

Sea Lines

CONDITIONS OF CARRIAGE

1 General Provisions

1.1 Applicability

1.1.1 The provisions set out and referred to in these Conditions shall apply to every contract concluded with the Carrier for the performance of the entire transport as undertaken by the Carrier, whether evidenced by the issue of a document or not. These conditions must be read in conjunction with the Standard Terms of Business For Sea Lines' Customers.

1.2 Jurisdiction and Choice of Law Clause

1.2.1 Disputes arising under or in relation to the Contract of Carriage shall be determined by the District Court of Riga in accordance with Latvian law and subject to these Conditions.

No proceedings may be brought before any other court or tribunal unless the parties expressly agree on both the choice of another court or tribunal and the law at that place to be then applicable, save for matters relating to unpaid freight and /or related charges which may be pursued before a court or a tribunal in a jurisdiction at the Carrier's sole discretion and the law at that place to be then applicable.

1.3 Paramount Clause

1.3.1 Notwithstanding anything provided for in Chapter 3 of these Conditions: if it can be proved where the loss or damage occurred, the Carrier and/or the Merchant shall, as to the liability of the Carrier, be entitled to require such liability to be determined by the provision contained in any international convention or national law which provisions:

- 1) cannot be departed from by private contract to the detriment of the claimant and,
- 2) would have applied if the Merchant had made a separate and direct contract with the Carrier in respect of the particular stage of transport where the loss or damage occurred and received as evidence thereof a Bill of Lading or any particular document which must be issued if such international convention or national law shall apply except that under no circumstances shall the Carrier's liability extend to live animals and/or Goods that are stated to be carried on deck and are so carried.

1.3.2 In so far as no provisions contained in any international convention or mandatory national law apply to the carriage by sea the liability of the Carrier shall be determined by the Hague Rules contained in the International Convention for the Unification of Certain Rules of Law relating to Bills of Lading, signed at Brussels on 25 August 1924 as amended by the Protocol signed at Brussels on 23 February 1968 and the protocol in relation to SDR's signed at Brussels on 21 December 1979 from the time the Goods are received at the sea terminal in the port of loading to the time the Goods are delivered or dispatched from the sea terminal in the port of discharge. The aforesaid shall also determine the liability of the Carrier in respect of coastwise carriage and/or carriage by inland waterways as if such carriage was carriage by sea. Furthermore, all such AoT on deck, as described in this clause, shall be carried under the same liability as stated above.

1.4 Definitions

"AoT" means "article of transport" and includes, unless otherwise indicated, any vehicle, container, flat, pallet, trailer, transportable tank and similar items used for the consolidation of goods as well as timber packages,

"Carrier" means the party who has undertaken to perform or to procure the performance of the entire transport from the place of receipt or port of loading to the port of discharge or the place of delivery, whichever respectively applies,

"Goods" includes, unless otherwise indicated, the AoT as well as the contents thereof,

"Merchant" includes the Shipper, Receiver, Consignor, Consignee, Holder of any document evidencing the Contract of Carriage and the Owner of the Goods,

"SDR" means Special Drawing Right as defined by the International Monetary Fund.

2 Performance of the Contract

2.1 Methods and Routes of Transportation

2.1.1 The Carrier shall use reasonable endeavors to complete the transport and to deliver the Goods at the place designated for delivery.

2.1.2 Times shown in timetables, sailing plans or elsewhere are approximate and not guaranteed. They are not to be considered part of the Contract of Carriage and are subject to change without notice.

2.1.3 The Carrier is entitled to perform the transport in any reasonable manner and by any reasonable means, methods and routes; in accordance herewith, for instance, in the event of carriage by sea, vessels may sail with or without pilots, undergo repairs, adjust equipment, dry-dock and assist vessels in all situations.

2.1.4 The Carrier shall be entitled to subcontract on any terms, the whole or any part of the carriage, loading, unloading, storing, warehousing, handling and any and all duties whatsoever undertaken by the Carrier in relation to the Goods.

