

MID-AMERICA OVERSEAS (SHANGHAI), LTD.

BILL OF LADING CONDITIONS

1. DEFINITIONS

- A. "Carrier" means Mid-America Overseas (Shanghai) Ltd.
- B. "Merchant" means the Shipper, Consignor, the Receiver, the Consignee, the Owner of the Goods, and any other Holder of this Bill of Lading.
- C. "Goods" means the cargo received from the Shipper and includes any Container(s) supplied by or on behalf of any other than the Carrier.
- D. "Container" means any container, flat, pallet, or other form of cargo carrying unit or equipment referred to on the face hereof, or in or on which any Goods may be unitized or otherwise packed or stowed when received by the carrier for carriage hereunder or subsequent to such receipt.
- E. "The Internal Law of a State" shall be deemed to exclude all principles of private international law applied by such state.

2. CONTRACTING PARTIES

The contract evidenced by this Bill of Lading is between the Shipper and the Carrier. The Shipper warrants to the Carrier that he is entitled and is duly authorized by any other person who owns or is entitled to possession of the Goods, or this Bill of Lading, and to deliver the Goods to the Carrier on the terms hereof. Without prejudice to the foregoing, each Merchant agrees in accepting this Bill of Lading from the Carrier and also in accepting endorsement or deliver hereof from the Shipper, Consignee or any other prior endorsee or holder and or deliverer of the Goods. The Merchant confirms, ratifies and agrees to be bound by all of the stipulations, exceptions and conditions stated herein on the front or back hereof and that the contract contained or evidenced herein shall be fully binding between the Carrier and such Merchant in all respects. Each Merchant also agrees that all agreements previously made for the carriage of the Goods are superseded by the contract contained or evidenced herein.

3. SUB-CONTRACTING

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

The Merchant undertakes that no claims or allegation shall be made against any servant, agent, or sub-contractor, including without limiting the generality foregoing terminal and depot operators and stevedores of the Carrier which imposes or attempts to impose upon any of them or any vessel owned by any of them, any liability whatsoever in connection with the Goods, and, if any such claim or allegation should nevertheless be made to indemnify the Carrier against all consequences thereof. Without prejudice to the foregoing, every such servant, agent, and sub-contractor, including the generality of the foregoing terminal and depot operators and stevedores, shall have the benefit of all provisions herein benefitting the Carrier as if such provisions were expressly for their benefit, and entering into this Contract, the Carrier to the extent of those provisions, does so not only on its own behalf, but as agent and trustee for such servants, agents, and sub-contractors including without limiting the generality of the foregoing terminal and depot operators and stevedores. The expression "sub-contractor" in this clause shall include direct and indirect sub-contractors and their respective servants and agents.

4. SCOPE

The Goods may, at the Carrier's absolute discretion, be carried as a single or several shipments by the Vessel and or any other means of transport and through any route whatsoever whether or not such route is direct, advertised or customary route. Any action taken by the Carrier under this clauses or delay resulting therefrom shall be deemed to be included within the contractual carriage and shall not be a deviation. Should the Carrier be held liable in respect of such action, the Carrier shall be entitled to the full benefit of all privileges, rights and immunities contained in the Bill of Lading.

5. CARRIERS RESPONSIBILITY

The Carrier undertakes responsibility from the place of receipt of named herein from the port of loading to the port of discharge, or the place of delivery if named herein as follows: Where loss or damage has occurred between the time of receipt of the Goods by the Carrier at the port of loading and the time of delivery by the Carrier at the port of discharge, or during any prior or subsequent period of carriage by water, or where the loss or damage occurred, the liability of the Carrier shall be determined by the Carriage of Goods by Sea Act of the United States of America, approved April 16, 1936, which shall be deemed to be incorporated herein and all other statutes and laws compulsorily applicable to this Bill of Lading during such periods. If it can be proved that the loss or damage occurred while the Goods alwere in the custody of an inland carrier, the liability of the Carrier and limitation thereof shall be determined in accordance with the inland carrier's contracts of carriage and tariffs, or in the absence of such contracts or tariffs, in accordance with the internal law of the state where the loss or damage occurred. In no event shall the liability of the Carrier exceed the amount of compensation under Clause 6. The Carrier shall be entitled to the full benefit of and right to all limitation of or exemptions from liability authorized by any provisions of section 4281 to 4289 of the Revised Statutes of the United States of America and amendments thereto and of any other provision of the laws of the United States or of any other country whose laws shall apply. Nothing in this Bill of Lading expressed or implied shall be deemed to waive or operate to deprive the Carrier of, or lessen the benefits of any such rights, immunities, or exemption.

