

TERMS AND CONDITION OF CONTRACT

1. **DEFINITIONS.** The word "Carrier" shall include MGL (USA), Inc. the owner operator, charterer and master of the Vessel, and any connecting or substituted water carrier. The word "Goods" include articles of every kind and description, including their packaging, containers and other shipping units, materials, tendered to the Carrier Transportation under the transportation agreement and description or identified on the face of this bill of lading. The word "Consignee" shall include a holder of a negotiable bill of lading rightfully endorsed, the person named as consignee on the face hereof, the owner of the Goods, and all other persons lawfully entitled to possession of the Goods (other than the Carrier). The word "Charges" shall include freight, demurrage, equipment, detention, general average and any other money obligations incurred and payable by the Shipper and the Consignee, or either of them or for the payment of which the Carrier has a security interest or maritime lien on the Goods under the transportation agreement or by operation of law.

2. **CLAUSE PARAMOUNT.** The receipt, custody, carriage and delivery of the goods are governed by the provision of the transportation agreement evidenced hereby and incorporated by this reference, including all the terms and conditions stated on the front or back of this bill of lading and all the provisions of the U.S. Carriage of Goods by Sea Act 1936 ("COGSA") or the Hague Rules of 1924 in effect in the country in which a court having jurisdiction adjudicates a dispute arising out of the transportation agreement. Such Act and Rules shall be extended to apply to Goods stowed on deck as provided in paragraph before the Goods are loaded on and after they are discharged from the Vessel and throughout the entire time during which the Carrier is responsible for the Goods under the transportation agreement. To the extent required by United States law, copies of the Carrier's tariffs are filed at the Federal Maritime Commission, Washington, D.C., U.S.A., and are readily available to the Carrier's offices and delivered after transportation. The provisions of Carrier's applicable tariffs, this bill of lading and said COGSA or Hague Rules shall govern the relationships between the Shipper, Consignee and every person having an interest in the Goods on the one hand, and the Carrier on the other, in every contingency whatsoever, and that supersede any prior booking arrangement, mate's or dock receipt or other arrangement to the extent conflicting. The terms and conditions of this bill of lading and the instruments incorporated herein by reference shall be severable if any provision is invalid or unenforceable and if any breach of or deviation from any provision occurs, such circumstance shall not affect the validity or enforceability of the remaining provisions.

3. **FREIGHT.** Freight demurrage, container equipment detention and other charges shall be due and payable to the Carrier in accordance with the provisions of the Carrier's applicable tariffs and this bill of lading. Freight may be calculated on the basis of information concerning the Goods furnished by the Shipper, but the Carrier may open containers, packages or other shipping units and examine weight, measure and identify the true nature and quantity of the Goods. If Shipper-furnished information is determined to be erroneous and additional freight and other charges are payable, the Shipper, Consignee and the goods shall be liable therefor and for any expense incurred by the Carrier in examining, weighing and measuring the Goods. Full freight to the port or point of delivery under the transportation agreement shall be completely earned upon receipt of the Goods by the Carrier, whether or not the freight is stated on the front side hereof or intended to be prepaid or collected at destination and whether or not the Goods are damaged, in sound and shall be received and retained irrevocable under all circumstances whatsoever. Vessel and/or Goods lost or not lost or the voyage broken up or abandoned, the Carrier shall have a lien on the goods which shall survive after for freight demurrage and all other charges earned or due under the transportation agreement or by operation of law and may enforce this lien by public or private sale and without notice. The Shipper and the Consignee shall be jointly and severally liable to the Carrier for the payment of freight and other charges and for any expenses, including attorney's fees in connection with claims or legal proceedings brought by third parties claiming to have or having the right to possess the Goods. The Shipper and the Consignee shall be bound by all provisions of the transportation agreement unless otherwise expressly provided in the Carrier's applicable tariffs. All freight and other charges shall be paid to the Carrier full without offset, counterclaim or deduction, in the currency specified in the Carrier's applicable tariff or, if no currency is so specified, in the lawful currency of the United States, or, at Carrier's option, an equivalent sum in the currency of the place of payment determined at the New York exchange demand rate in effect at the time the Goods are delivered for distribution by Carrier to itself and to any joint service carrier performing transportation services under a joint through bill of lading, as their respective interest may appear.

