

**Velox Cargo Corp.**  
Non-Vessel Operating Common Carrier  
Controlled Carrier Status: None  
FMC Organization Number: 028573  
FMC License Number: 028573NF

NRA and NSA Tariff Rule Information  
Tariff Rule No. 028573NF-001  
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**Velox Cargo Corp.** (“Carrier”) is a U.S. based Non-Vessel Operating Common Carrier (“NVOCC”) and Freight Forwarder licensed by the Federal Maritime Commission (FMC).

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### **NOTICE TO TARIFF USERS**

Carrier has opted to be exempt from rate tariff publication requirements pursuant to 46 C.F.R 520 and 532. In this respect Carrier has opted for the exclusive use of Negotiated Rate Arrangements (“NRA”) and NVOCC Service Arrangements (“NSA”).

As used herein the term “Customer” refers to the Shipper, Consignee or owner of the Goods who engaged Carrier’s services pursuant to an NRA or NSA.

**Negotiated Rate Arrangements (“NRA”):** An NRA is a written and binding arrangement between Customer and Carrier to provide specific transportation service for a stated cargo quantity, from origin to destination, on and after receipt of the cargo by Carrier or its agent (originating carrier in the case of through transportation). Carrier may issue written quotations, booking confirmations, e-mail communications and other writings with applicable rates and charges for the shipments subject of the NRA. The Customer’s booking of cargo after receiving the terms of the NRA or NRA amendment constitutes acceptance of the rates and terms of the NRA or NRA amendment and binds the parties. The terms contained in the NRA writings shall be a valid offer for 30 days (or a date agreed to by the parties) from the booking date, unless otherwise rescinded by the Carrier prior to receiving Shipper’s cargo. Carrier's or Carriers' agent's receipt of the cargo for this shipment constitutes final acceptance by Customer of the offer, and the terms of the NRA binds the parties. All applicable origin and destination local terminal and/or port charges apply to all NRAs. Rates may not be modified in an NRA after the time the shipment is received by the Carrier or its agent (including originating carriers in the case of through transportation). For any pass-through charge for which a specific amount is not included in the NRA or the rules tariff, the NVOCC may invoice the shipper for charges the NVOCC incurs, with no markup. The NRA may list the additional surcharges or assessorial charges, including pass-through charges, or reference specific surcharges or assessorial charges in the NVOCC's rules tariff. Service under an NRA is subject to this rules tariff unless otherwise indicated.

**NVOCC Service Arrangements (“NSA”):** An NSA is a written contract, between Customer and Carrier, in which Customer makes a commitment to provide a certain minimum quantity or portion of cargo or freight revenue over a fixed time period, and Carrier commits to a certain rate or rate schedule and a defined service level. The NSA may also specify provisions in the event of nonperformance on the part of any party. Please note that NSAs must have a minimum volume, a fixed time period, agreed rates and a defined service level. NSA can contain provisions in the event of non-performance, such as liquidated damages, if Customer fails to meet a minimum volume commitment. NSAs must be agreed in writing between the Carrier and Customer. NSAs can be amended by mutual agreement. Service under an NSA is subject to this rules tariff unless otherwise indicated.

### **PUBLISHED BY:**

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## **Rule 1 – Scope**

Rules, regulations and conditions published herein apply FROM/TO all United States Atlantic, Gulf, Pacific and Great Lakes Ports, U.S. Territories and Possessions and U.S. Inland Points TO/FROM all Worldwide Ports.

### **Rule 1A – Intermodal Transportation and Through Rates**

1. Carrier will provide through intermodal service via combinations of air, barge, motor and rail service.
2. Intermodal Rates will be shown as single-factor through rates as specified in individual NRAs, NSAs.
3. Intermodal through rates applies between points in the U.S. and worldwide destinations.
4. Carrier's liability will be determined in accordance with the provisions indicated in its Bill of Lading.

### **Rule 1B – Substituted Service (Alternate Port Service)**

This provision governs the transfer of cargo by truck or other means of transportation when an alternate port from the agreed to port is called. Such transfer will be at the expense of the Carrier. In no event will any such transfer arrangements result directly or indirectly in any change to the cost or expense which the Customer agreed to, had the shipment cleared through the port originally intended.

## **Rule 2 – Application of NRA/NSA Rates and Charges**

1. NRAs and NSAs are stated in terms of U.S. Currency and or local currencies, as applicable, and apply per 1 Cubic Meter (M) or 1,000 Kilos (W), as indicated, whichever basis yields the greater revenue, except as otherwise specified. Where the word "Weight" or the letter "W" appears next to an article or commodity, weight rates are applicable without regard to measurement. Where the word "Measurement" or the letter "M" appears next to an article or commodity, measurement rates are applicable without regard to weight. NRAs and other charges shall be based on the actual gross weight and/or overall measurement of each piece or package, except as otherwise provided. NRAs or NSAs indicated by W/M or WM are optional weight or measurement rates and the rate yielding the greater revenue will be charged.
2. Except as otherwise provided, all "Port" (i.e., Port-to-Port) rules published herein apply from/to places where the common carrier originates or terminates its actual ocean carriage of cargo. Tolls, Wharfage, Cost of Landing, and all other expenses beyond the port terminal area are for account of Owner, Shipper or Consignee of the cargo and all such expenses levied in the first instance against the Carrier will be billed in an equal amount to the Owner, Shipper or Consignee of the Cargo. NRAs or NSAs are applicable from Inland Points which lie beyond port terminal areas. Such NRAs or NSAs shall be inclusive of all charges pertinent to the transportation of cargo and not including Customs clearance assessments or Forwarding Charges, except as provided in each individual NRA or NSA. Alternatively, at shipper's or consignee's request, carrier will arrange for inland transportation as shipper's or consignee's agent. All associated costs will be for the account of the cargo. Overland carriers will be utilized on an availability of service basis and not restricted to any preferred Carriers, except as Ocean Carrier deems necessary to guarantee safe and efficient movement of said cargo. Carrier shall not be obligated to transport the goods in any particular type of container or by any particular Vessel, Train, Motor, Barge or Air Carrier, or in time for any particular market or otherwise than

with reasonable dispatch. Selection of Water Carriers, Railways, Motor, Barge or Air Carrier used for all or any portion of the transportation of the goods shall be within the sole discretion of the Ocean Carrier.

3. Any Additional Charges which may be imposed upon the cargo by Governmental Authorities will be for the account of the cargo.
4. NRAs or NSAs do not include Marine Insurance or Consular Fees.
5. Description of commodities must be uniform on all copies of the Bill of Lading and must be in conformity with the validated United States Import/Export Declaration covering the shipment. Carrier must be able to verify the Bill of Lading description with the validated United States Import/Export Declaration. Amendments in the description of the Goods will only be accepted if validated by U.S. Customs and Border Protection ("CBP").
6. Trade names are not acceptable commodity descriptions and shippers are required to declare their commodity by its generally accepted generic or common name.
7. Unless otherwise specified, when the rates in the applicable NRA or NSA are based on the value of the commodity, such commodity value will be the F.O.B. or F.A.S. value at the port of loading as indicated on the Commercial Invoice, the Custom Entry, the Import/Export Declaration or the Shipper's Certificate of Origin. The F.O.B. value and the F.A.S. value include all expenses up to delivery at the Loading Port.
8. The rates shown in the applicable NRA or NSA except where predicated on specifically lower values or on an ad valorem basis, are subject to Bill of Lading limit of value.
9. Except as otherwise provided, rates quoted in the applicable NRA or NSA apply only to the specific commodity named and cannot be applied to analogous articles.
10. Demurrage and/or detention charges will be for the account of Customer.
11. All port or terminal storage, and chassis charges will be for the account of Customer and will be billed as per outlay.
12. The Carrier may at the request of Customer, perform certain services for Customer in order to facilitate the movement of the cargo in conformity with local customary and usages of the port outside of the normal Bill of Lading/Waybill transaction. These services may include, but are not limited to; local Customs compliance assistance, issuing arrival notices, checking manifest for cargo to be discharged, arrange for unloading, arrange for temporary storage (if required) contact Consignee or agent for update on customs documentation issued by Consignee or agent, arranging to have cargo loaded onto trucks for offsite discharge, arrange to unload cargo from special equipment for inland delivery. It is recognized that these services are over and above those performed in the traditional movement of cargo and Carrier will pass on the costs for such services to Customer. All costs and expenses will be for the account of Customer.
13. Limitation of Service
  - a. A prior booking is required for all shipments.
  - b. The Carrier is not obligated under these rules and specific NRAs and NSAs to transport goods for which suitable equipment is not available, nor is transportation to be performed under impractical or unsafe circumstances in the absolute judgment of the Carrier.
  - c. Nothing in these rules, NRAs or NSAs will be construed as to create any obligation for the Carrier to institute or maintain any services from or to any places.
  - d. Force Majeure Clause: "Without prejudice to any rights or privileges of the Carrier's under covering Bills of Lading, dock receipts, or booking contracts or under applicable provisions of law, in the event of war, hostilities, warlike operations, embargoes, blockades, port congestion, strikes or labor disturbances, regulations of any governmental authority pertaining thereto or any other official interferences with commercial intercourse arising from

