

## TERMS AND CONDITIONS

### 1.General Provisions

(a) In accepting this bill of lading, the shipper, consignor, consignee, owner of the goods, holder hereof, receiver, or any authorized agent thereof (each of whom is sometimes hereinafter referred to as the "Merchant," - see definition below) agrees, the same as if signed by each of them, that the receipt, custody, carriage, relay, delivery and transshipping of the goods are subject to the terms appearing on the face and back hereof, which shall govern the relations, whatsoever they, may be, between Merchant and Carrier, and the Carrier's agents, subagents, independent contractors and representatives.

(b) The terms hereof shall not be deemed waived by Carrier except by written waiver signed by Carrier of its authorized agent.

(c) It is agreed the Carrier is at liberty, and in its sole discretion, to use one or multiple modes of transportation.

(d) The terms of carrier's applicable Tariff at the date of shipment are incorporated herein. Copies of the relevant provisions of the applicable Tariff are available upon request. In the case of inconsistency between this bill of Lading and the applicable Tariff, this Bill of Lading shall prevail.

(e) **INSURANCE WILL NOT BE ARRANGED BY CARRIER EXERCISE UPON THE MERCHANT'S EXPRESS WRITTEN INSTRUCTIONS AND THEN ONLY AT MERCHANT'S SOLE EXPENSE AND LODGEMENT OF A DECLARATION OF VALUE PRIOR TO SHIPMENT**

### 2.Definitions

The following definitions are used herein:

(a) "Merchant" means the shipper, consignor, consignee, owner of the goods, receiver, holder of this Bill of Lading, or any authorized agent thereof.

(b) "Carrier" means SUNWAY LOGISTICS CO., LTD.

(c) The term "container" shall encompass, but not be limited to, any container used in ocean going transportation, flat pallet or other form of cargo carrying unit or equipment referred to on the face hereof or herein, or on which any goods may be unitized or otherwise packed or stored when received by the Carrier for carriage hereunder or subsequent to such receipt. The term container shall also include all types of containers dry, liquid and perishable cargo, as well as vans, trailers and similar articles of transport.

(d) "COGSA" means the Carriage of Goods by Sea Act of the United States of America, approved April 16, 1936.

(e) The term "tackle to tackle" period covers the period commencing with the goods being loaded onto any sea-going vessel and continuing up to, and during discharge from, that vessel or from another sea-going vessel into which the goods shall have been transhipped. "Tackle to tackle" period is intended to be the equivalent of the term "carriage of goods," as defined in the Carriage of Goods by Sea

Act, 46 U.S.C. App § 1301(e), and as construed by the courts.

(f) The term "package" shall refer to the container(s) or other cargo-carrying unit(s), including, but not limited to, vans, trailers, pallet-units, similar articles of transport, or things constituting or containing goods shipped hereunder. The term "package" shall also refer to the following cargo-carrying units and/or articles of transportation: skid, cradle, pellet or unitized load, group or assemblage, as the case may be. Such container or other cargo-carrying unit shall, for purposes of this Bill of Lading, specifically Paragraph 4-Limitations of Liability hereunder, be deemed to be the "package," irrespective of the nature, number and type of units stowed therein; provided, however, that during the "tackle to tackle" period only, the term "package" shall conform to the courts interpretation thereof under COGSA. In all other instances, where COGSA does not apply of its own force, the term "package" shall be as defined in this Paragraph.

(g) Unless defined otherwise herein, the terms "damage," "loss," and "loss or damage" shall be deemed the equivalent of the other and shall include all manner of mis-delivery, non-delivery, loss, and physical damage to the cargo, whether total or partial, in connection with the goods. This definition of loss or damage does not, however, include any damages or losses resulting from any delays in delivering the goods hereunder.

(h) "Goods" mean the cargo received from the Shipper and includes any

container(s) supplied by or on behalf of any person or entity other than the Carrier.

