;
- (i) proceed to, return to or stay at any port or place whatsoever (whether or not the place is a port named on the front hereof as the Port of Loading or Port of Discharge) and in any order in or out of the route or in a contrary direction to the Port of Discharge.

19.2 Anything done in accordance with Clause 19.1 above or any delay arising therefrom shall be deemed to be within the contractual Carriage and shall not be a deviation of whatsoever nature or degree.

19.3 Once the Goods have been received by Carrier for Carriage, Merchant shall in no circumstances: (i) impede, delay, suspend, stop or otherwise interfere with Carrier's intended manner of performance of the Carriage or the exercise by Carrier of the liberties conferred by this Bill of Lading or (ii) instruct or require delivery of the Goods at a place or point other than the Port of Discharge or Place of Delivery named on the reverse hereof or such other port or place selected by Carrier in the exercise of the liberties herein.

20. ABANDONMENT OF GOODS, ETC.

20.1 Without prejudice to Carrier's other Rights and Defences, in the event that (a) Merchant fails to take delivery of the Goods within 30 days from the first date the Goods are available for collection pursuant to Clause 21.2, or (b) Carrier reasonably considers that there is any breach by Merchant of any of Merchant's warranties or undertakings contained herein including without limitation those in Clauses 13, 14, 15 or (c) in the sole opinion of Carrier the Goods are likely to deteriorate, decay ,or become worthless or cause any danger to the Vessel or other goods or property or any person or incur charges, or the Goods cannot safely or properly be carried or carried further at all or without incurring additional expenses THEN Carrier may (but without obligation) at any time (in its sole discretion and without liability and notice to Merchant or requiring any Court order) sell (by private treaty or public auction) or otherwise dispose of or abandon or store the Goods ashore or afloat, under cover or in the open, at any place at the sole risk and expense of Merchant, and apply any proceeds of sale in reduction of the sums due to Carrier from Merchant under this Bill of Lading. Upon such sale, disposal, abandonment or storage, the Goods shall be deemed duly delivered to Merchant under this Bill of Lading. Merchant shall indemnify Carrier from and against any and all Liabilities incurred by Carrier in relation to such sale, disposal, abandonment and storage.

21. NOTIFICATION AND DELIVERY

- 21.1 Any mention in this Bill of Lading of parties to be notified of the arrival of the Goods is solely for the information of Carrier. Failure to give such notification shall not subject Carrier to any liability nor relieve Merchant of any obligation hereunder.
- 21.2 Merchant shall take delivery of the Goods (notwithstanding any loss or damage or any other matter whatsoever) within the time and at the place for collection provided in Carrier's applicable Tariffs, or otherwise notified to Merchant or the Notify Party named on the front hereof. Without prejudice to Carrier's other Rights and Defences, if Merchant fails to take delivery of the Goods within the prescribed time at the prescribed place, the Goods shall be deemed to have been duly delivered to Merchant under this Bill of Lading upon expiration of such time.
- 21.3 If in accordance with the applicable custom or practice or law or regulation or pursuant to orders or instructions of any person having authority given at any stage of Carriage (and whether before or after arrival of the Goods for collection by Merchant), Carrier hands over the Goods into the custody of any government, customs, port or other authority or any other person acting or purporting to act as or on behalf of such government or authority, such hand-over shall be deemed to be due delivery of Goods to Merchant under this Bill of Lading.
- 21.4 Upon delivery or deemed delivery of the Goods to Merchant (or persons authorized by it) all liabilities of Carrier in respect of the Goods shall cease absolutely and immediately (but without prejudice to its other Rights and Defences including without limitation its right to any lien) and all costs and expenses incurred thereafter (if paid or payable by Carrier or its agents or Sub-Contractors) shall upon demand be paid by Merchant to Carrier.
- 21.5 In the event that Carrier, in its entire discretion, agrees at the request of Merchant to deliver the Goods at a port of discharge or a place of delivery other than the Port of Discharge or Place of Delivery identified overleaf, Carrier shall act only as the agent of Merchant in arranging for the delivery of the Goods to the revised port of discharge or the revised place of delivery, and shall be under no liability whatsoever arising from such revised carriage.
- 21.6 Except where willful misconduct of Carrier is proven, Carrier shall not be liable whatsoever for delivering or releasing the Goods to any person presenting any forged or fraudulent document purporting to be an original of this Bill of Lading or other original document entitling such person to the delivery or possession of the Goods.
- 21.7 When collection or delivery takes place at Merchant's premises, the place of collection or delivery shall be the usual place of loading or unloading the Goods into or from the vehicle and:

- (a) Carrier shall not be obligated to provide any plant, power or labour which may be required for the loading or unloading at such premises. This shall be the responsibility of Merchant at its own risk and expense.

- (b) Any assistance which Carrier may give on any matters within the responsibility of Merchant shall be given without any liability whatsoever (including without limitation liability for damage to or loss of the Goods or other property and injury to any persons); all such assistance shall be provided entirely at Merchant's risk and expense.