2.1.5 All expenses relating to tendering, loading and discharging of Goods that require equipment, gear or appliances not permanently fitted to or available at the quayside or on the Vessel to be for the Merchant's account. Notwithstanding the provisions of clause 1.3.2 the liability of the Carrier in respect of heavy lifts is limited to the period from the time when the Goods are loaded until the time they are discharged from the Vessel.

2.2 Delivery

2.2.1 If the Merchant does not take delivery of the Goods within one (1) day after their arrival at the terminal, the Carrier shall be entitled to charge a daily terminal standage fee, in addition, the Merchant is under an obligation to collect the Goods within 14 days after the Carrier calls on the Merchant to do so. If the Merchant fails to collect the Goods, the Carrier may, without further notice to the Merchant, store the Goods on behalf of the Merchant and at the Merchant's sole risk and expense subject, if requisite, to the lien provisions of clause 5.2.1 hereof. Such storage shall constitute delivery for the purpose of the chapter 3 and the clause 1.3 of these Conditions of Carriage of Goods by Sea and the liability of the Carrier in respect of the Goods shall wholly cease.

2.2.2 In the event that the Merchant fails to take delivery of the Goods within one month after the Carrier has called on him to do so, the Carrier shall, without further notice to the Merchant, be at liberty to sell the Goods by public auction, or otherwise at his discretion, at the Merchant's expense and without any liability towards the Merchant.

2.2.3 However, dangerous Goods must be removed from the port of discharge as soon as is practicable unless specific permission has been obtained for the Goods to remain in the port.

2.3 Hindrances Affecting Performance

2.3.1 The Carrier shall at all times be entitled to refuse to carry, or to delay the carriage of cargoes including, but not limited to, dangerous cargoes, live animals, new or second hand trade vehicles or any cargoes of unusual dimensions. Furthermore, the carrier is entitled to refuse to carry any Goods not being handled as prescribed by the Sea Lines policy for securing cargo.

2.3.2 If at any time the performance of the Contract of Carriage is or will be affected by any hindrance, risk delay, difficulty or disadvantage of whatever kind including strike and if by virtue of sub-clause (1) the Carrier has no duty to complete the performance of the Contract, the Carrier whether or not the transport has commenced may, without prior notice to the Merchant, elect to:

- 1) treat the performance of the Contract of Carriage 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 any Goods received for transportation and additional compensation for extra costs resulting from the circumstances referred to above.

2.3.3 The Merchant undertakes that no Dangerous Goods shall be tendered to the Carrier without his express consent in writing and without appropriate labelling of the Goods and the AoT. If any Dangerous Goods are delivered to the Carrier without such written consent and/or labelling or in the opinion of the Carrier are liable to become a risk to the method of transport, other cargoes, or the environment they may at any time be discharged, destroyed or rendered harmless and be disposed of by the Carrier. Such undertaking shall be at the Merchant's risk and expense, except when General Average is declared.

2.4 Consolidation of Goods

2.4.1 Goods may be consolidated by the carrier in an AoT. If an AoT has not been consolidated and prepared for conveyance by the Carrier, the Carrier shall, without prejudice to the rights available to the Carrier under Chapter 3 and clause 1.3 hereof, not be liable for damage to or loss of the Goods therein nor for any damage to or loss of the AoT itself and the Merchant shall indemnify the Carrier for any loss, damage or expense incurred by the Carrier, if such loss, damage or expense is attributable to:

1. overloading, negligent or inadequate consolidation, securing, covering or locking the AoT,
2. the Goods being unsuitable for carriage in the AoT actually used,
3. the unsuitability or defective condition of the AoT, unless the AoT has been supplied by the Carrier and the unsuitability and/or defective condition would have been apparent by reasonable means of checking at the time when the Carrier accepted the AoT for conveyance.

2.4.2 AoT, whether consolidated by the Carrier or received by the Carrier in a consolidated condition from the Merchant, may be carried on or under deck without notice to the Merchant.

2.4.3 The Carrier will not undertake any checking, recording or reporting with regard to seals on AoT and the Carrier does not accept any responsibility whatsoever for, or as a consequence of, defective or missing seals on AoT.