the above conditions and affecting the Carrier's operations, the Carrier reserves the right to cancel any outstanding booking or contract in conformity with FMC regulations."

14. Shipper's Load, Stowage, Count and Seal

- a. Where containers are loaded and sealed by Shipper or its agent, Carrier will accept such shipments subject to "Shipper's Load, Stowage, Count and Seal" and the Bill of Lading/Waybill will be notated accordingly and Carrier will not be responsible either directly or indirectly for damage resulting from improper loading or mixing of articles in the container or any discrepancy in count or concealed damage to articles.
- b. Shipper must furnish Carrier with a list of contents showing description of goods and the gross weight and cubic measurements of the contents of the container.
- c. Carrier reserves the right to open and inspect the contents of a container and Carrier will so indicate on the Bill of Lading/Waybill and reseal the container. When containers loaded with goods moving subject to Shipper's Load, Stowage, Count and Seal are delivered to Consignee or its agent, Consignee or its agent must furnish Carrier with a claim-free receipt prior to release of container or contents for delivery.

15. Customs Clearance

Goods not cleared through customs for any reason may be turned over to the customs authorities without any further responsibility on part of Carrier.

16. Shipper Supplied Information for Submission to CBP

Carrier participates in the CBP Automated Commercial Environment (ACE) and takes responsibility for filing Cargo Declarations with CBP Ocean ACE e-manifest (M1) by directly transmitting data to and receiving data from CBP for all ocean shipments to the United States, no later than 24 hours prior to vessel loading in accordance with CBP regulations. In doing so, Carrier must rely on its Shippers or Consignees, or both, for critical information it submits in the Cargo Declarations including, without limitation, precise description of goods, marks and numbers, numbers and quantities of the lowest external packaging unit, weights, the Shipper's, Consignee's and notify party's complete name and address, hazardous materials codes (UN No.) and flashpoint (if applicable), and container seal numbers no later than 72 hours prior to vessel loading. By using Carrier's services, Shippers and Consignees agree to provide Carrier with true and accurate information for submission to CBP.

17. Marking of Freight

- a. Each single carton, package or other separate articles MUST be plainly and durably marked with the name and address of the Shipper and the name and address of the Consignee.
- b. Export marks may be used as marking identification in lieu of names and addresses, provided such marks can be readily matched with the descriptions shown on the dock receipt and other papers accompanying the shipment.
- c. The Shipper will be liable and solely responsible for any loss, damage, misrouting or other problems resulting from non-compliance with Paragraphs A and B of this rule.

18. Packaging Requirements

- a. Where packing requirements are specified, the rate quoted will only apply when the commodity is tendered in the packing specified.
- b. Where no package specifications are prescribed in the individual items, the goods will be accepted in any package which, in the judgment of the Carrier, adequately protects the goods from any damage in ordinary handling, stowage and transport.

### **Rule 3 – Shipper Owned Containers and Equipment**

1. Acceptance of Shipper owned container/equipment is at discretion of the Carrier.
2. Any related charges will be the responsibility of the Shipper.
3. The container must be of body and frame construction acceptable to the Carrier and must be manufactured and equipped in accordance with all applicable United States, other applicable National and International Laws, Regulations and Safety requirements.
4. Shipper furnished containers/equipment will be subject to inspection, approval and acceptance for carriage. Acceptance of any Shipper owned containers or equipment found to be unsuitable will not be accepted for carriage.
5. Each Shipper owned container or equipment and its cargo will be subject to all, rules and regulations of this tariff.
6. Shipper may be required by the Carrier to submit documentary evidence of ownership or leaseholder-ship of the container offered for shipment.

### **Rule 4 – Late Document Charge**

Timely submission of the required data to the Carrier is the sole and exclusive responsibility of the Shipper named on the Bill of Lading/Waybill. This includes submission of a Shipper's Letter of Instructions (SLI) and confirmed export clearance (in the US AES filing citation or proof of exemption). This must be provided within the documentation cut-off time provided by the Carrier.

In the event Shipper fails to comply with the above obligations, the Shipper is liable to Carrier for, and will hold the Carrier harmless from, any loss, damage, delay, expense, charges, fines, penalties, or liability incurred by, or levied upon, Carrier or the goods, including but not limited to demurrage, roll-over and/or storage charges, as a result of Shipper's non-compliance with this rule. In addition, Carrier reserves the right to levy a Late Documentation Charge.

### **Rule 5 – Advanced Manifest Charge (AMS)**

For the processing and on-going monitoring of relevant cargo manifest data which has to be provided to CBP for cargo loaded on a vessel at a non-US port, a Security Manifest Documentation Charge is payable to Carrier for each bill of lading issued by Carrier or, if the shipper tendering the cargo to Carrier has issued one or more of its bills of lading for such cargo (sometimes referred to as "house bills of lading"), on each such shipper-issued house bill of lading for which Carrier submits such data to CBP. This charge is payable on the same basis as the ocean freight for the relevant bills of lading issued by Carrier (i.e., either prepaid or collect). In the event of non-payment of the charge, Carrier may collect the amount due from either the shipper or consignee named in its bill of lading.

In the event that Carrier is required to correct cargo declaration information previously submitted to CBP due to an error or omission on the part of Shipper or its agent, Shipper will pay Carrier an amendment fee for each submission to CBP that must be corrected. The amendment fee will be charged each time a submission is corrected and is as follows:

AMS (Advanced Manifest Surcharge) from all US Origins:

- USD 50 per Bill of Lading
- USD 25 per correction

### **Rules 6 – Surcharges, Assessorials and Other Fees**

All surcharges applicable to the shipments are for the account of Customer.

In addition to the surcharges listed herein and/or applicable per the NSA or NRA, Carrier may establish with immediate effect changes in surcharges, assessorials and other fees which are not under the control of Carrier and which Carrier passes through to Customer without mark-up. Certain of Carrier's charges to Customers are based on rates charged to Carrier by third parties, such as terminals, public authorities and vessel operating carriers. From time to time, these third parties impose surcharges on Carrier in a manner that prohibits Carrier from providing thirty days' notice of the increase. When Carrier passes these increases through to Customers without mark-up, they will be established in this Rules Tariff or in the applicable NRA or NSA by amendment with an effective date matching the effective date of the underlying service provider. Although Carrier will endeavor to advise Customer of these pass-through charges as quickly as possible after it receives notice, they may, in some cases, take effect immediately upon the effective date of the underlying third party's publication.

Rates are subject to Bunker Adjustment Factor and Bunker surcharges as stated in the NRA or NSA and are valid at the time of shipment when specified in the quotation.