### 3.Contracting Parties

In agreeing to and accepting the terms of this Bill of Lading, the shipper acts for himself and each Merchant as that term is defined above. Shipper warrants that he is duly authorized by any other person who owns or is entitled to possession of the goods or this Bill of Lading to agree to and accept this Bill of Lading and to deliver the goods to the Carrier on the terms hereof. Each Merchant agrees that, in accepting this Bill of Lading, and also in accepting endorsement or delivery and agrees to be bound by all of the terms and conditions set forth prior endorsement or holder and/or delivery of the goods, he confirms, ratifies and agrees to be bound by all of the terms and conditions set forth herein. Each Merchant also agrees that all agreements and freight arrangement previously made for the carriage of the goods are superseded by the contract contained or evidenced herein.

### 4.Limitations on Liability

(a) Carrier assumes liability and undertakes to pay compensation for loss of, or damage to, the goods occurring within the time of taking them into the Carrier's charge and to the time of delivery, and to the extent set out in this Bill of Lading.

(b) During the "tackle to tackle" period, as defined in Subparagraph 2.(e), and/or only when COGA applies as a matter of law and by its own force, and cannot be departed from by private contract to the detriment of claimant the liability provisions of COGSA shall apply.

(c) (1) When COGSA does not apply of its own force and goods are in the Carrier's charge, and for purposes of this Subparagraph, excluding claims for delay, the Carrier shall be liable for damage or loss to the goods up to a maximum of US\$500 per "package", unless prior to the Carrier's receipt of the goods, the shipper has declared in writing, as inserted on the face hereof, a higher value, and extra charges paid as required by the Carrier.

(2) When such declaration of higher value has been made prior to receipt of the goods and extra charges paid, the Carrier's liability shall not exceed the declared value, provided, however, the Carrier shall not pay any compensation if the shipper has willfully misstated the declared value or if the actual value is substantially in excess of such actual value. Any partial loss or damage shall be adjusted pro rata on the basis of such declared value. In no event shall Carrier pay compensation in excess of the claimant's actual loss.

(3) Notwithstanding the provisions of Subparagraphs 4.(c)(1) and 4.(c)(2), in the event of an unreasonable delay resulting from Carrier's negligence or willful misconduct, liability shall be limited to the amount of freight for that stage of transport of US\$500, whichever is less. Carrier shall not be liable for any delays unless such delay in both unreasonable under the circumstances and results from Carrier's own negligence or willful misconduct. This paragraph shall be superseded in the event it is in conflict with any national law that

applies by its own force under the circumstances.

(4) MERCHANT UNDERSTANDS AND AGREES THAT THE CONTAINER, TRAILER, VAN, TRANSPORTABLE TANK, PALLET-UNIT, ARTICLE OF TRANSPORT, OR THING CONSTITUTING OR CONTAINING GOODS SHIPPED HEREUNDER, AS WELL AS ANY OTHER CARGO-CARRYING UNIT (AS SUCH TERMS HAVE BEEN DEFINED IN SUBPARAGRAPH 2.(f)), AS THE CASE MAY BE, ARE EACH DEEMED TO BE THE "PACKAGE" FOR PURPOSES OF DETERMINING THE LIMITS OF LIABILITY UNDER SUBPARAGRAPH 4.(c)(1).

(5) Notwithstanding any other provision herein, the Carrier shall not, in any event, be liable for an amount greater than the actual loss to the person entitled to make the claim.

(d) The Carrier shall not be liable to pay compensation if the loss or damage was caused by:

(1) an act or omission of the Merchant, or person other than the Carrier acting on behalf of the Merchant, or from whom the Carrier took, the goods in charge;

(2) insufficient or defective condition of the packing or marks;

(3) handling, loading, stowage or unloading of the goods by the Merchant or any person or entity acting on his behalf;

(4) inherent vice of the goods;

(5) strike, lockout, stoppage or restraint of labor, the consequences of which Carrier could not avoid by the exercise of reasonable diligence;

(6) any cause or event which the Carrier could not avoid and the consequences of which it could not prevent by the exercise of reasonable diligence.

(7) The burden of proving that the loss or damage was due to one or more of the causes or events mentioned in Subparagraph (d) shall rest upon Carrier.