2.4.4 The Carrier is entitled, but not obliged, to open at any time any AoT consolidated and prepared for conveyance by the Merchant in order to inspect such AoT and its contents for the purposes of the clauses 2.2.3, 2.3.3, 2.4.1, 2.5.2 to 2.5.4 or if any AoT as aforesaid is opened and/or inspected by any Customs or other Government Authority at any time the costs and expenses of opening and/or inspection as aforesaid shall be for the Merchant's account and the Carrier shall not be liable for any loss, damage, delay costs or expenses incurred or suffered by the Merchant by reason thereof and the Merchant shall indemnify the Carrier for all consequences arising from such openings and/or inspections.

The Merchant is obliged to correct at his risk and expense any inadequacy or defect found failing which the Carrier is entitled to treat the transport as terminated and place the Goods at the Merchant's disposal at any place. In such case the Carrier is entitled to full freight and indemnification.

2.4.5 For the purpose of verifying the freight basis, the Carrier reserves the right to have the contents of AoT inspected in order to ascertain the weight, measurement, value or nature of the Goods.

2.5 Description of Goods

2.5.1 The Document evidencing the Contract of Carriage shall be prima facie evidence of the receipt by the Carrier of the Goods as therein described in respect of the particulars which the Carrier had reasonable means of checking. In respect of such particulars proof to the contrary shall not be admissible when the Document has been transferred to a third party acting in good faith.

2.5.2 The Merchant shall be deemed to have guaranteed to the Carrier the accuracy, at the time the Goods were taken in charge by the Carrier, of the description of the Goods, marks, numbers, quantity and weight, as furnished by the Merchant and he shall indemnify the Carrier against any loss, damage and expense arising or resulting from such inaccuracies in or inadequacy of such particulars. The right of the Carrier to such indemnity shall in no way limit his responsibility and liability hereunder to any person other than the Merchant.

2.5.3 The Merchant is responsible for all regulations, statutory or otherwise including the latest edition of the International Maritime Dangerous Goods (IMDG) Code, and/or the Maritime Traffic Regulations for the Turkish Straits and the Marmara Region (depending on Route/Departure), including packaging and labelling of the Goods and labelling of the AoT.

2.5.4 Where combined transport is involved the European Agreement for the International Carriage of Dangerous Goods by Road (ADR) and Annex 1 (RID) to the contract for International Carriage of Goods by Rail (CIM) or special arrangements made between the contracting parties in respect hereof apply to the appropriate leg.

2.5.5 Enlarged labels (placards) corresponding to the primary, and if appropriate, subsidiary risk of the Dangerous Goods contained in a cargo unit must be displayed/affixed. These placards must be removed (or hidden by masking) as soon as the cargo unit is empty or free of residue from its previous cargo that presented a risk.

2.6 Description of AoT

2.6.1 The Merchant shall be deemed to have guaranteed to the Carrier that the AoT fulfills all technical requirements at the time when the AoT were taken in charge by the Carrier or onboard the vessel. This includes but isn't limited to, electrical, mechanical and other aspects for the AoT to safely being handled and shipped without delay.

3 Carrier's Liability

3.1 Basic Liability

3.1.1 The Carrier shall only be liable for loss of or damage to the Goods which have occurred during the time when he receives the Goods into his charge until the time of delivery.

3.1.2 For the purposes of the Contract of Carriage and subject to the provisions in these Conditions, the Carrier shall be responsible for the acts and omissions of any person whose services he makes use of for the performance of the Contract of Carriage.

3.2 Liability Exclusions for the Carrier and his servants

3.2.1 The Carrier is not liable for loss or damage occurring due to malfunctioning AoT during handling, loading, stowage or unloading of the AoT performed by or on behalf of the Carrier.

3.2.2 The Carrier shall not be liable for any loss, injury or death to live animals howsoever caused and the Merchant shall be jointly and severally liable to indemnify the Carrier against all financial consequences that the Carrier may incur arising out of the shipment of the live animals.