#### **Rule 7 – Bill of Lading Charge (Documentation Fee)**

A Bill of Lading Charge will apply as follows:

- B/L Charge LCL USD 100 per B/L
- B/L Charge FCL USD 100 per B/L

#### **Rule 8 – SOLAS/VGM Declaration Fee**

A SOLAS/VGM Declaration Fee will apply as follows:

- USD 100/per container
- USD 100/per LCL shipment

Weighing Fee for LCL:

- USD 100/per weight or measurement (minimum 1CBM or 1MT), whichever is great

#### **Rule 9 – Carrier Security Fee (CSF)**

A Carrier Security Fee will be applicable on all cargo moving through all the ports of the USA. The charge will be assessed on a per container basis as follows:

- USD 100/per container

#### **Rule 10 – Diversion/Redirection of Cargo**

When cargo is diverted to a port or a point other than the Bill of Lading port or point, out of necessity of the vessel operator, or at the request of shipper or consignee, a charge of USD 250/per Bill of Lading plus actual cost will be assessed.

#### **Rule 11 – Destination Terminal Handling Charge (THC)**

In destination countries where a Destination THC is required to be prepaid, Carrier may require the same prior to shipment.

### **Rule 12 – Heavy Lift**

Heavy Lift charges are for the account of Customer when applicable.

### **Rule 13 – Extra Length**

Extra Length charges are for the account of Customer when applicable.

### **Rule 14 – Cargo Roll Over Fee**

Carrier will require complete and accurate shipping instructions by the “Document Due By Date”. If such instructions are not received by the “Document Due By Date”, if cargo arrives after “Cargo Cut-Off Date, or if cargo is rolled over at request of Customer, cargo will be rolled/postponed to the next available vessel and all costs associated with the postponement (including but not limited to handling, storage, demurrage, etc.) will be billed to Customer. A Cargo Roll-Over Fee may be charged at Carrier’s discretion.

### **Rule 15 – Minimum Bill of Lading Charges**

Minimum Bill of Lading Charge will be USD 100.

### **Rule 16 – Freight All Kinds (FAK)**

Shipments of Freight All Kinds (FAK or F.A.K.) are subject to the following conditions:

1. FAK shipments must contain two or more commodities, where no single commodity exceeds ninety (90%) percent of the container’s cubic capacity.
2. The following types of cargo cannot be rated as FAK following:
  - a. Explosive, flammable, hazardous, or dangerous articles.
  - b. Cargo which requires the use of temperature controlled, tank, platform, flat rack, open top or other specialized equipment.
3. The following conditions must be met for cargo rated as Freight All Kinds:
  - a. Shipper must supply to Carrier a packing list setting forth in complete detail the contents of Rule 17 each container (including the description, weight, and measurement of each piece and/or package).
  - b. No more than one Bill of Lading per container will be issued.
  - c. Each Bill of Lading must be from one Shipper at one origin to one Consignee at one destination.

### **Rule 17 – Rate Applicability Rule**

The rates, rules and charges applicable to a given Shipment must be those agreed to in an NRA or NSA prior to Carrier’s or its agent’s (including originating carriers in the case of rates for through transportation) receipt of cargo. A shipment will not be considered as "received" until the full bill of lading quantity has been received.

### **Rule 18 – Pro-rating for Per Container Rate Basis**

Carrier will, upon Customer's request, apportion the freight for a given shipment between two or more Bills of Lading/Waybills. This apportionment will be done on the basis of total cubic meters as indicated in the formula below.

The total freight for all Bills of Lading/Waybills apportioned from a given kind of container must equal the freight for those containers.

Formula: Ocean Freight Total divided by total CBM = Ocean Freight per CBM.

### **Rule 19 – Payment of Freight Charges**

All freight and other charges on the Bill of Lading must be prepaid and are due and payable in lawful currency of the United States when billed. Collect shipments can be accepted only by prior agreement in which case the rate of exchange prevailing at the close of business on the Forex Exchange on the day of receipt of cargo by Carrier applies.

Both Shipper and Consignee of the goods or articles shipped shall be liable jointly and severally for all unpaid charges payable on account of a shipment pursuant to applicable NRA or NSA rates including, but not confined to, sums advanced or disbursed by Carrier on account of such shipment.

### **Rule 20 – Freight Forwarder Compensation**

1. Carrier may from time-to-time pay freight forwarder compensation as negotiated in the individual NRA or NSA on the applicable ocean freight charges to base ports, on cargo loaded, including heavy lift and extra length revenue, as specified in each individual NRA or NSA.
2. Compensation shall be paid only to Freight Forwarders who are licensed or otherwise authorized by the Federal Maritime Commission.

### **Rule 21 – Returned Cargo in Foreign Commerce**

Freight on returned cargo will be charged at the applicable NRA or NSA rate applicable to the original shipment current at the time of the returned shipment. At the discretion of Carrier, Goods that have not been used may be returned at not less than 90% of the rate applicable in the original direction at the time of the returned shipment.

### **Rule 22 – Shipper's Request in Foreign Commerce**

1. Any Customer situated in the United States may transmit its requests and complaints as hereinafter defined to the Carrier or to any agent acting for Carrier in the port of loading, or the Carrier's agent in the United States at the address indicated in this rules tariff.
2. As used in this rule, the phrase "request and complaint" means any communication requesting a change in applicable NRA or NSA rates, tariff rules or regulations; or objecting to rate increases or other rules tariff changes. Such request and complaint process services to protect against erroneous billings due to an incorrect commodity classification, incorrect weight or measurement of cargo or other implementation of the rules tariff. Routine requests for rate information sailing schedules, space availability and the like are not included in the foregoing.
3. Customer's request for rate action must include at least the following information:
  - a. Customer's Name/Address/Telephone Number
  - b. Commodity Description



- c. Port/Point of Loading
- d. Port/Point of Discharge
- e. Cargo Quantity
- f. Anticipated Shipment Date

### **Rule 23 – Overcharge Claims**

1. All claims for adjustment of freight charges must be presented to Carrier in writing, within three (3) years after the date of the Bill of Lading issued by Carrier.
2. Any expenses incurred by Carrier in connection with its investigation of the claim will be borne by the party responsible for the error, or, if no error be found, by the claimant.
3. For the purpose of uniformity in handling claims for adjustment of freight charges based on alleged errors in cargo description, applicable NRA or NSA application, cargo weight and/or measurement, refunds will only be considered as follows:
  - a. Claims must contain the following original or certified documents:
    - i. Bill of Lading
    - ii. Packing List
    - iii. Commercial Invoice
    - iv. Custom Entry Permit/Import Declaration, as applicable
    - v. Customs Export Declaration as applicable
  - b. If the claim is presented to the Carrier in writing, cargo may be inspected at port of loading or at destination by:
    - i. Carrier's agent
    - ii. Jointly by Shipper or Consignee and Carrier's agent, or
    - iii. a marine surveyor when requested by Carrier's agent.
  - c. Claims for freight rate adjustments will be acknowledged by Carrier within 20 days of receipt by written notice to the claimant of all governing tariff provisions and claimant's rights under the Shipping Act of 1984, 46 U.S.C. app. 1702, as amended by the Ocean Reform Shipping Act of 1998 ("Shipping Act").
  - d. Claims seeking the refund of freight overcharges will be acknowledged by Carrier within 20 days of receipt by written notice to the claimant of all governing tariff provisions and claimant's rights under the Shipping Act.
  - e. Complaints seeking reparation pursuant to Section 11(G) of the Shipping Act, must be filed within three (3) years after the cause of action accrues.