(8) When Carrier establishes, that in the circumstances of the case, the loss or damaged could be attributed to one or more of the causes or events specified in (2) to (5) of Subparagraph (d), it shall be presumed that it was so caused. The claimant shall, however, be entitled to prove that the loss or damage was not, in fact, caused in whole or in part by one or more of the causes or events.

### 5.Fire

The Carrier shall not be liable for any loss of or damage to the Goods occurring at any time, including that before loading or after discharge by reason of any fire whatsoever, unless such fire is caused by the actual fault of the Carrier.

### 6.Notice of Claim-Time for Suit-Jurisdiction-Venue

(a) Merchant agrees that it may make no claim for loss, damage or delay unless it provides the Carrier with sufficient written notice thereof, including a statement as to the general nature of such loss, damage or delay, at the time the Carrier or its agent delivers the goods to the person so entitled under the contract of carriage. If the loss or damage is not apparent, the notice must be given within three days after delivery.

(b) In all events, Carrier shall be discharged of any and all liability for loss, damage, delay, mis-delivery, non-delivery, or other claim for compensation, indemnification or reimbursement, unless suit is both filed in a court of competent jurisdiction and legal process is served within nine months after the delivery of the goods or the goods or the date when the goods should have been delivered. If, however, COGSA applies by its own force, its provisions shall control.

(c) Shipper agrees that this Bill of Lading shall be construed by applicable federal and state law in the federal district and state where the Carrier has its principal place of business. In the event of litigation or arbitration, it is agreed that venue shall be at the court located in said federal district or county in the state where Carrier has its principal place of business. Carrier has its principal place of business in the city of Inglewood, County of Los Angeles, State of California.

### 7.Hindrance, etc. Affecting Performance

(a) Carrier shall use reasonable endeavors to complete the transport and to deliver the goods at the place designated for delivery.

(b) If, at any time, the performance of the contract as evidenced by this Bill of Lading is or will be affected by any hindrance, risk, delay, difficulty or disadvantage of whatsoever kind, and if by virtue of Subparagraph (c) the Carrier has no duty to complete the performance of the contract, the Carrier (whether or not the transport is commenced) may elect to (1) treat the performance of this contact as terminated and place the goods at the Merchant's disposal at any place which the Carrier shall deem safe and convenient; or (2) deliver the goods at the place designated for delivery; In any event the Carrier shall be entitled to full freight for goods received for transportation and additional compensation for extra costs resulting from the circumstances referred to above.

### 8.Shipper's Warranties-Ownership-Proper Packaging-Furnishing of Accurate Information

(a) Shipper warrants that he is the owner of, and entitled to possession, of the goods or has the authority of the owner and all persons entitled to possession of the goods to agree to the terms hereof. Merchant agrees to indemnify Carrier, including any legal expenses and attorney's fees, and hold it harmless, from any claims by any third parties with respect to the ownership or right to possession of the goods.

(b) Shipper warrants and represents that he has provided the Carrier with all documents, licenses, permits, certificates and such papers required by any governmental authorities for purposes of customs clearance and/or transshipment of goods and cargo into and through different countries. Shipper agrees that the Carrier shall not be liable for loss or damage, including seizure of the goods or any delays, as a result of any governmental action, or as a result of the shipper's failure including seizure of the goods or any delays, as a result of any governmental action or as a result of the shipper's failure to provide the Carrier with required documents, licenses, permits, certificates, health certificates, export visas, import visas, dangerous goods declarations, if applicable, and such like papers required by governmental authorities. Shipper agrees that it shall hold Carrier harmless, and indemnify it, from any and all losses, damages and other expenses, including but not limited to attorney's fees, legal expenses, taxes, fines and penalties, resulting from any governmental actions with respect to the goods as a result of the shipper's and/or Merchant's or their agents' failure to provide the Carrier with said required documents, licenses permits, certificates, visas and such like papers, Shipper and consignee shall indemnify Carrier, and hold it harmless, for any and all losses, liabilities, obligations and expenses, including but not limited to attorney's fees, taxes, fines and penalties, incurred for the benefit or protection of the goods or in connection with the goods because of the shipper's failure to comply with any laws or regulations. Merchant agrees that Carrier shall have a lien on the goods for all such losses, expenses and liabilities.