3.2.3 Goods which are stated in the document evidencing the Contract of Carriage to be carried on deck are carried without responsibility on the part of the Carrier for loss or damage of whatever nature arising during carriage by sea whether caused by unseaworthiness or negligence or any other cause whatsoever.

3.2.4 The Carrier does not accept liability for the failure by the Merchant or those acting on his behalf to plug in refrigeration or heating machines attached to the AoT nor does the Carrier accept liability for the consequences of malfunctioning of refrigeration or heating machines attached to the AoT.

3.2.5 The Carrier is not liable for loss or damage occurring when the AoT is in the care of the driver and in particular whilst the AoT is being driven inside the Vessel, all loss and damage occurring at such time being deemed to have been caused by an act or fault of the Merchant unless such loss or damage is proven to be due to a negligent act or default of the Carrier, its servants or agents.

3.2.6 Regardless of the carrier's basic liability, the Carrier shall be relieved of liability for any loss or damage if such loss or damage arose or resulted from:

- a. any cause or event which the Carrier could not avoid by the exercise of reasonable diligence,
- b. saving or attempting to save life or property at sea,
- c. act of god, act of war or act of public enemies including riots and civil commotions,
- d. arrest or restraint of princes, rulers or people, or seizure under legal process,
- e. quarantine restrictions,
- f. act or omission of the Merchant, his agent or representative,
- g. compliance with the instructions of the person entitled to give them,
- h. strikes or lockouts or stoppage or restraint of labour from whatever cause whether partial or general,
- i. perils, dangers and accidents of the sea or other navigable waters,
- j. strikes or lockouts or stoppage or restraint of labour from whatever cause whether partial or general,
- k. insufficiency or inadequacy of marks or insufficiency of packing,
- l. handling, loading, stowage or unloading of the Goods by or on behalf of the Merchant,
- m. inherent vice of the Goods,
- n. fire, unless caused by the actual fault or privity of the Carrier,
- o. act, neglect, or default of the master, mariner, pilot, or the servants of the carrier in the navigation or in the management of the ship.

Where under this clause the Carrier is not under any liability in respect of some of the factors causing the loss or damage, he shall only be liable to the extent that those factors for which he is liable under this Clause have contributed to the loss or damage. The burden of proving that the loss or damage was due to one or more of the causes, or events, specified in (f), (g), and (n) of this clause shall rest upon the Carrier. When the Carrier establishes that in the circumstances of the case, the loss or damage could be attributed to one more of the causes, or events, specified in (i) to (m), it shall be presumed that it was so caused. The Merchant shall, however, be entitled to prove that the loss or damage was not, in fact, caused wholly or partly by one or more of the causes or events.

3.2.6 The defenses and limits of liability provided for in these Conditions shall apply in any action against the Carrier for loss of or damage to the Goods whether the action be founded in contract or tort.

3.3 Delay and Consequential Losses

3.3.1 The Carrier accepts liability for consequential loss, only to such extent as mandatory rules to this effect are applicable.

3.3.2 The Carrier accepts liability for delay or other pure economic loss, only to such extent as mandatory rules to this effect are applicable.

3.3.3 Save as otherwise provided herein, the Carrier shall in no circumstances whatsoever and howsoever arising be liable for direct or indirect or consequential loss or damage or loss of profits including, but not limited to, any such losses arising from a delay in delivery.

3.4 The Amount of Compensation

3.4.1 When the Carrier is liable for compensation in respect of loss of or damage to the Goods, such compensation shall be calculated by reference to the value of such Goods at the place and time they are delivered to the Merchant in accordance with the Contract of Carriage or should have been so delivered. The value of the Goods shall be fixed according to the commodity exchange price or, if there be no such price, according to the current market price or, if there be no commodity exchange price or current market price, by reference to the normal value of Goods of the same kind and quality.

3.4.2 The Carrier shall be entitled to limit his liability in respect of loss of or damage to the Goods carried in an AoT to 667 SDR per unit or 2 SDR per kg of the Goods lost damaged, whichever is the highest.