4. **AGREED VALUE: LIMITATION ON CARRIER'S LIABILITY.** To secure a due proportion between the amount for which it may be responsible in the event of loss or damage to the Goods, and the freight which it receives, the Carrier has established by its tariffs and offered the Shipper alternative rates of freight, namely, (1) its regular (lower) rates for goods limited in value as hereinafter agreed and (2) an ad valorem rates for goods not so limited. Unless the Shipper shall cause

the value of the Goods to be declared before shipment and elect to pay freight at the ad valorem Rate, Shipper elects to ship under the regular (lower) rate and agrees that for the purpose of computing any liability of the Carrier for loss or damage, the value of the Goods Shall be their market value at destination which shall be presumed to be invoice cost plus freight and insurance (or where there is no invoice, the value of the Goods at the time and place of shipment plus freight and insurance) to a maximum amount not exceeding \$500 per package lawful money of the United States, or in case of Goods not shipped in package, \$500 per customary freight unit provided, however, that the Carrier's liability for injury to or death of five animals, birds, reptiles and fish shall not exceed any special limitations set forth in the Carrier's tariff, unless in all cases the above provisions for placing a higher valuation and thereon have been complied with. In no event shall the carrier be liable for more than the amount of damage actually sustained, nor shall the Carrier be liable for loss or damage to any Goods not identified in the transportation documents furnished to the Carrier.

5. **CARRIER'S CONTRACTORS.** Because the Carrier requires the assistance of others to perform the services undertaken under the transportation agreement evidenced by this bill of lading as well as transportation agreements between Carrier and others, every seaman, agent, stevedore, terminal services contractor, light operator, pilot or other independent contractor, including their agents, servants and subcontractors, performing such services shall have the benefit of every exemption from and limitation of liability, defense, right and liberty to which the Carrier is entitled. For purposes of the foregoing provision, the Carrier shall be deemed to be the agent or trustee for the benefit of all such persons and such persons shall be deemed to be parties to the transportation agreement evidenced hereby to that extent.

6. **SHIPPER'S WEIGHT, LOAD AND COUNT, SHIPPER'S WARRANTIES.** When containers, vans, trailers, portable tanks, skids, pelletized units, and other cargo units are not packed or loaded by the Carrier, the Carrier does not represent to be accurate and is not bound by any description of the value, quantity, weight, condition, or existence of the contents thereof as furnished by or on behalf of Shipper or identified in this bill of lading by use of the phrase "said to contain" or otherwise, and the Carrier shall not be liable for any difference in value, quantity, weight or condition of the Goods actually delivered. The Carrier shall have no responsibility or liability whatsoever for the packing, loading, securing, shoring and/or stowage of contents of such cargo units or for loss or damage caused thereby or resulting therefrom. The Shipper warrants that it or its authorized representative has inspected such cargo units before loading and that are physically suitable to contain their contents.

The Shipper and Consignee, with respect to cargo units not packed or loaded by Carrier, represent and warrant (a) that the Goods are properly described, marked, secured, and packed in their respective cargo units (b) that any cargo units other than Carrier furnished units are physically suitable, sound, and structurally adequate property to contain and support the Goods during handling and on the voyage, and that such cargo units may be handled in the usual and customary manner without damage to themselves or to their contents, or to the Vessel or its other cargo or property or persons, (c) that all particulars with regard to the cargo units and their contents and the weight of each said cargo unit are in all respects correct, and (d) that such units are in compliance with all applicable government regulations. Shipper and Consignee, jointly and severally, agree to indemnify Carrier and to hold it harmless in respect of any injury or death of any person, or any loss or damage to cargo or any other property, or to the Vessel or any other vessel or any expense, including attorney's fees, caused by the breach of any of the foregoing representations or warranties.

7. **UNDER DECK, AND ON DECK STORAGE.** The Carrier has the right to carry Goods in containers, vans, trailers, and portable tanks under deck or on deck. When such Goods are carried on deck, the Carrier shall not be required to specially note, mark or stamp any statements of "On deck" carriage on the face of this bill of lading nor to give notice thereof to the Shipper or Consignee in respect of Goods in containers, vans, trailers, or portable tank carrier on deck. The Carrier shall not be liable for loss or damage caused by perils incident to such on deck storage. We respect to Goods not in containers, vans, trailers, or tanks carried on deck under the transportation agreement, the Carrier shall so state such carriage on the front side hereof and all risks of loss or damage by water deterioration and other perils inherent in such storage shall be borne by the Goods and anyone having an interest therein.