### **Rule 24 – NVOCCs in Foreign Commerce: Bonds and Agents**

1. Bonding of NVOCCs
  - a. Carrier has furnished the Federal Maritime Commission with a bond in the amount required by 46 CFR Part 515.21(a) to ensure the financial responsibility of Carrier for the payment of any judgment or any settlement made pursuant to a claim under 46 CFR Part 515.23(b) for damages arising from its transportation related activities or orders for reparations issued pursuant to Section 11 of the Shipping Act, or any penalty assessed against the Carrier pursuant to Section 13 thereof.
  - b. Bond number and issuer are both listed in the FMC OTI list which can be accessed via this link: <https://www2.fmc.gov/oti/>

### **Rule 25 – Methods and Routes of Transportation**

1. Carrier may at any time and without notice to Customer:
  - a. Use any means of carriage or storage whatsoever;
  - b. transfer the Goods from one conveyance to another, including without limitation transshipping the Goods or carrying them on a Vessel other than that named on the face of the bill of lading, even though transshipment or forwarding of the Goods may not have been provided for on the bill of lading;
  - c. unpack and remove the Goods which have been packed in a Container and forward them in another Container or otherwise;
  - d. proceed by any route (whether or not the nearest or most direct or customary or advertised route) in its discretion, at any speed, and proceed to or stay at any place or port whatsoever, once or more often and in any order;
  - e. load or unload the Goods at any place or port and store the Goods at any such place or port;
  - f. comply with any orders, directions 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 any insurance coverage on any conveyance used for the Carriage, the right to give orders or directions;
  - g. permit the Vessel to proceed with or without pilots, to tow or to be towed, or to be dry-docked, with or without cargo and/or containers on board.
2. Carrier may invoke any of the liberties under this rule for any purpose whatsoever, whether or not connected with the carriage of the Goods, including but not limited to loading or unloading the Goods, bunkering, undergoing repairs, adjusting instruments, towing or being towed, sailing with or without pilots, dry docking, picking up or landing any persons. Anything done in accordance with this rule or any delay arising therefrom will be deemed to be within the contractual carriage and will not be a deviation. If, in invoking any of the liberties under this rule, any service provided by any third party is involved, Carrier may without notice to Shipper conclude a contract with such third party as agent of the Shipper, and in respect of such services Carrier will have no liability whatsoever.

### **Rule 26 – Hazardous Cargo**

Explosives, flammables, or other Dangerous and Hazardous Cargo, or cargo of an objectionable nature, are subject to Carrier's acceptance and special booking arrangements.

In the event the authorities at destination take the position that cargo is corrosive, flammable, explosive or injurious, the owners of such cargo must take delivery immediately when vessel, whether in berth or not, is ready to discharge same, otherwise vessel, without any further notice (and notwithstanding any custom of the port to the contrary), may discharge such cargo into lighter or other conveyance at the risk of the owners of such cargo, all expenses beyond vessel's tackle, including lighterage and/or transportation incurred in conveying such cargo to the warehouse or place designated by the port authorities or the storage or reception of same, to be for account of the Customer, Consignees, Shippers, and/or owners of such cargo.

### **Rule 26A – Hazardous Cargo Surcharge (HAZ)**

Unless otherwise specifically provided a Hazardous Cargo Surcharge will be assessed as follows:

- W/M USD 100
- 20' USD 250
- 40' USD 500

## **Rule 27 – Use of Carrier Equipment**

With respect to any shipment for which vessel operating common carrier (VOCC) equipment is used, the Shipper, the Consignee, and the signatory of the equipment interchange agreement, if any, are jointly and severally liable for the payment of all detention charges that may be imposed with respect to the use of VOCC equipment. The liability will be imposed notwithstanding whether these parties have executed an equipment interchange agreement with the vessel operating common carrier and notwithstanding whether any equipment interchange agreement pertaining to such equipment provides for such liability.

Detention charges will be charged for each calendar day following free time and will be for the account of Customer.

These charges will be billed directly to Customer separately from the normal freight charges. The Customer will be responsible for all per diem charges caused by this type of delay. The Customer is responsible for the return of all equipment upon demand.

## **Rule 28 – Definitions**

The following abbreviations used in this Rules Tariff have the meanings set forth below:

- BAF                      Bunker Adjustment Factor
- B/L                     Bill of Lading
- CAF                     Currency Adjustment Factor
- CBM or M3            Cubic Meter
- COFC                  Container on Flat Car
- CTR                    Container
- Cu.Ft. or cft         Cubic Foot (feet)
- Cwt                    100 Pounds
- DDC                   Destination Delivery Charge
- EAN                    Except as Noted
- F                        Fahrenheit
- F.A.K.                  Freight All Kinds
- F.A.S.                  Free Alongside Ship
- FCL                    Full Container Load
- F.I.O.                  Free In and Out
- F.I.O.S.                Free In, Out and Stow
- FIO ST                Free In and Out, Stowed and Trimmed
- F.O.B.                  Free On Board
- F.O.T.                  Free On Truck
- Ft.                     Foot (Feet)
- In.                     Inch(es)
- K.D.                    Knocked Down
- Kgs. or Kilo(s)      Kilogram(s)
- LASH                   Lighter Aboard Ship
- lb(s).                  Pound(s)
- LCL                    Less than Container Load
- L.T.                    Long Ton (2240 Pounds)
- Ltd.                    Limited

▪ Max	Maximum
▪ Min	Minimum
▪ MLB	Mini-Landbridge
▪ No.	Number
▪ NVOCC	Non-Vessel Operating Common Carrier
▪ R/T	Revenue Ton
▪ SOC	Shipper Owned Container
▪ SOTC	Shipper Owned Tank Container
▪ SU	Set Up
▪ THC	Terminal Handling Charge
▪ TLI	Tariff Line Item
▪ TOFC	Trailer on Flat Car
▪ Ton	Wight or Measurement as Freight
▪ T.T.S.	Telegraphic Transfer Selling Rate
▪ U.S. or U.S.A.	United States of America
▪ P.R. or PR	Puerto Rico
▪ DR or R.D.	Dominican Republic
▪ Viz.	Namely
▪ VOCC	Vessel Operating Common Carrier
▪ X	Times (measurement to weight ratio factor)

The following terms used in this Rules Tariff have the meanings set forth below:

- “All Inclusive” means rates that are not subject to any additional fees or charges; the NRA or NSA rate is the lump sum total.
- “Consignee” means the person, firm or corporation shown on the Bill of Lading as the receiver of the property transported by the Carrier.
- “Customer” means the Shipper, Consignee or owner of the Goods who engaged Carrier’s services.
- “Dry Cargo” means cargo other than that requiring temperature control.
- “Explosive Cargo” means cargo falling within Class A, B and C explosives.
- “Free Out” means the application of the Terminal Charges are for the account of the Customer.
- “Goods” means any and all property (cargo) described on the face of Carrier’s Bill of Lading or manifest referenced thereon, to specifically include live animals as well as containers, pallets or similar articles of transport or packaging not supplied by the Carrier, irrespective of whether such cargo is to be or is carried on or under deck.
- “Liner Out” means that the Line (Carrier) will pay the Terminal Charges.
- “Mixed Shipment” means a shipment consisting of articles described in and rated under two or more rate items of applicable NRA or NSA.
- “Non-Hazardous” means cargo that does not require a White, Yellow, Red, Red Gas, Green Gas, Poison Gas or Tea Gas Hazardous Materials warning label and which is permitted stowage between decks or under deck (other than magazine) under C.F.R. Title 49 – Transportation, as amended from time to time, and such cargo will be rated in accordance with the rates applicable therefor as provided in the applicable NRA or NSA.
- “One Commodity” means any or all the articles described in any one rate item in the applicable NRA or NSA.
- “Revenue Ton” or “R/T” means 1,000 kilos or 1 cubic meter as freight charges are assessed.
- “Shipment” means a quantity of goods, tendered by one Shipper on one Bill of Lading at one port/point of origin at one time in one or more containers for one Consignee at one port/point of destination.