6. AMOUNT OF COMPENSATION

For shipments to or from ports in the United States of America neither the Carrier nor the Ship shall in any event be or become liable for any loss or damage to or in connection with the transportation of Goods in an amount exceeding USD 500.00 per package lawful money of the United States of America, or in case of Goods not shipped in packages, per customary freight unit, or the equivalent of that sum in other

currencies, unless the nature and value of such Goods have been declared by the Shipper before shipment and inserted on the reverse side of this Bill of Lading and extra freight paid.

7. GENERAL

- A. The Carrier does not undertake that the Goods shall arrive at the port of discharge or the place of delivery at any particular time or to meet any particular market or use and save as is provided in Clause 5. The Carrier shall, in no circumstances, be liable for direct, indirect, or consequential loss or damage caused by delay. If the Carrier should nevertheless be held liable for any such direct or indirect consequential loss or damage caused by delay, such liability shall in no event exceed the freight paid for the transport covered by this Bill of Lading.
- B. Save as is otherwise provided herein, the Carrier shall in no circumstances be liable for direct, indirect, or consequential loss or damage arising from any other cause.
- C. The terms of this Bill of Lading shall govern the responsibility of the Carrier in connection with or arising out of the supplying of a Container to the Merchant, whether before, or after the Goods are received by the Carrier for transportation or delivered to the Merchant.

8. NOTICE OF CLAIM AND TIME FOR SUIT

Unless notice of loss or damage and the general nature of such loss or damage be given in writing to the Carrier or his agents at the port of discharge or the place of delivery, as the case may be, before or at the time of removal of the Goods in to the custody of the Merchant, such removal shall be prima facie evidence of the delivery of the Carrier of the Goods as described in the bill of Lading. If the loss or damage is not apparent, then notice must be given within three (3) days after delivery. In any event, the Carrier shall be discharged from any liability unless suit is brought within one (1) year after delivery of the goods, or the date when the Goods should have been delivered.

9. DEFENSES AND LIMITS FOR THE CARRIER

The defenses and limits of liability provided for in this Bill of Lading shall apply in any action against the Carrier for loss of or damage to the goods of whether the action be founded in the Contract or in tort.

10. SHIPPER PACKED CONTAINERS

- A. If a container has not been filled, packed, stowed, stuffed, or loaded by the Carrier, the Carrier shall not be liable for loss or damage to the contents, and the Merchant shall indemnify the Carrier against any injury, loss, damage, liability, or expense incurred by the Carrier if such injury, loss, damage, liability, or expense has been caused by:
 - a. the manner in which the Container has been filled, packed, stowed, stuffed, or loaded, or,
 - b. the unsuitability of the contents for carriage in Containers, or,
 - c. the unsuitability or defective condition of the container which would have been apparent upon reasonable inspection by the Merchant, at, or prior to the time the container was filled, packed, stowed, stuffed, or loaded.
- B. If a Container which has not been filled, packed, stowed, stuffed, or loaded by the Carrier, is delivered by the Carrier with its seals intact, such delivery shall be deemed as full and complete performance of the Carrier's obligation hereunder, and the Carrier shall not be liable for any loss of, or damage to the contents of the Container.
- C. The Shipper shall inspect the Container(s) before stowing them and the use of the containers(s) shall be prima facie evidence of their being sound and suitable for transportation of the Goods.