8. **SPECIAL STOWAGE REFRIGERATION.** Goods will not be provided temperature control, insulation or naturally ventilated storage unless the carrier has undertaken such special storage in advance of the Carrier's receipt of the Goods, and the absence of such agreement, the Shipper and Consignee warrant that the Goods do not require such protection. The Carrier does not provide mechanically ventilated storage, and does not furnish or maintain preservative gases in connection with temperature controlled storage, and the Carrier assumes no responsibility for loss or damage to Goods arising, in whole or in part, from any lack of such storage. The Carrier shall not be liable for any loss or damage to the Goods arising from latent defects, breakdown or stoppage of the refrigerate machinery,

insulation or of any apparatus of the Container, vessel, conveyance or other facilities, if the Carrier shall, before or at the beginning of the transport, have exercised due diligence to maintain such equipment in an efficient state. If the Goods have been packed into a refrigerated container, by or on behalf of the Shipper, it is the obligation of the Shipper to stow the contents properly and set the thermostat controls exactly, and the Carrier shall not be liable for any loss of or damage to Goods arising out of or resulting from the Shipper's failure in such obligations. If the Carrier has packed the Goods into a refrigerated container, and temperature or temperature range has been disclosed to the Carrier by the Shipper or its authorized representative, Carrier will set the thermostat control accordingly. With respect to both Carrier and Shipper packed containers, where Carrier has undertaken by special agreement to carry the Goods at a particular temperature or temperature range, the Carrier undertakes only that the refrigeration equipment shall perform within the operating specifications of the equipment and makes no warranty or agreement with respect to the actual temperature of any commodity, vegetable, meat, fish, or any perishable Goods within the container.

9. **RECONDITIONING, ETC.** In the event that Carrier must perform reconditioning, coverage or restage of the Goods for the safety of persons or of the Goods or other property or to bring the Goods into conformance with applicable law, Carrier shall be reimbursed thereof at accessory and labor and equipment rental rates named in any applicable tariff, or, if no such rates apply, at 120% of Carrier's costs of performing such work.

10. **TRANSSHIPMENT; SUBSTITUTION OF VESSEL.** Whether or not the Goods are consigned to a port or point within the vessel does not discharge, the Carrier may, without notice, transship the whole or any part of the Goods before or after loading at the original port of shipment or any other place or places even though outside the scope of the voyage or the route or beyond the port or discharge or the destination of the Goods by any substituted or connecting water carrier's vessel or other means of transportation by water or by sea or by air, whether operated by the Carrier or by the others.

11. **SCHEDULE: DELAY.** The Carrier does not undertake that the Goods will be transported from or loaded at the place of receiving or loading or will arrive at the place of discharge, destination or transshipment abroad any particular date or time or to meet any particular market or on time for any particular use. Scheduled or advised departure and arrival times are only suggested times and may be advanced or delayed, if the Carrier or any Joint Service Connecting Carrier shall find it necessary to prevent or convert or in no event shall the Carrier be liable for consequential or other damages for delay in the scheduled departures or arrivals of the vessel or other conveyance transporting the Goods.

12. **SCOPE OF VOYAGE: CARRIER'S LIBERTIES.** The voyage may call at scheduled ports on or out of usual call and may provided substituted service by modes other than water as may be provided for by applicable tariffs, may omit scheduled routes or ports, may include unscheduled routes or ports and may off-load the Goods. The Vessel may sail with or without tugs or pilots, undertake rescue or salvage, tow or be towed or undergo dry docking or repairs in any situation whatsoever, which, in the opinion of the Master of the Carrier, gives risk of detention, damage, loss, delay or disadvantage to the Vessel or the Goods, or materially detaining the equipment of the Carrier or would make it imprudent, unlawful or commercially impracticable to commence or continue the voyage or to enter or discharge the Goods at the port of discharge, the Master or the Carrier may discharge the Goods, or any part of them at any port or place considered by the Carrier to be safe or advisable under the circumstances and forward or arrange to forward the Goods by rail, water, motor vehicle or air, or place the Goods in a storage facility or warehouse at the risk and expenses of the Goods. The exercised of any of the foregoing liberties by the Carrier or the Master shall constitute performance under the transportation agreement and not a deviation from the scope of the voyage. When the Goods are discharge from the Vessel and delivered to a forwarding agent or carrier or to a warehouse or storage facility under the provisions of this paragraph, or when required by law, delivered to local customs authorities under local law, such discharge and delivery shall constitute complete delivery and performance under the transportation agreement.

13. **DELIVERY UNDER NEGOTIABLE BILL OF LADING.** If the Goods are consigned "to order" on the face hereof, the Goods shall be delivered at the place of delivery upon surrender of the original, properly endorsed bill of lading, provided, however, if the Goods are to be transhipped via a connecting carrier to a destination point beyond the place of delivery stated on the face hereof, the Carrier may, on behalf of the Shipper and Consignee and acting solely as their agent, arrange for such beyond carriage consistent with instructions received from the Shipper or Consignee, or the representative of either of them, at the risk and expense of the Goods. In such event, the Carrier may deliver the Goods to the connecting carrier without surrender of the original, properly endorsed bill of lading, unless instructed otherwise, and shall obtain the connecting carrier's acknowledgement that delivery of the Goods shall be made only upon surrender of the Carrier's original, properly endorsed bill of lading.