- "Shipper" means the person, firm or corporation shown on the Bill of Lading as the Shipper of the property transported by the Carrier.
- "Stuffing, Unstuffing" means the physical placing of cargo into or the physical removal of cargo from containers.
- "Working Day" means each calendar day, excepting Saturday, Sundays and Holidays (observed either in the United States or in the country where the Shipment originates or is destined to), between 8:00 A.M. and 5:00 P.M.

## **Rule 29 – Symbols**

### **1. Rate Basis**

- AV           Ad Valorem
- EA           Each (as defined)
- LS           Lump Sum
- M            Measure
- MBF         1000 Board Feet
- PC           Per Container
- W            Weight
- WM         Weight Measure

### **2. Hazard Codes**

- A            IMO Stow Category A
- B            IMO Stow Category B
- C            IMO Stow Category C
- D            IMO Stow Category D
- E            IMO Stow Category E
- HAZ         Hazardous
- NHZ         Non-Hazardous
- N/A         Not Applicable

### **3. Container Sizes**

- LTL         Less Than Load
- 20          20 FT
- 24          24 FT
- 35          35 FT
- 40S         40 FT 8'0"
- 40          40 FT 8'6"
- 40A         40 FT 9'0" High Cube
- 40B         40 FT 9'6" High Cube
- 42          42 FT
- 43          43 FT
- 45S         45 FT 8'0"
- 45          45 FT 8'6"
- 45A         45 FT 9'0" High Cube
- 45B         45 FT 9'6" High Cube
- 45X         45 FT Any Height
- 48          48 FT
- 53          53 FT

4. Container Types

- AC Atmosphere Control
- DF Drop Frame
- FB Flatbed
- FR Flat rack
- GC Garment Container
- HH Half Height
- IN Insulated
- N/A Cargo/Not Available
- OT Open Top
- PC Dry
- PL Platform
- RE Reefer
- TC Tank
- TL Top Loader
- TR Trailer
- VR Vehicle Rack

5. Temperature Services

- AC Artificial Atmosphere Controlled
- CLD Chilled
- FRZ Frozen
- HTD Heated
- RE Refrigerated
- VEN Ventilated

6. Service Types

- B Barge
- M Motor
- R Rail Yard
- S Container Freight Station
- U Rail Siding
- Y Container Yard

7. Inland Transportation Modes

- B Barge
- M Motor
- MB Motor/Barge
- MR Motor/Rail
- RB Rail/Barge
- R Rail

8. Weights

- KGS Kilograms
- KT 1000 Kgs. (Metric Ton)
- LBS Pounds
- LT Long Ton (2240 LBS)
- ST Short Ton (2000 LBS)

9. Volume
- CMB      Cubic Meter
  - CFT      Cubic Feet

10. Length, Width, and Height
- CM      Centimeters
  - FT      Feet
  - IN      Inches
  - M      Meters

### **Rule 30 – Conflict Between Rules Tariff and Bill of Lading**

In the case of any conflict between the provisions of this Rules Tariff and the terms and conditions of the Carrier's Bill of Lading issued to Customer, the terms and conditions of the Carrier's Bill of Lading controls.

### **Rule 31 – Legal Compliance**

Customer represents and warrants that it and the Goods are in compliance with all applicable laws and regulations, including anti-corruption, export control, and anti-terrorism laws, including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, the International Traffic in Arms Regulations administered by the U.S. State Department's Directorate of Defense Trade Controls, U.S. Export Administration Regulations administered by the U.S. Commerce Department's Bureau of Industry and Security, U.S. Anti-Boycott regulations, and the economic sanctions programs administered by the U.S. Treasury Department's Office of Foreign Assets Controls, and that the information that Customer provides to Carrier in connection with Customer's compliance with all such laws is true and complete. Customer will also comply with all applicable laws of any other country to, from, through, or over which the Goods may be carried, including all applicable laws relating to the packing, SOLAS Rule relating to the verified gross mass of containers, carriage, or delivery of the Goods. Customer represents and warrants that the export jurisdiction and classification of the Goods is correct and that it will immediately notify Carrier in writing of any changes to such information. Pursuant to the foregoing, Customer will furnish such information and attach documents to the Bill of Lading as may be necessary to comply with all applicable laws. Customer will defend, indemnify, and hold Carrier harmless against any and all claims, losses, or damages arising from the conduct of Customer and any of its officers, directors, employees, agents, owners, shareholders, or other persons acting for or on behalf of Customer that constitutes a violation of Customer's obligations, representations, or warranties contained herein.

### **Rule 32 – Access to Rules Tariff**

Carrier's Rules Tariff is available free of charge at the following location:  
<https://www.shipvelox.com/terms/rules-tariff.pdf>

### **Rule 33 – Bill of Lading Terms and Conditions**

1. The following terms used in this Rules Tariff have the meanings set forth below:
  - "Carrier" means Velox Cargo Corp., on whose behalf this Bill of Lading has been issued as indicated on the face hereof, whether acting as carrier or bailee.
  - "Carriage" means the whole or any part of the operations and services described by this document as undertaken by or on behalf of the Carrier in respect of the Goods.

- “Container” means any container (closed or open top), trailer, transportable tank, flat rack, pallet, skid, drum or any similar article of transport.
- “Dangerous or Hazardous Goods” means Goods classified, designated or described as dangerous by any statute, regulation, or the Dangerous Goods code issued by the International Maritime Organization and also includes any Goods which are or may be unstable or present a hazard or danger to the conveyance in which they are carried or to other property, goods or any person, whether or not the Goods are identified as dangerous by any authority.
- “Goods” means any and all property (cargo) described on the face hereof or on an attached or referenced manifest, to specifically include live animals as well as containers, pallets or similar articles of transport or packaging not supplied by the Carrier, irrespective of whether such cargo is to be or is carried on or under deck.
- “Merchant” means and includes the shipper, consignee, receiver, holder of this document, owner of the Goods, person entitled to the possession of the Goods, and any person, corporation, company or other legal entity having any interest in the Goods, or anyone acting on behalf of any such person or entity.
- “Multi-Modal Transportation” means and refers to Carriage of Goods under this Bill of Lading which includes both Carriage by a Vessel and Carriage by one or more inland (surface) motor and/or rail carriers.
- “Subcontractor” means all direct and indirect subcontractors of Carrier and their respective subcontractors, servants and agents, including vessel operators, motor and rail carriers, warehousemen, stevedores, and container freight stations.
- “Vessel” means and includes the vessel set forth on the front page hereof, as well as any other vessel, ship, craft, lighter or other water conveyance used to perform the Carriage or upon which the Goods are loaded for any purpose.

2. Force and Applicability

These Bill of Lading Terms and Conditions apply to all modes of Carriage utilized to transport the Goods, and the Carrier’s responsibility to the Merchant for the Goods terminates at the time of delivery under Clause 13. These Bill of Lading Terms and Conditions apply to all claims against the Carrier relating to the performance of the Carriage, whether the claim is founded in contract or in tort, including, but not limited to, claims for indemnity and contribution.

3. Authority of Merchant

In agreeing and accepting the terms of this document, the shipper acts for itself and also each Merchant and warrants it has authority of each Merchant to bind each Merchant to the terms of this document.

4. Carrier’s Tariff; Entire Agreement; and Severability

- a. In addition to the terms herein, the Carriage of Goods is also subject to all of the terms and provisions of Carrier’s tariffs on file or published or required to be filed or published, as the case may be, with or by the Federal Maritime Commission or other regulatory body that may govern particular portions of the Carriage. The relevant provisions of the applicable tariff(s) are publicly accessible and/or will be provided by Carrier or its representatives upon request. In case of inconsistency between this document and any applicable tariff(s), this document prevails except as otherwise required by law.
- b. This document and the incorporated tariff terms constitute the entire agreement of the parties. No servant or agent of Carrier has the power to terminate, waive, or modify any term



of this document unless such termination, waiver, or modification is in writing and is specifically authorized or ratified in a writing signed by an authorized officer of Carrier.