3.4.3 In the event of loss of or damage to an AoT, the AoT shall constitute one unit for purposes of limitation of liability and the Carrier shall be entitled to limit his liability to 667 SDR per AoT or 2 SDR per kg, whichever is the highest.

3.4.4 If the Carrier is held liable in respect of delay, consequential loss or pure economic loss, the liability of the Carrier shall be limited to the amount of freight for the transport or to the value of the Goods as determined in chapter 3.4, whichever is the lesser.

3.4.5 In multimodal transport, where the stage of carriage where loss or damage occurred is not known, or is known but no international convention or national law is applied by virtue of clause 1.3, compensation shall not exceed 2 SDR's per kilogram of gross weight of the Goods lost or damaged.

3.4.6 Higher compensation may be claimed only when the value of the Goods declared by the Merchant is exceeding the limits laid down in this Clause and, with the consent of the Carrier, has been stated in the Document evidencing the Contract of Carriage for the purpose of extending his liability. In this case the value declared shall be substituted for the aforementioned limits.

3.4.7 If any action for loss or damage to the Goods is brought against a servant, agent or independent contractor, including stevedores or any of those referred to in clause 3.1.2,

such person shall be entitled to avail himself of the defenses and limits of liability, which the Carrier is entitled to invoke under these Conditions, as if they were expressly made for their benefit and in entering into any Contract of Carriage the Carrier does so not only on his own behalf but also as agent and trustee for such persons who shall to this extent be or be deemed to be parties hereto.

3.5 Notice of Loss

3.5.1 Unless notice of loss or damage and the general nature of such loss or damage be given in writing to the carrier or his agent at the port of discharge before or at the time of the removal of the Goods into the custody of the person entitled to delivery thereof under the contract of carriage, or, if the loss or damage be not apparent, within six days, such removal shall be prima facie evidence of the delivery by the carrier of the Goods as described in the cargo documents. However, the notice in writing need not be given if the state of the Goods has, at the time of their receipt, been the subject of joint survey or inspection and is documented in the Carriers inspection report.

3.6 Time Bar

3.6.1 Any and all liability of the Carrier whatsoever and howsoever arisen or caused shall cease unless suit is brought within twelve months after delivery of the Goods or the date when the Goods should have been delivered.

4 The Merchants Liability

4.1.1 The Merchant, including but not limited to his servants or agents, is liable for any loss sustained by the carrier direct or indirect caused by the Merchant.

4.1.2 The Merchant shall be liable for any damage, loss and expense, howsoever caused, if the provisions in 2.5 or any other provisions regarding carriage of dangerous cargoes are not complied with.

If the particulars supplied by or on behalf of the Merchant are incorrect, it is agreed that a sum equal to either five times the difference between the correct freight and the freight charged or to double the correct freight less the freight charged, whichever is the smaller, shall be payable as liquidated damages to the Carrier, notwithstanding any other sum having been stated as freight payable.

4.1.3 The Merchant shall be liable for any damage, loss and expense, howsoever caused by the requirements in 2.6 are not complied with. Such as consequences due to electrical or mechanical or any other defect or breakdown or failure, including failure of lashing points and trestle plate on AoT.

4.1.4 The Merchant shall be liable for the payment of all freights, charges and demurrage etc. payable at destination, which the Carrier cannot obtain from the receiver.

4.1.5 Nothing in these terms and conditions shall prevent the Carrier or his servants from bringing an action in tort towards the Merchant or his servants. Furthermore, nothing in these terms shall prevent the Carrier or his servants from claiming higher amounts than stipulated above.

5 Tariff, Freight and Lien

5.1.1 The terms of the Tariff applicable at the date of shipment are incorporated herein. Copies of the relevant provisions of the Tariff are available from the Carrier upon request. In the event of inconsistency between these Conditions and the Tariff, the former shall prevail.

5.1.2 Sea Lines reserves the right to charge a no show fee for booked units that do not appear at the time of shipping and the right to charge a late cancellation fee for booked units that are cancelled less than two hours before departure.