14. **UNDELIVERED GOODS.** If, for any reason whatsoever, the Consignee refuses or fails to take delivery of the Goods upon their arrival and availability at destination and upon expiration of tariff prescribed free time and any notice period as set forth in a notice of arrival, availability or demand given by the Carrier, the Carrier may, without further notice or demand, and in addition to any other legal or equitable remedies, exercise its maritime lien for any charges due at a private or judicial sale of the Goods, or may place the Goods in storage at the risk an expense of the Goods, subject to a lien in favor of the Carrier for any charge due.

15. **DANGEROUS, HAZARDOUS OR NOXIOUS CARGO.** Goods of a flammable, explosive, corrosive, radioactive, noxious, hazardous, unstable or dangerous nature, shipped without full disclosure in writing to the Carrier as to their nature and character, may at any time before discharge be landed at any place, thrown overboard, destroyed or rendered innocuous, without liability on the part of the Carrier or other shippers or consignees and even if such disclosure be made, the Carrier may without incurring any liability, make the same disposition of such Goods, if, in the opinion of the Carrier, they shall be or become dangerous or noxious to the Vessel or cargo, or to persons. The Shipper shall indemnify the Carrier for all losses, damages liabilities, fines, civil penalties and expenses (including attorney's fee) suffered by the Carrier, caused, in whole or in part, by any omission of full disclosure required by this paragraph or by applicable law or regulations.

16. **CONDITION OF IRON, STEEL AND METAL PRODUCTS.** The term "apparent good order" when used in this bill of lading with reference to iron, steel or metal products, does not mean that the Goods, when received were free of visible rust or moisture. If the Shipper so requests, the bill of lading will be issued setting forth any notations as to rust or moisture which may exist at the time such Goods were received.

17. **MARKS.** The Goods shall be distinctly, correctly and permanently marked by the Shipper when delivered for shipment, except for Goods shipped in bulk or as otherwise expressly provided in an applicable Carrier tariff.

18. **LOSS OR DAMAGE BY FIRE.** The Carrier shall not be liable for any loss or damage to the Goods occurring at any time, even though before loading on or after discharge from the vessel, by reason or by means of any fire whatsoever, unless such fire shall be caused by the design or neglect of Carrier.

19. **WAR RISKS: GOVERNMENTAL ORDERS.** The Carrier shall have liberty to sail armed or unarmed and with or without convoy, and to comply with any orders, requests or directions as to loading, departure, arrival, routes, ports of call, stoppage, discharge, destination, delivery or otherwise, however given by the government of any nation or department thereof or by persons acting or purporting to act with the authority of such government or of any department thereof or by any committee or person having, under the terms of the war risk insurance on the Vessel, the right to give such orders, requests or directions. Delivery or other disposition of the Goods in accordance with such orders, requests or directions shall constitute performance of the Carrier's delivery obligations under this transportation agreement, and all responsibility of the Carrier, in whatever capacity, shall terminate upon such delivery or other disposition.

20. **TIME FOR SUIT.** The Carrier shall be discharge from all liability in contract and in tort in respect of loss, damage, delay misdelivery or conversion unless suit is brought within one year after delivery of the Goods or the date when the Goods should have been delivered. This provision cannot be waived or extended by Carrier or its agents, unless done so in a writing signed by Carrier or its agents. A claim against a Joint Service Connecting Carrier is subject to the claims, filing notice and time for suit requirement provided for in the terms and conditions governing that connecting carrier's performance as identified in paragraph 5, above. Such terms and conditions may prescribe periods within which notice must be given claims must be filed, or suits must be commenced, which are either longer or shorter than that which governs claims against the Carrier. In particular, under the Uniform Domestic Bill of Lading applicable to rail movements, claims must be filed in writing within nine months after delivery of import traffic, or within nine months after delivery at the port of export for export traffic.

21. **JURISDICTION.** Actions against the Carrier may only be instituted in the United States of America. This is the only country in which Carrier maintains offices. Any action against the Carrier must be brought in a court of competent jurisdiction situated in a city and state where Carrier maintains offices.

22. **HEADINGS.** The headings set out at the beginning of numbered paragraphs are for convenience of reference only and shall be considered in the interpretation and construction of the terms and conditions of this bill of lading.