- c. If any part of this document is rendered invalid or unenforceable, such invalidity or unenforceability attaches only to the offending provision or part thereof and the remaining part of such provision and all other provisions herein will continue in full force and effect.

5. Carrier's Subcontractors, Servants, and Agents

- a. All or part of the Carriage may be performed by subcontractors, servants and agents of the Carrier without prior notice of the same to Merchant. Carrier may freely engage such third parties in accordance with their applicable terms and conditions, which will in all events be binding upon Merchant.
- b. If the Goods are lost, damaged, or delayed on the sea portion of the Carriage, and the vessel owner or demise charterer seeks to limit its liability pursuant to 46 U.S. Code §§ 181 et seq. or pursuant to a similar limitation regime of another nation, claims or suits may only be brought against that Vessel owner or demise charterer. In all other circumstances, claims or suits may only be brought against Carrier. In the event a claim or suit is nevertheless brought against any Subcontractor, servant or agent of Carrier, that party is entitled to all exceptions, exemptions, defenses, immunities, limitations of liability, privileges and conditions granted or provided to Carrier under this document as a third-party beneficiary. The aggregate and collective sum recoverable from the Carrier, its subcontractors, servants and agents will in no event exceed Carrier's liability limit as provided by the terms and conditions of this contract for carriage.

6. Negotiability of Document and Release of Goods

- a. This Bill of Lading will be a negotiable document of title only if consigned "to order," or order of a named consignee. In all other circumstances, or in the event of ambiguity, this Bill of Lading is presumed to be non-negotiable.
- b. If negotiable, an original bill of lading, properly endorsed, is required to be surrendered when the Goods are delivered. If the person receiving the Goods wishes to take delivery without surrender of an original endorsed bill of lading, and if Carrier agrees in its exclusive discretion to deliver the Goods without such surrender, the person receiving the Goods agrees to fully indemnify Carrier against all damages and liabilities which Carrier may incur as a result of delivering the Goods without such surrender. Upon surrender of one original bill of lading, all other original bills of lading will be immediately void. Negotiable bills of lading will in all events become void as a document of title six months after date of issuance, provided the terms of this document will still apply and Carrier is entitled to all rights and limitations of liability herein.
- c. If this Bill of Lading is non-negotiable, delivery of the Goods may be made, at the sole discretion of the Carrier, to the nominated consignee without surrender of an original counterpart; such delivery constitutes due delivery hereunder. Carrier may nevertheless in its exclusive discretion, but is not required to, demand surrender of an original endorsed non-negotiable bill of lading before release of the Goods.
- d. Whether a negotiable bill of lading or a non-negotiable bill of lading, the person receiving the Goods, in any and all events, warrants their entitlement to such receipt and agrees to indemnify Carrier against all damages and liabilities which Carrier may incur as a result of releasing the Goods.

7. Description of Goods, Compliance and Inspection of Goods

- a. This document constitutes a receipt only for the external condition of the Goods visible to Carrier.
- b. Merchant warrants that, unless special carriage is requested and paid for, the Goods are fit to be carried in an unventilated, unheated, unrefrigerated Container or other stowage space and withstand condensation and container "sweat."
- c. Merchant warrants that the description and the marks, numbers, quantities, and weight of the Goods, as well as designation of Merchants, are accurate and complete and that they comply with all regulations of relevant public authorities.
- d. Merchant has the exclusive obligation to ensure, and hereby warrants, that the Goods and Merchants are compliant with all relevant law and authorities and are legally eligible for Carriage in all respects under all relevant governing laws and regulations. Merchant must further inform Carrier of any applicable licensing, reporting, or other regulatory requirement under all relevant laws and regulations prior to Carriage of the Goods.
- e. Without any obligation to do so, the Carrier has unrestricted liberty to inspect the packaging and contents of the Goods for any purpose and to inquire and verify the accuracy or sufficiency of information provided and to seek assurances. Any discrepancies may result in shipment delay, cancellation and/or additional charges assessed by the Carrier. The Carrier may disclose and report, whether on a mandatory or voluntary basis, any and all regulatory non-compliance to authorities and such authorities may exercise forfeiture and/or assess penalties against Merchant.

8. Dangerous and Hazardous Goods

- a. Carrier may accept or reject at its exclusive discretion Dangerous or Hazardous Goods offered for transportation.
- b. Merchant is required to comply with mandatory rules according to the applicable national law or international convention relating to the Carriage of Dangerous or Hazardous Goods and must inform Carrier in writing prior to tender of the Goods the exact nature of the danger or hazard and indicate to Carrier the precautions to be taken. If Carrier accepts the Goods after being so informed by Merchant or if the Merchant fails to provide such information and Carrier is unaware of the dangerous or hazardous nature of the Goods and the necessary precautions to be taken, and if, at any time, the Goods are deemed to be a hazard to life or property, the Goods may at any place be unloaded, destroyed or rendered harmless, as circumstances may reasonably require, without compensation. Merchant bears the burden of proving Carrier knew and accepted in writing the exact nature of the danger and hazard.
- c. If the Goods become a danger to life or property, they may in like manner be unloaded or landed at any place or destroyed or rendered harmless. If such danger was not caused by the fault and neglect of the Carrier, Carrier has no liability and the Merchant will defend and indemnify the Carrier from all damages and liabilities arising therefrom.

9. Limited COGSA Clause Paramount

Whether or not applicable by force of law, and except as specifically provided in this Clause 9 and in Clause 10.a, the United States Carriage of Goods by Sea Act (COGSA), 46 U.S.C. § 30701, et. seq., is incorporated by reference herein for Carriage whether the Goods are carried on or under deck, whether or not the Carriage is in U.S., foreign trade, between U.S. ports, or between non-U.S. ports, before the Goods are loaded on and/or after the Goods are discharged from the Vessel, and throughout the entire time the Goods are in the custody or are the responsibility of Carrier in performing the Carriage hereunder, whether acting as carrier or bailee. Nothing contained herein will be deemed a surrender by Carrier of any of its rights or immunities or an increase of any of its responsibilities under COGSA. Notwithstanding the

foregoing, the provisions of 46 U.S.C. §§ 30701 (3)(8) and (4)(5) of COGSA addressing minimum liability of the Carrier are excluded from incorporation by reference and only apply when required by force of law.

**10. Carrier Liability**

- a. Unless the shipper declares a higher value as provided at Clause 10(e), Carrier's liability is limited as follows:
  - i. for loss or damage occurring during any portion of the Carriage governed by COGSA by force of law, Carrier's liability is limited to a maximum of \$500 per package of the portion of Goods adversely affected, or for Goods not shipped in packages, per customary freight unit;
  - ii. for loss or damage occurring during any portion where COGSA is otherwise incorporated herein but is not applicable by force of law, to include periods of domestic water carriage and inland (surface) transportation, Carrier's liability is limited to a maximum of the lesser of \$500 per Package or \$0.50 per pound of the portion of Goods adversely affected;
  - iii. for error or omissions arising from agency (non- carrier) services ancillary to the Carriage, Carrier's liability is limited to its independent negligence and to \$50 per entry or shipment;
  - iv. in the event of loss or damage subject to mandatory applicable law which invalidates Carrier's otherwise applicable maximum contractual liability hereunder, Carrier's liability is limited to the lowest amount permissible by and in accordance with such applicable law.
- b. In any and all events, nothing in this document constitutes a surrender of any liability immunity or limitation inuring to Carrier's benefit under any applicable law, even if such immunity or limitation by law results in a liability of Carrier less than the otherwise applicable maximum contractual liability hereunder.
- c. For purposes of Carrier's liability, when it cannot be ascertained at what stage of Multi-Modal Transportation the loss or damage occurred, it will be presumed to have occurred during periods of inland (surface) transportation, where and to the fullest extent permissible under applicable law.
- d. For purposes of Carrier's liability, and for good and valuable consideration to Merchant in the form of the freight rate, the package or customary freight unit will be the object and unit referred to in the "No. of Pkgs." column on the face of this document and in the absence of designation in such column will be deemed to be the Container.
- e. The Merchant may avoid the liability limitations hereunder, or any other liability limitation imposed by applicable law, by unequivocally declaring the value of the Goods for liability purposes to Carrier in writing prior to Carriage and paying Carrier an ad valorem freight rate. Such declared value will only be binding upon Carrier if agreed to in writing by an authorized officer of Carrier and paying the ad valorem freight rate. Carrier's knowledge of the value of Goods and/or Merchant's declaration of the value of the Goods to Carrier in regular course or for any other purpose, such as for Customs purposes, does not constitute a declared value of the Goods to Carrier for liability purposes.
- f. In no event will Carrier be liable for special, incidental or consequential damages, lost profits or revenues or loss of merchantability of the Goods, whether or not Carrier had notice or knowledge that such may occur.
- g. In no event will Carrier's aggregate liability exceed the actual value of any loss or damage or the replacement value of the Goods adversely affected, whichever is lower. In no event will Carrier have any liability for used Goods.