(c) If the container is packed by the shipper, the Merchant warrants that the

container(s) and the contents therein have been packed in a safe manner suitable for handling and carriage. In the event of breach of this warranty, Carrier shall not be liable for any damage resulting from improper or negligent packing and Merchant shall hold Carrier harmless, and indemnify Carrier, against any loss, damage, expense

or liability which the Carrier may incur as a consequence of such breach.

(d) The Carrier shall be at liberty to inspect the contents of the container(s) without notice to the Merchant at such time and place as the Carrier deems necessary. All expenses incurred in such inspection shall be borne by the Merchant and in case the seal(s) of the container(s) are broken by local Customs or other governmental authorities, for purposes of inspection or otherwise, the carrier shall not be liable for any loss, damage, expense, delay or any other consequences resulting therefrom.

(e) This Bill of Lading shall be prima facie evidence of the receipt by the Carrier only of the number of containers shown on the face hereof and the order and condition of the contents and any particulars thereof are unknown to the Carrier who accepts no responsibility in respect thereof.

(f) The description and particulars of the goods, including tariff classifications, set out on the face hereof or in other documents provided by the Merchant, are unknown to the Carrier who shall have no responsibility whatsoever in respect of such description and particulars. Merchant warrants that the particulars relating to the goods set forth on the front hereof and any other particulars furnished by or on behalf of the merchant are true and correct. Merchant agrees that it shall indemnify, and hold Carrier harmless, against any loss, damage, expense (including attorney's fees) or liability (including but not limited to taxes, penalties and fines) incurred by the Carrier as a result of the breach of this warranty.

### 9.Sub-Contracting-Exemptions and Immunities

The Carrier shall be entitled to subcontract on any terms the whole or any part of this contract of carriage. Each agent and subagent of the Carrier shall have the benefit of all provisions herein for the benefit of the Carrier as if such provisions were expressly for their benefit. In contracting for the rights, exemptions and limitations of liability hereunder, it is understood that the Carrier is acting as agent and trustee for its agents and subagents.

### 10.Methods and Routes of Transportation

(a) The Carrier is entitled to perform the transport in any reasonable manner and by any reasonable means, methods and routes. Accordingly, the goods may, at the Carrier's absolute discretion, be carried as a single or several shipments by the ocean-going vessel and/or other means of transport and through any route whatsoever, whether or not such route is the direct, advertised, or customary route.

(b) Any action taken by the Carrier under this Paragraph, or any delay resulting therefrom, shall be deemed to be included within the contract of carriage and shall not be a deviation.

(c) Goods may be stowed by the Carrier by means of containers, trailers, transportable tanks, flats, pallets, or similar articles of transport used to consolidate goods.

(d) Containers, trailers and transportable tanks, whether stowed by the Carrier or received by it in a stowed condition from the Merchant, may be carried on or under deck without notice to the Merchant.

### 11.Freight and Charges-Carrier's Lien-Liquidated Damages

(a) Freight shall be payable, at Carrier's option, on gross weight, volume weight, measurement ton, or on value as set forth in Carrier's tariff. For the purpose of verifying the freight basis, Carrier reserves the right to have the contents of containers, trailers and similar articles of transport inspected in order to ascertain the weight measurement, value, or nature of the goods, if on such inspection it is found that the declaration is not correct, it is agreed that a sum equal to five times the difference between the correct freight and the freight charged or to double the correct freight less the freight charged, whichever sum is smaller, shall be payable as liquidated damages to the Carrier notwithstanding any other sum having been stated on this Bill of Lading as the freight payable.

(b) Freight shall be deemed earned on receipt of the goods by the Carrier even though the goods are damaged or lost.

(c) The shipper, consignee, holder hereof and owner of the goods shall be jointly and severally liable to Carrier for the payment of all freight, demurrage and other charges, including but not limited to court costs, expenses and reasonable attorney's fees in collecting sums due Carrier, Payment of freight and charges to persons and entities other than Carrier, or its authorized agent- shall not be deemed payment to the Carrier and shall be made at payor's sole risk.

