

GENERAL TRADING CONDITIONS OF THE ROYAL CARGO GROUP OF COMPANIES

SECTION 1 - GENERAL CONDITIONS

1. All and any business undertaken, including any advice, information or service provided whether gratuitously or not by Royal Cargo, Inc. including its subsidiaries and affiliates (hereinafter referred to as the "Royal Cargo") is transacted subject to the Conditions hereinafter set out. All other terms and conditions are hereby excluded. Should the Customer wish to contract with the Royal Cargo otherwise than subject to these Conditions special arrangements can be made and revised prices quoted, provided that such arrangements shall only apply if reduced to writing and signed by its authorized officer(s). Save as aforesaid no agent or employee of Royal Cargo has the authority to waive or vary these conditions. Where the relationship between Royal Cargo and its customers is subject to trade practices legislation or maritime or civil codes compulsorily applicable thereto, Royal Cargo shall be entitled to all the rights, immunities, exceptions and limitations conferred on suppliers of services by such legislations and if any of these conditions are repugnant to any such legislation the same shall be void to the extent of such repugnance but no further.
2. (I) Royal Cargo is a Freight Forwarder and subject to the following provisions, shall be entitled either to arrange all or any of the carriage, storing, packing or handling of the goods, or any other services required by the Customer, as agent on behalf of the Customer, or to provide all or any part of such services as principal contractor or agent of the principal contractor, as the case may be. The word "goods" in these conditions shall include any packing, containers, or equipment of whatever shape and size.

Royal Cargo shall also be authorized to co-mingle goods stored at its warehouse, provided that such shall apply only to goods of the same kind and grade.

(II) When acting as an Agent, Royal Cargo does not make or purport to make any contract with the Customer for the carriage, storage, packing or handling of any goods nor for any other physical service in relation to them and acts solely on behalf of the Customer in securing services by establishing contracts with third parties so that direct contractual relationships are established between the Customer and such third parties.

As such, Royal Cargo shall be entitled, and the Customer hereby expressly authorizes it, to enter into all and any contracts on behalf of the Customer as may be necessary or desirable to fulfill the Customer's instructions, and whether such contracts are subject to the trading conditions of the parties with whom such contracts are made, or otherwise.

(III) To the extent that Royal Cargo by its own servants performs all or any of the carriage, storage, packing or handling of the goods, or any other services required by the Customer, Royal Cargo shall be deemed to provide such services, or the part so performed, as principal contractor or as an agent of the principal contractor.

(IV) Where Royal Cargo has held itself out to be the operator of a regular line or service over the route or part of the route, on which the goods are to be carried, and has accepted instructions for the carriage of the goods by that line or service, Royal Cargo shall (except where Royal Cargo procures a bill of lading or other document evidencing a contract carriage between the carrier and the Customer or Owner) be deemed to provide such carriage or such part thereof, as principal contractor without prejudice to the question of whether any of the other services are arranged by Royal Cargo as agent or provided as principal contractor.

(V) Except to the extent set out in sub-clause (IV) Royal Cargo shall be acting as agent of the Customer in any case where it enters into a contract with any other person for the carriage, storage, packing or handling of the goods or for any other services in relation thereto and such contract is capable of being enforced by the Customer or Owner as principal, whether or not the Customer or Owner is named or disclosed as principal by Royal Cargo.

(VI) The charging or agreement to charge a fixed price for any services shall not of itself determine whether Royal Cargo arranges such services as agent or provides the same as principal contractor.

3. The Customer warrants that he is either the owner or the authorized agent of the goods to which any business relates, and further warrants that he is authorized to accept and is accepting these Conditions not only for himself but also as agent for and on behalf of the owner of the goods and all other persons who are or may hereafter become interested in the goods (any such persons being herein called "the Owner").
4. Estimates and quotations are given on the basis of immediate acceptance and are subject to withdrawal or revision. Unless otherwise agreed in writing Royal Cargo shall be, after acceptance, at liberty to revise quotations or charges with or without notice in the event of changes outside its control occurring in currency exchange rates, rates of freight, insurance premiums or any charges applicable to the goods.
5. The customer warrants that the description and particulars of any consignments furnished by or on behalf of the customer are accurate. All instruction and descriptions must be given to Royal Cargo within a good reasonable time in writing either by letter, facsimile, electronic mail, or telex. No responsibility whatever is accepted by Royal Cargo in respect of instructions issued verbally until such time as they are confirmed in writing, and received in good time by Royal Cargo.