- h. Carrier does not guarantee delivery of the Goods at the port of discharge or place of delivery at any particular time or to meet any particular market or use. Carrier has no liability for any direct or consequential damages arising from delay or failure to notify Merchant as to the actual arrival and/or delivery date of the Goods. In the event Carrier is nevertheless for any reason found liable for delay, Carrier's liability in all circumstances is limited to the lesser of the liability calculated pursuant to Clause 10(a) hereunder or twice the amount of freight charges Carrier billed Merchant for the Carriage. If the Goods are not delivered within 90 days of anticipated delivery date, the Goods will be deemed lost, in the absence of contrary evidence.
- i. Notwithstanding anything herein to the contrary, Carrier will in no event have any liability whatsoever for any loss, damage, delay or failure in performance hereunder arising from or attributable to:
  - i. circumstances of inherent defect, quality or vice of the Goods, including but not limited to wastage in bulk or weight;
  - ii. defective or insufficient packing not reasonably fit to withstand the ordinary rigors of contemplated transportation;
  - iii. insufficiency or inadequacy of marks on or description of Goods;
  - iv. any act or omission of Merchant, its agent or representative;
  - v. unsuitable or defective container provided by Carrier if such unsuitability or defect would have been apparent to Merchant upon reasonable inspection;
  - vi. arrest or restraint by a government authority or seizure under legal process, quarantine restrictions or embargo or any act of any public authority;
  - vii. act, neglect or fault of the master, mariner, pilots or the servants of Carrier in the navigation or management of the Vessel;
  - viii. any act of barratry;
  - ix. perils, dangers, and accidents of the sea or other navigable waters;
  - x. saving or attempting to save life or property at sea or any deviation in rendering such service;
  - xi. bursting of boilers, breakage of shafts or any latent defect in hull, equipment, machinery, hawsers or lines, unseaworthiness unless caused solely and proximately by want of due diligence by Carrier to make the Vessel seaworthy or to have her properly manned, equipped and supplied;
  - xii. fire unless caused by the actual fault or privity of Carrier or its subcontractors, servants or agents;
  - xiii. any Force Majeure event defined as events outside of Carrier's control, including but not be limited to, natural disasters, strikes or lockouts or stoppage/restraint of labor from whatever cause, civil unrest, acts of war or armed conflicts and acts or threatened acts of public enemies, terrorists, pirates, hijackers or assailing thieves, embargoes, blockades, port congestion, strikes or harbor disturbances, regulations of any governmental authority pertaining thereto or any other official interferences with commercial intercourse arising from the above conditions and affecting the Carrier's operations;
  - xiv. latent defects not discoverable by due diligence of Carrier or its subcontractors, servants or agents;
  - xv. any cause arising without the fault or privity of the Carrier, its subcontractors, servants or agents.
- j. Merchant has duty to defend and indemnify Carrier against any claim by a third party or assignee of Merchant which imposes or attempts to impose upon Carrier any liability in

connection with the Goods other than or in excess from that as provided herein, whether or not arising from negligence of Carrier, its subcontractors, servants or agents.

**11. Route and Method of Transportation**

Without notice to the Merchant, Carrier has liberty and discretion to consolidate the Goods with other cargoes; transfer the goods from one conveyance to another, including transshipment or carrying on a vessel other than the Vessel set forth on the front page of this Bill of Lading, or any other means of transport whatsoever; carry the Goods on or under deck; to choose or substitute the method, means, route, mode and procedure to accomplish the Carriage; and to comply with any orders or recommendations given by any government or authority or any Person or body or purporting to act as or on behalf of such government or authority or having under the terms of the insurance on any conveyance employed by the Carrier the right to give orders or directions.

**12. Merchant Liability for Equipment**

Merchant assumes full responsibility for and has a duty to defend and indemnify Carrier against any loss of or damage to Containers and other equipment provided by Carrier or its subcontractors, servants, or agents if such loss or damage occurs while the Containers or other equipment in the possession, custody, or control of Merchant, its agents or independent vendors engaged by or on behalf of Merchant. Merchant has a duty to defend, indemnify and hold Carrier harmless from and against any loss of or damage to property of other persons or injuries to other persons caused by Containers or the Goods during handling by, or while in the possession, custody, or control of, Merchant, its agents or any independent vendors engaged by or on behalf of Merchant.

**13. Delivery**

- a. The Goods will be deemed to have been delivered when they are delivered to or placed at the disposal of the Merchant or its agent in accordance with this Bill of Lading, or when the Goods have been delivered to any authority or other party to which, pursuant to the law or regulation applicable at the place of delivery, the Goods must be delivered or surrendered, or such other place at which the Carrier is entitled to call upon the Merchant to take delivery. Carrier has no liability for any direct or consequential damages arising after delivery of the Goods.
- b. The Carrier is entitled to store the Goods at the sole risk of the Merchant, and the Carrier's liability ceases upon Carrier's tender or delivery of the Goods to the appointed warehouse or storage facility. The cost of such storage must be paid, upon demand, by the Merchant to the Carrier.
- c. The Merchant must take delivery of the Goods within the time set forth in the Carrier's applicable rules tariff or as the Carrier requires. If the Merchant fails to do so, or whenever in the Carrier's sole discretion the Goods are likely to deteriorate, decay, become worthless, lose value, or incur charges in excess of their value, whether for storage or otherwise, the Carrier may, in its sole discretion, without prejudice to any rights the Carrier may have against the Merchant, and without notice and without any responsibility whatsoever attaching to the Carrier, un-stuff, sell, destroy, or dispose of the Goods at the Merchant's sole risk and expense. Any of the foregoing constitutes delivery to the Merchant under this Bill of Lading, whereupon the Carrier's responsibility for the Goods ceases.
- d. If at any time the Carriage is or is likely to be affected by any hindrance or risk of any kind (including the condition of the Goods) not arising from any fault or neglect of the Carrier, its subcontractors or agents, the Carrier may abandon the Carriage of the Goods and, where

reasonably practicable, place the Goods or any portion of them at the Merchant's disposal at any place that the Carrier may deem safe and convenient, whereupon delivery will be deemed to have been made, and the responsibility of the Carrier in respect of such Goods ceases. In such event, the Carrier is entitled to full freight fees under this Bill of Lading and the Merchant must pay any additional costs arising out of such event.