5.1.3 Freight shall be deemed earned on receipt of the Goods by the Carrier and shall be paid in any event and is non-returnable. Pre-payable freight and charges shall be payable at the latest upon receipt of the Goods by the Carrier and freight and charges, if any, payable at destination shall be payable at the latest on the date when the Goods are delivered or should have been delivered. The Carrier is entitled to charge interest from the date when freight and charges are due.

5.1.4 The Merchant's attention is drawn to the stipulations concerning currency in which the freight and charges are to be paid, rate of exchange, devaluation and other contingencies relative to freight and charges in the relevant tariff conditions.

If no such stipulation exists or is applicable then the following clause shall apply: if the currency in which freight and charges are quoted is devalued or an alteration in the rate of exchange occurs with the same effect as a devaluation between the date of the Contract of Carriage and the date when the freight and charges are payable, then all freight and charges shall be automatically and immediately increased in proportion to the extent of the devaluation of the said currency.

In case the Carrier has consented to payment in another currency than the above mentioned currency, then all freight and charges shall – subject to the preceding paragraph – be paid at the highest selling rate of exchange for banker's sight draft current on the day when such freight and charges are paid. If the banks are closed on the day when the freight and charges are paid, the rate to be used will be the one in force on the last day when the banks were open.

5.1.5 In the event of increase in price for fuel oil all freight rates may be adjusted in order to compensate the Carrier for increased fuel and lubricating costs as from the day of such increase.

5.2 Lien

5.2.1 The Carrier shall have a lien on the Goods and the right to sell the same by public auction or otherwise at his discretion for all freight, charges and expenses of whatever kind and nature due to the Carrier under the Contract of Carriage and also in respect of any previously unsatisfied amounts of the same nature and for the same costs and expenses of exercising such a lien and such sale. Such lien and liability shall remain notwithstanding the Goods have been landed, stored or otherwise dealt with. If on the sale of the Goods the proceeds fail to realize the amount due, the Carrier shall be entitled to recover the difference from the Merchant.

6 General Average

6.1.1 General Average shall be adjusted according to York–Antwerp rules 1974 as amended in 1994 and shall be prepared at Riga, Latvia, or any other port at the Carrier's option by an established Adjuster to be appointed by the Carrier.

This provision shall cover all Goods whether carried on or under deck as well as deck cargo and live animals. The Merchant shall deliver such cash deposit and/or other security as the Carrier may deem sufficient to cover the estimated general average contribution of the Goods before delivery if the Carrier requires, or, if the Carrier does not require, within three months of the delivery of the Goods, whether or not at the time of the delivery the Merchant had notice of the Carriers lien. If a salving vessel is owned or operated by the Carrier, salvage shall be paid for as fully as if the said salving vessel belonged to strangers.

6.1.2 If the Carrier delivers the Goods to the Merchant without claiming any average bond or other security for contribution to General Average the Merchant – by receiving the Goods – becomes personally liable for the contribution up to the CIF value of the Goods provided the Carrier notifies the Merchant within three months after receipt by the Merchant of the Goods of his intention to declare General Average.

6.1.3 The Merchant undertakes, if so requested by the Carrier, to disclose the CIF value of the Goods and the name and address of the Underwriter. Unless the Merchant provides the Carrier with an undertaking from such Underwriter to pay General Average contribution the Merchant shall give the Carrier such other security as he may approve.

6.1.4 Any disputes howsoever and/or whatsoever arising under or in relation to General Average, including but not limited to, the adjustment thereof, cash deposits, General Average bonds, General Average Guarantees and the collection and/or payment of contributions to General Average shall be subject to Latvian law and shall be subject to the exclusive jurisdiction of the District Court of Riga, provided that nothing contained in this clause shall prevent the Carrier from invoking such other law as may be necessary for the enforcement of the Carrier's rights.

7 Miscellaneous Provisions

7.1 Both-to-blame collision clause and new Jason Clause

7.1.1 The Both-to-Blame Collision Clause and New Jason Clause as adopted by BIMCO are incorporated herein.

8 Translations / Versions of this Document

In case of discrepancies between versions of the CONDITIONS OF CARRIAGE, the original English version shall prevail.