22. GENERAL AVERAGE

- 22.1 Carrier may declare General Average which shall be adjustable according to the York/Antwerp Rules of 1974 at any place at the option of Carrier. The New Jason Clause as approved by BIMCO (obtainable from Carrier upon request) is deemed incorporated herein. General Average on a vessel not operated by Carrier shall be adjusted according to the requirements of the operator of that vessel.
- 22.2 Merchant shall indemnify Carrier in respect of any claims of a General Average nature which may be made against it and shall provide such cash deposit or security as Carrier may consider sufficient to cover the estimated General Average contribution of the Goods and any salvage and special charges thereon. Such deposit or security shall, if so required by Carrier, be provided to Carrier prior to delivery of the Goods.
- 22.3 Carrier shall be under no obligation to take any steps whatsoever to exercise any lien or collect or procure any security for General Average contribution due to Merchant.

23. CARRIER'S TARIFFS, FREIGHT AND CHARGES

- 23.1 The provisions of Carrier's applicable Tariffs are incorporated herein. Particular attention is drawn to the provisions therein relating to free storage time and to container and vehicle demurrage. Copies of the Tariffs are obtainable from the Carrier upon request. In the case of inconsistency between this Bill of Lading and the applicable Tariffs, this Bill of Lading shall prevail.
- 23.2 Quotations as to Freight, rates of duty, insurance premiums or other charges or fees given by Carrier are for information only and are subject to changes without notice and shall not under any circumstances be binding upon Carrier.
- 23.3 All Freight shall be paid at or within the time stipulated in Carrier's applicable Tariffs and in any event before delivery of the Goods. Payment shall be made in the currency named in this Bill of Lading, or, at the option of Carrier in another currency specified by Carrier. Interest at the rate of 12% per annum shall be payable on any overdue amount from the date when payment is due until payment in full. All costs and expenses incurred by or on behalf of Carrier in the recovery of any moneys due from Merchant including legal costs, recovery or collection fees and expenses shall be recoverable from Merchant as a debt.
- 23.4 All persons coming within the definition of Merchant shall be jointly and severally liable for all Freight, and other moneys payable by any Merchant including all advances made by Carrier in Carrier's own discretion and additional or return Freight on the Goods if they are refused export or import by any government body or authority or for any reason whatsoever.
- 23.5 Freight shall be deemed fully earned on receipt of the Goods by or on behalf of Carrier (whether or not Freight is stated on the face of the Bill of Lading as being prepaid or to be collected at destination) and shall be non-returnable. All sums payable to Carrier shall be paid in full without set-off, deduction or counterclaim of whatsoever nature and howsoever arising.
- 23.6 Freight is calculated based on particulars furnished by or for Merchant. Carrier shall be entitled to require Merchant to produce commercial invoice for the Goods or other evidence of their value and to inspect, re-weigh, re-measure and re-value the Goods. If the particulars furnished are found to be incorrect, then without prejudice to Carrier's other Rights and Defences, Merchant shall pay Carrier the correct Freight (less any Freight actually paid). All costs and expenses incurred by Carrier in establishing the correct particulars shall be recoverable from Merchant as a debt. Merchant shall indemnify Carrier for Liabilities incurred by Carrier by reason of having relied or acted on the incorrect particulars (including without limitation any Liabilities incurred towards any Sub-Contractor).
- 23.7 Notwithstanding any of the other sub-clauses contained in this Clause 23, for U.S. Carriage, Carrier may opt to be exempt from tariff publication requirements per 46 C.F.R. §520 and

532. Carrier's Rules Tariff are provided free of charge to Shipper at www.cloud-ocean-line.com.

24. LIEN

- 24.1 Carrier shall have a general lien on the Goods (and documents relating thereto) and any other property belonging to Merchant, directly or indirectly in Carrier's possession, custody or control or en route, for all monies due to Carrier from Merchant under this contract or any other contract. Carrier may at its sole discretion exercise its lien at any time and at any place. The lien shall cover without limitation all Freight earned, General Average contributions, all charges, expenses and advances of whatsoever nature due to Carrier and inclusive of any costs incurred in recovering or attempting to recover any sums due from Merchant (whether in respect of the Carriage herein or otherwise).
- 24.2 Carrier shall be entitled to sell (at any time and at any place) at the costs of Merchant the Goods and/or any such other property by private treaty or by public auction or other means, without giving prior notice or incurring any liability to Merchant and to apply the proceeds of such sale (net of expenses) in or towards the payment of any amount due to Carrier. Carrier shall be entitled to claim the difference against Merchant in the event that the (net) sale proceeds do not discharge in full the amount due from Merchant. Carrier's lien shall survive delivery or deemed delivery of the Goods.

25. BOTH-TO-BLAME COLLISION

25.1 The Both-to-Blame Collision and New Jason clauses published and/or approved by BIMCO and obtainable from Carrier or its agent upon request are incorporated herein.