14. Freight Charges and Expenses to Merchant

- a. Freight charges must be paid by Merchant without any reduction or deferment on account of any claim, counterclaim or set-off, whether prepaid or payable at destination. Freight charges are deemed earned by the Carrier upon its receipt of the Goods. Earned freight charges are non-refundable.
- b. Freight charges and all other amounts due Carrier for the Carriage must be paid in the currency named in this Bill of Lading or, at the Carrier's option, in the currency of the country of origin or destination.
- c. The Merchant has a duty to defend, indemnify and hold the Carrier harmless for any duties, taxes, demurrage, detention, charges, liabilities or other expenses whatsoever in connection with the Goods or arising from any breach of warranty by Merchant hereunder or from any cause or reason not exclusively attributable to a liability of Carrier, its subcontractors, servants or agents. Carrier is entitled to hold and collect in escrow any amount due the Carrier in payment for any such charges.
- d. In the event Merchant breaches its warranty as to the accuracy and completeness of the description and the marks, numbers, quantities and weight of the Goods, resulting in a lower freight charge than should be due and owing carrier based upon actual correct and complete description, marks, numbers, quantities and weight of the Goods, it is agreed that a sum equal either to double the correct freight charges properly assessed based upon actual correct and complete description, marks, numbers, quantities and weight of the Goods, less the freight previously calculated or charged, will be payable as liquidated damages to the Carrier. Such liquidated damages only relate to freight charges and Carrier reserves all rights to recover from Merchant other damages caused by Merchant's breach of its warranty as to the accuracy and completeness of the description and the marks, numbers, quantities and weight of the Goods.
- e. Notwithstanding the acceptance by the Carrier of instructions to collect freight charges or other expenses relating to the Carriage from any specific person, Merchant remains responsible for such monies on receipt of evidence of demand and the absence of payment for whatever reason. Shipper, consignee and bill-to parties are jointly and severally liable for all charges and expenses related to the Carriage. Charges may be reversed to the responsible parties if the Goods are refused delivery or in the event payment is not made by the original bill-to party.

15. Lien

- a. The Carrier has a lien on any and all of the Merchant's property for all advances, claims, costs, freight charges, duties, surcharges, general average expenses, salvage expenses, taxes, demurrage, money due and payable to the Carrier by Merchant, including any lien and collection-related costs, whether or not related to the Carriage of Goods under this document, a prior transaction, an unrelated claim and/or any combination of the foregoing. The lien on the Goods survives delivery to the Merchant. Carrier may sell the Goods privately or by public auction without notice to the Merchant. If upon sale of the Goods the proceeds fail to satisfy the amount due Carrier, together with the cost and expenses incurred, Carrier is entitled to recover any difference from Merchant.

- b. If the Goods are unclaimed after 30 days from date the Goods are placed at the disposal of the Merchant, or whenever in the Carrier's judgment the Goods will become deteriorated, decayed or worthless, the Carrier may, at its discretion and subject to its lien and without any responsibility attaching to it, sell, abandon, or otherwise dispose of the Goods solely at the risk and expense of the Merchant.

16. General Average

- a. In the event of accident, danger, damage or disaster before or after the commencement of the Carriage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the Carrier and its subcontractors, servants and agents are not responsible by statute, contract or otherwise, the Goods and the Merchant must contribute in general average to the payment of any sacrifices, losses or expenses of a general average nature that may be made or incurred and must pay salvage and special charges incurred in respect of the goods. If a salving ship is owned or operated by the Carrier, its subcontractors, servants or agents, salvage must be paid for as fully as if the said salving ship or ships belonged to strangers. Such deposit as the Carrier or his agents may deem sufficient to cover the estimated contribution of the goods and any salvage and special charges thereon will, if required, be made by the Goods and/or the Merchant prior to delivery.
- b. Merchant has a duty to defend, indemnify and hold harmless the Carrier, its subcontractors, servants or agents in respect of any claim (and any expense arising therefrom) of a General Average which may be made against the Carrier and/or any of its subcontractors, servants or agents. Merchant agrees to pay any and all sums or securities assessed by the General Average Adjuster for payments on account.
- c. Neither the Carrier nor its subcontractors, servants or agents are be under any obligation to take any steps whatsoever to post security for General Average or to collect security for General Average contributions due from the Merchant. Notwithstanding the foregoing, Carrier is authorized at its discretion to act on behalf of the Goods in any salvage proceeding at the sole expense of Merchant, unless Merchant arranges for separate representation.

17. Notice of Claim and Time for Suite

- a. Unless the Merchant provides written notice to the Carrier of the general nature of any loss or damage to the Goods at the time the Carrier delivers the Goods to the Merchant, such delivery by the Carrier is prima facie evidence of the Carrier's delivery of the Goods in good order and condition.
- b. Where the loss or damage is not apparent and is latent, the same prima facie presumption applies if notice in writing is not given to Carrier within (3) days after the day when the Goods were delivered to the Merchant.
- c. The Carrier will be discharged of all liability unless suit is brought against the Carrier within one year from the date of delivery or the date on which the Goods should have been delivered.

18. Mandatory Venue, Jurisdiction, and Applicable Law for Dispute Resolution

Merchant agrees that all claims or disputes hereunder or questions arising out of the Carriage of the Goods will be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico without reference to principles of conflict of laws and be subject to the exclusive jurisdiction and venue of the federal court for the District of Puerto Rico. The

Merchant and Carrier each consent and waive objection to the personal jurisdiction of and venue in such court.

19. SOLAS Weight Certification

Merchant acknowledges that it is required to provide verified weights obtained on calibrated, certified equipment of all cargo that is to be tendered to steamship lines. Shipper agrees that Carrier is entitled to rely on the accuracy of such weights and to counter-sign or endorse it as Carrier's own certified weight to the steamship line carrying the cargo. The Merchant has a duty to defend, indemnify and hold the Carrier harmless from any and all claims, losses, penalties or other costs resulting from any incorrect or questionable verification of the weight provided by Merchant or its agent or contractor upon which the Carrier relies.

20. Himalaya Clause

Merchant undertakes and agrees that no claim or allegation will be made against any person or vessel whatsoever other than Carrier, where such persons and vessels include the Carrier's servants and agents, any independent contractors (at any time) and their servants or agents, Participating Carriers (meaning road, rail, water and air carriers involved in the Carriage), and all others by whom the whole or any part of the Carriage, whether directly or indirectly, is procured, performed, or undertaken, which imposes or attempts to impose upon any such person or vessel any liability whatsoever in connection with the Goods or the Carriage, and if any claim or allegation should nevertheless be made, to defend, indemnify, and hold harmless Carrier against all consequences thereof. Without limiting the foregoing, every such person and vessel will have the benefit of all provisions herein benefiting the Carrier as if such provisions were expressly for its benefit. It is understood and agreed that if it should be adjudged that any person other than or in addition to the Carrier is under any responsibility with respect to the Goods or any other goods, regardless of the port or place where any loss or damage shall occur and without regard to whether the Goods covered hereby or any other goods are being handled or are damaged directly or indirectly during any handling, all exemptions, limitations of, and exonerations from liability provided by law or by the terms and conditions hereof are available to all agents, servants, employees, representatives, Participating Carriers (including road, rail, water and air carriers), stevedores, terminal operators, warehousemen, crane operators, watchmen, carpenters, ship cleaners, surveyors, and independent contractors (at each tier) inclusive of all persons providing any service whatsoever, regardless for whom acting or by whom retained and paid, it being always understood that such persons and vessels are not entitled to any greater or further exemptions, limitations of, or exonerations from liability than those that the Carrier has under this Bill of Lading in any given situation. The Merchant shall defend, indemnify, and hold harmless the Carrier against all claims which may be made upon the Carrier by any Participating Carrier, servant, agent, or subcontractor of the Carrier (at any tier) in relation to the claim against any such person made by the Merchant.

21. Both-to-Blame Collision Clause

If the vessel carrying the Goods (the carrying vessel) collides with any other vessel or object (the non-carrying vessel or object) due to the negligence of the non-carrying vessel or object, or their owner(s), charterer(s), or Person(s) responsible for the non-carrying vessel or object, the Merchant undertakes to defend, indemnify, and hold harmless the Carrier against all claims, liability, costs, attorneys' fees, and other expense arising therefrom, in respect of any loss, damage, or claim whatsoever of the non-carrying vessel or object.