Royal Cargo shall be free from any and all liability, both to the owner and third persons, due to the inaccuracy or mistake in the description of the goods, which it shall forward, or ship.

6. (I) Except where Royal Cargo is instructed in writing to pack the goods the customer warrants that all goods have been properly and sufficiently packed and/or prepared.

(II) Whilst agents on site may be instructed to re-pack consignments after an exhibition for return or onward transmission, facilities and expert packers are not normally available. Whilst reasonable care will be exercised no responsibility can be accepted by Royal Cargo, or the site agents for claims arising from inadequacies in re-packing.

7. No Insurance will be effected on consignments except upon expressed instructions given in writing by the Customer's authorized representative, and all insurances effected by Royal Cargo are subject to the usual exceptions and conditions of the policies of the insurance company or underwriters taking the risk. The Customer at its own discretion subscribe for insurance coverage of its consignments and cargoes for its own account. At the Customer's discretion, it may authorize Royal Cargo to procure insurance for its consignments and cargoes, which cost shall be billed separately to the Customer.

Insofar as Royal Cargo agrees to effect insurance mentioned in the immediately preceding paragraph, it acts solely as agent for the Customer and notwithstanding that the premium on the policy may not be the same as that charged by Royal Cargo to the Customer, Royal Cargo shall in no circumstances incur liability as insurer, and if for any reason the insurers dispute liability the Customer shall have recourse against the insurers only; however, this provision shall not detract from the rights of the Customer against Royal Cargo in respect of any negligence on the part of Royal Cargo in effecting insurance.

8. Except under special arrangements previously made in writing Royal Cargo will not accept or deal with any noxious, dangerous, hazardous or inflammable or explosive goods or any goods likely to cause damage. Should any Customer nevertheless deliver any such goods to Royal Cargo or cause Royal Cargo to handle or deal with any such goods otherwise than under special arrangements previously made in writing, he shall be liable for all loss or damage whatsoever caused by or to or in connection with the goods however arising and shall indemnify Royal Cargo against all penalties, claims, damages, cost and expenses whatsoever arising in connection therewith and the goods may be destroyed or otherwise dealt with at the sole discretion of Royal Cargo or any other person in whose custody they may be at the relevant time. If such goods are accepted under arrangements previously made in writing, they may nevertheless be so destroyed or otherwise dealt with an account of risk to other goods, property, life or health though Royal Cargo will where reasonably practicable contact the Customer. The Expression "goods likely to cause damage" includes goods likely to harbour, encourage *vermin* or other pests.
9. Except under special arrangements previously made in writing Royal Cargo will not accept or deal with bullion, coins, precious stones, jewelry valuables, antiques, pictures, livestock or plants. Should any Customer nevertheless deliver any such goods to Royal Cargo or cause Royal Cargo to handle or deal with any such goods otherwise than under special arrangements previously made in writing Royal Cargo shall be under no liability whatsoever for or in connection with the goods however caused.
10. Royal Cargo shall not be obliged to arrange for the goods to be carried, stored or handled separately from the goods of other Customers.
11. Royal Cargo shall be entitled at the expense of the Customer to sell or dispose of:
 - (I) On 21 days notice in writing to the Customer or where despite reasonable efforts the Customer cannot be traced, after the goods have been held by Royal Cargo for 90 days, all goods which in the opinion of Royal Cargo cannot be delivered either because they are insufficiently or incorrectly addressed or because they are not collected or accepted by the consignee or for any reason, and
 - (II) When the goods are perishable or susceptible to deterioration, Royal Cargo's right to sell or dispose of or deal with the goods shall arise immediately [i] upon any sum becoming due to Royal Cargo; [ii] the goods are not taken up immediately on arrival or which are insufficiently or incorrectly addressed or marked which in the opinion of Royal Cargo would be likely to perish in the course of the carriage, storage or handling. The right of Royal Cargo to exercise the rights under this paragraph is subject only to taking reasonable steps to bring to the Customer's attention its intention to sell or dispose of the goods before doing so.

The proceeds of the sale of goods shall be used to defray expenses and other costs incurred, both by reason of the sale conducted and the keeping of the goods beyond the period agreed upon.
12. Royal Cargo shall have a general lien on all goods or documents relating to goods for all sums due at any time from the Customer or Owner, and shall be entitled to sell or dispose of such goods or documents at the expense of the Customer and apply the proceeds in or towards the payment of such sums on 30 days notice in writing to the Customer except as provided under 11 [II] hereof.
13. (I) The Customer shall pay to Royal Cargo in cash, or as otherwise agreed; all sums due immediately and without reduction or deferment on account of any claim counterclaim or set-off.