(d) Carrier shall have a lien on the goods, which shall survive delivery, for all charges due and may, without notice, enforce this lien by public or private sale of the goods and other property belonging to the shipper, consignee, holder hereof or owner of the goods, which may be in the Carrier's possession.

### 12.Dangerous Goods and Contraband

(a) Shipper/Consignor shall notify Carrier, in writing, the exact nature of any dangerous goods requiring special packing and/or export and import permits, licenses certificates and such like documents certifying that the goods have been packed for safe transportation and shall provide Carrier with copies of same. The shipper shall further provide Carrier with a writing specifying what precautions should be taken.

(b) Shipper/consignor warrants that it shall safely and properly pack such dangerous goods. affix any and all labels thereon as required by law or regulation, and take whatever precautions are necessary to render the goods innocuous and otherwise safe for transport.

(c) Carrier may, at its sole discretion, dispose of any dangerous goods, such as inflammable, explosive, corrosive, poisonous or radioactive products, in any manner, including destruction thereof, in the event it is discovered that they have not been properly or safely packed in light of their dangerous nature, have not been properly labeled as such, and/or fail to have proper

documentation, including permits, licenses, certificates and such like documents, or are deemed contraband by an official or nation through which the goods are being transported, In such event, no liability shall attach to the Carrier or its agents and shall not prejudice Carrier's right to freight and any other charge payable hereunder.

(d) If the shipper or consignor fails to provide the relevant information concerning the dangerous nature of the goods, or has improperly or negligently packed the same, and the Carrier is unaware of the dangerous nature of the goods and the necessary precautions to be taken, and if, at any time, they are deemed to be a hazard to life or property, they may at any place be unloaded, destroyed or rendered harmless, as circumstances may require, without compensation, and the shipper or consignor shall be liable for all loss, damage, delay and expenses arising out of their being taken in charge, or their carriage, or of any service incidental thereto. The shipper, consignor or Merchant, as the case may be, shall indemnify and hold Carrier harmless for any loss, damage or expense incurred by Carrier as a result of, or arising out of, the transport of said dangerous goods, when the Carrier is unaware of their dangerous nature, or when the goods are deemed contraband by any official or governmental authority. The burden of proving the carrier knew the exact nature of the danger constituted by the carriage of said goods shall rest upon the person entitled to the good.

### 13.Special Containers

(a) If a container has not been filled, packed or stowed by Carrier, the Carrier shall not be liable for any loss of, or damage to, its contents and the merchant shall cover any loss or expenses incurred by

Carrier, if such loss, damage or expense has been caused by (1) the negligent packing or stowing of the container, (2) the contents being unsuitable for carriage in container, or the unsuitability or defective condition would not have been apparent upon reasonable inspection at or prior to the time when the container was filled, packed or stowed.

(b) The provisions of Subparagraph 12.(a) also apply with respect to trailers, transportable tanks, flats and pallets which have not been filled, packed or stowed by Carrier.

(c) Carrier shall not provide special containers or transport special containers packed by or on behalf of the Merchant unless specific arrangements have been made in writing, such special arrangements have been noted on this Bill of Lading, and unless additional freight as required has been prepaid. Unless such special arrangements have been made Carrier is entitled to treat the goods or container(s) as ordinary goods or dry containers respectively, Carrier does not accept responsibility for the proper functioning of special container(s) supplied by or on behalf of the Merchant.

(d) When special arrangements have been made under this paragraph, Carrier shall exercise reasonable care to maintain the facilities of the special container(s) while they are in its custody and control. However, Carrier shall not be liable for any loss or damage to the goods caused by latent defects, malfunction, or breakdown of facilities of the container(s).

(e) If the goods have been packed into refrigerated container (s) by Carrier and the particular temperature range requested by the Merchant is inserted in this Bill of Lading, the Carrier will set the thermostatic controls within the requested temperature range but does not warrant the maintenance of such temperature inside the container(s).

(f) Carrier does not accept liability for the functioning of reefer equipment, containers or trailers supplied by the Merchant. Accordingly, if the goods have been received by the Carrier in special containers packed by or on behalf of the Merchant, it is the obligation of the merchant to stow the content properly and set the thermostatic controls exactly. The Carrier shall not be liable for any loss or damage to the goods arising out of, or resulting from, the Merchant's failure to such obligation and further, the Carrier does not warrant the maintenance of the temperature inside the container(s).

### 14.Container Packed by Carrier

Where goods received for carriage under this Bill of Lading are not already contained in container(s) at the time of such receipt, Carrier shall be at liberty to carry such goods in container(s).

### 15.Carrier's Container

(a) Merchant shall assume full responsibility for and shall indemnify Carrier against any loss or damage to Carrier's container(s) and other equipment which occurs while in the possession or control of Merchant and Merchant's agents and subcontractors engaged by or on behalf of the Merchant.

(b) The Carrier shall in no event be liable for, and the Merchant shall indemnify and hold Carrier harmless, against any claim for personal injury or property damage caused by the Carrier's container (s) or the contents thereof, or other equipment of the Carrier, during handling by, or while in the possession or control of the Merchant, or his agents and subcontractor engaged by or on behalf of the Merchant.

(c) In case goods are delivered in container (s) which the Carrier owns or controls, the Merchant taking delivery shall return such container (s) promptly.

### 16.Deck Cargo

Goods may be stowed in any covered-in space or loaded in, or on, a container, van or trailer and carried on deck and such shall be deemed to be stowed under deck for all purposes. If the goods are shipped on deck and not in containers, they will be carried solely at the risk of the goods and without any liability available under COGSA, the Hague/Visby Rules or as contained herein.

### 17.Transshipment and Forwarding

Whether arranged beforehand or not, Carrier shall be at liberty without notice to perform the contract of carriage by any vessel, craft, vehicle aircraft or other means of transport whether owned by Carrier or others. The Carrier may further discharge the goods or any part thereof at any port or other facility or place for transshipment and store the same afloat or ashore and the forward the same by and means of transport.

### 18.Delivery

(a) Carrier shall, at its sole discretion, deliver the goods at any time, from or at the vessel's side, customs house, warehouse, wharf, quay or any other place designated by the Carrier within the geographic limits of the intended Port of Discharge or the intended Place of Delivery shown on the face hereof.

(b) Carrier's responsibility shall end when the goods have been delivered to the Merchant, its agent or subcontractors or any other person entitled to receive the goods at the place designated by the Carrier.

(c) Delivery of the goods to the custody of customs or other authorities shall constitute final discharge of the Carrier's responsibilities and duties hereunder.

(d) In the event the goods received by the Carrier are container(s) packed by or on behalf of the Merchant, Carrier shall only be responsible for delivery of the total number of containers and deliver the contents thereof in accordance with brands, marks, numbers, sizes and types of inner packages or pieces.

(e) In the event the Carrier delivers the goods into any customs house, warehouse, or any other places as set forth in Subparagraph 17.(a), or as set forth in Paragraph 12- Transshipment and Forwarding, the Merchant shall be liable to pay and shall pay all costs, expenses and charges connected therewith.

(f) In the event the Merchant, or its agents and subcontractors refuse delivery of the goods said Merchant shall be liable to pay, and shall pay, all costs, expenses and charges incurred by the Carrier or its agents and subcontractors in connection with such attempted delivery until delivery is completed, including but not limited to transportation and storage charges incident thereto.

### 19.Miscellaneous Provisions

(a) General Average to be adjusted at any port of place at the Carrier's option, and to be settled according to the York-Antwerp Rules 1974, covering all goods, whether carried on or under deck. The New Jason Clause as approved by BIMCO shall be incorporated herein.

(b) The Both-to-Blame Collision Clause as adopted by BIMCO shall be incorporated herein.

### 20.Severability

In the event any clause or provision herein becomes unenforceable, the remaining provisions and clauses hereunder shall remain in full force and effect.

### 21.Complete, Entire and Final Agreement

All prior agreements, freight engagements for the shipment of goods and all other arrangements are superseded by this Bill of Lading. This Bill of Lading shall constitute the complete, entire and final agreement of the parties bound hereby.