(II) Royal Cargo shall be entitled to local rates of interest on all amounts overdue. The interest rate will be calculated locally in each country pursuant to prevailing local bank rates on loans or forbearance of money.

(III) When outstanding monies due and owing to Royal Cargo have to be recovered from the customers then all costs and expenses legal or otherwise connected with such recovery and/or the enforcement and execution of all rights of Royal Cargo under these conditions and judgment obtained shall be borne by the customer on an indemnity basis and the customer hereby agrees to indemnify Royal Cargo for such costs and expenses, legal or otherwise, with interest until the same is fully paid.

14. (I) When goods are accepted or dealt with upon instructions to collect freight, duties, charges or other expenses from the consignee or any other person, the Customer shall remain responsible for the same if they are not paid by such consignee or other person immediately when due.

(II) Royal Cargo shall have the right to enforce any of the liabilities of the Customer under these conditions. Royal Cargo shall likewise, at its discretion, be subrogated to all the rights of the Customer with regard to the collection of sums owed to it by the sender, consignee or owner of the goods in the event that the customer is unable to pay or settle its liabilities under this agreement.

(III) Where goods are consigned:

- a. on terms that they shall be paid for on delivery, and if for any reason payment is not made in full, or
- b. on terms that Royal Cargo shall only deliver the goods to the consignee on production of a Forwarder's Certificate of Transport, House Bill of Lading, Delivery Order or similar document, and owing to the failure to demand such a document the goods are delivered to the consignee before he has paid for them in full then Royal Cargo may at its absolute discretion reimburse the customer with the amount of payment not so made, whereupon the customer shall on request assign to Royal Cargo by an instruction in writing the whole of the customer's title or interest in the goods and the right to receive payment therefore and shall cooperate fully with Royal Cargo in enforcing all rights so assigned.

15. (I) Royal Cargo shall be relieved of liability for any loss or damage caused by:

- i. Strike, lock-out, stoppage restraint of labor, the consequences of which Royal Cargo is unable to avoid by the exercise of reasonable diligence.
- ii. *Force majeure* or any cause or event which Royal Cargo is unable to avoid, unforeseeable or beyond its control.

(II) In no circumstances whatsoever shall Royal Cargo be liable to the Customer or Owner for any compensatory and/or consequential damages by reason of loss of business opportunity, loss of sales, unrealized profits, and such other penalties howsoever caused that may be incurred or sustained by the Customer or Owner arising from the engagement of Royal Cargo.

(III) Except under special arrangements previously made in writing by an authorized representative of Royal Cargo, it will not be liable with regard to any failure to adhere to agreed departure or arrival dates of the goods.

Without prejudice to any other conditions herein or other defenses, which may be open to Royal Cargo in no circumstances whatsoever shall Royal Cargo be liable to the Customer or Owner for

delay or deviation however caused in a sum in excess of twice its own charges in respect of the relevant transaction.

16. In no circumstances whatsoever shall any liability of Royal Cargo however arising and notwithstanding that the cause of loss or damage be unexplained, exceed.

(I) the value of the relevant goods, or

(II) a sum at the rate of USD 3.00 per kilo of gross weight of the cargo, or

(III) USD 500.00 per shipping unit of the cargo,

whichever is lower.

17. (I) Royal Cargo shall be discharged of all liabilities unless:

(a) notice of any claim is received in writing by Royal Cargo or its agent within 14 days after the dates specified in (II) below, or within a reasonable time after such date if the Customer proves that it was impossible to so notify, and

(b) suit is brought in the proper forum and written notice thereof received by Royal Cargo within nine (9) months after the date specified in (II) below

(II) (a) in the case of loss or damage to Goods, the date of delivery of the Goods,

(b) in the case of delay or non-delivery of the Goods, the date that the Goods should have been delivered,

(c) in any other case, the event giving rise to the claim.

18. No claim shall be made on any grounds whatsoever against

(I) any officer or servant of Royal Cargo.

(II) any of its parent subsidiary or associated companies, except to enforce any contract to which the Customer and such company are parties by virtue of Clause 21 or 22 hereof which seeks to impose upon him or them any liability in connection with the business undertaken by Royal Cargo or with the goods. For the purposes of this clause Royal Cargo contracts as agents for all the aforementioned.

19. The customer shall indemnify Royal Cargo for all duties, taxes, payments, fines, expenses, losses, damages, including physical damage, and liabilities in excess of Royal Cargo's liability, which it may incur or suffer in the performance of its obligation under any contract to which these conditions may apply. The Customer shall also indemnify Royal Cargo for any and all sums paid by it to third persons on account of any claim made by such third person against the Customer.

SECTION II - ROYAL CARGO AS FORWARDING AGENT

20. Conditions 21 to 25 below apply where and to the extent that Royal Cargo in accordance with Condition 2 acts as agent on behalf of the Customer.
21. Royal Cargo should be entitled to enter into contracts
 - (I) for the carriage of goods by any route or by any means
 - (II) for the storage, packing or handling of the goods by any persons at any place or places and for any length of time and to do such acts as may be necessary or incidental thereto at the reasonable discretion of Royal Cargo and to depart from the Customer's instructions in any respect if in the opinion of Royal Cargo it is necessary or desirable to do so in the Customer's interests. The Customer expressly authorizes Royal Cargo to do such acts and enters into such contracts on behalf of the Customer so as to bind the Customer by such acts and contracts in all respects, notwithstanding any departures from the Customers instructions as aforesaid.
22. Royal Cargo shall be entitled to delegate the performance of any of its obligations as agents to any of its parent, subsidiary or associated companies, or to any other person, firm or company. The contract between the Customer and Royal Cargo is made by Royal Cargo on its own behalf, and also as agent for and on behalf of such parent, subsidiary or associated company, and such company shall be entitled to the benefit of these Conditions. The Customer will not seek to impose upon such company a liability greater than or additional to that accepted by Royal Cargo under these Conditions.
23. (I) Royal Cargo shall not be obliged to make any declaration for the purpose of any statute or convention or contract as to the nature or value of any goods or as any special interest in delivery, unless expressly instructed by the Customer in writing.

(II) Where there is a choice of rates according to the extent or degree of the liability assumed by carriers, warehousemen or others, goods maybe forwarded, dealt with etceteras, at Customer's risk or other minimum charges and no declaration of value (where optional) will be made, unless express instruction in writing to the contrary have previously been given by the Customer.
24. Royal Cargo shall be entitled to retain and to be paid all brokerages commission's allowances and other remunerations customarily retained by or paid to Forwarding Agents.
25. Royal Cargo shall not be liable to the Customer or Owner for loss or damage arising from any non-compliance or miscompliance with the Customer's or Owner's instructions or for any failure to perform whether wholly or in part the obligations (whether such obligations arise in contracts or otherwise) unless the same is due to the negligence of Royal Cargo or it's own servants.

SECTION III - ROYAL CARGO AS PRINCIPAL CONTRACTOR

26. Conditions 27 to 29 below apply where and to the extent that Royal Cargo in accordance with condition 2 acts as principal contractor.
27. Royal Cargo is not a common carrier, and transacts business only on the basis of these Conditions.

28. Royal Cargo shall not be liable to the Customer or Owner for loss of or damage to the goods nor for any such loss or damage as is referred to in Condition 25 unless the same is due to the negligence of Royal Cargo or any subcontractors employed by Royal Cargo or its or their own servants.
29. Where Royal Cargo or any subcontractor employed by Royal Cargo is the "carrier" under contract subject to legislation compulsorily applicable thereto Royal Cargo shall be entitled to all the rights, immunities, exceptions and limitations conferred on the carrier by such legislation, and if any of these Conditions are repugnant to any such legislation the same shall be void to the extent of such repugnancy but no further.

SECTION IV - JURISDICTION AND APPLICABLE LAW

30. These conditions, and any act of contract to which they apply, shall be governed by the Law of the Country of Incorporation of the member of the Royal Cargo Group entering into such a contract. Any dispute arising out of any such act or contract shall be within the local jurisdiction of the Courts of the country of incorporation of the member of the Royal Cargo Group, to the exclusion of all other courts.

DANGEROUS GOODS (AIR)

The inherent characteristics of certain commodities make it impossible for them to be carried by air without endangering the safety of aircraft, passengers or crew. However, some goods of dangerous nature can be accepted for carriage provided the quantity is restricted to within given limits and packing conforms to specifications laid down in the current edition of the IATA Dangerous Goods Regulations/ICAO Technical Instructions. The Airline's agreement to accept dangerous cargo must be obtained before the consignment is delivered. A shipper's declaration for dangerous goods, in duplicate on the form appropriate to the danger involved as required by the current IATA Dangerous Goods Regulations, must accompany every consignment of dangerous cargo, worded as follows: ***"I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked and labeled, and are in all respect in the proper condition for transport by air according to the applicable International and National Government Regulations."***