11. INSPECTION OF GOODS

The Carrier shall be entitled, but under no obligation, to open any Package or Container at any time and to inspect the contents thereof. If it thereupon appears that the contents or any part thereof cannot safely or properly be carried, either at all, or without incurring any additional expense or taking any measures in relation to such Package or Container, or its contents, or any part thereof, the Carrier may abandon the transportation thereof and or take any measures and or incur any reasonable expense to carry or to continue the carriage or to store the same ashore or afloat under cover or in open, at any place, which storage shall be deemed to constitute due delivery under this Bill of Lading. The Merchant shall indemnify the Carrier against any reasonable additional expense so incurred.

12. NO REPRESENTATIONS

No representations are made by the Carrier as to the weight, contents, measure, quantity, quality, description, conditions, marks, numbers, or value of the Goods and the Carrier shall be under no responsibility whatsoever in respect of such description particulars.

13. SHIPPER'S RESPONSIBILITY

- A. The Shipper warrants to the Carrier that the particulars relating to the Goods as set out overleaf have been checked by the Shipper upon receipt of the Bill of Lading, and that such particulars furnished by, or on behalf of the Shipper are correct.
- B. The Shipper shall indemnify the Carrier against all loss, damage or expenses arising, or resulting from inaccuracies or inadequacy of such particulars.

14. FREIGHT AND CHARGES

- A. 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 Carrier's applicable Tariff.
- B. The freight has been calculated on the basis of particulars furnished by, or on behalf of the Shipper. The Carrier may at any time open any Container or other Package or Unit in order to re-weight, re-measure, re-classify, or re-value the contents, and if the particulars furnished by or on behalf of the Shipper are incorrect, it is agreed that a sum equal to the difference between the correct freight charged shall be payable by the Merchant to the Carrier.
- C. Charges shall be deemed fully earned on receipt of the Goods by the Carrier and shall be paid and non-refundable in any event.

15. LIEN

- A. The Carrier shall have a lien on the Goods and any documents relating thereto for all sums payable to the Carrier under the Contract and for general average contributions to whomsoever due and for all sums payable to the Carrier under this Contract and for that purpose shall

have the right to sell the Goods by Public Auction or private treaty without notice to the Merchant. If on sale of the Goods the proceeds fail to cover the amount due and the cost incurred, the Carrier shall be entitled to recover the deficit from the Merchant.

- B. If the Goods are unclaimed during a reasonable time, or whenever in the Carrier's opinion, the Goods will become deteriorated, decayed, or worthless, the Carrier may at this discretion and subject to his lien and without any responsibility attaching to him, sell, abandon, or otherwise dispose of the Goods at the sole risk and expense of the Merchant.

16. MATTERS AFFECTING PERFORMANCE

- A. Means of transportation: The Carrier, while remaining fully liable to use or to substitute any vessel or other means of transportation to fulfill its obligations under this Bill of Lading without notice to or with the express consent of the Merchant.
- B. Sub-contracting: The Carrier, while remaining fully liable to fulfill its obligations under this Bill of Lading, shall be entitled to sub-contract on any terms to any person or entity it may choose all or parts of said obligations without notice to or the express consent of the Merchant.
- C. If at any time the performance of the contract evidenced by this Bill of Lading is likely to be affected by any hindrance, risk delay, difficulty or disadvantage of whatsoever kind which cannot be avoided by the exercise of reasonable endeavors, the Carrier (whether or not the transport has commenced) may without notice to the Merchant, treat the performance of this Contract terminated and place the Goods or any part of them at the Merchant's disposal at any port or place whatsoever which the Carrier may consider safe and advisable in the circumstances whereupon the responsibility of the Carrier in respect of such Goods shall cease. The Carrier nevertheless be entitled to full freight and charges on Goods received for transportation, and the Merchant shall pay any additional costs of carriage to and delivery for transportation at such port or place.
- D. The circumstances referred to in sub-clause C above, shall include, but not be limited to, those caused by the existence of apprehension of war, declared or undeclared, hostilities, warlike or belligerent acts or operations, riots, civil commotion, political unrest, or other disturbances; closure of, obstacles in or danger to any canal, blockade of port or place or interdict or prohibition of or restriction on commerce or trading; quarantine, sanitary or other similar regulations or restrictions; strikes, riots, lockouts or other labor troubles, whether partial or general and whether or not involving employees of the Carrier or his sub-contractors; congestion of port wharf, sea terminal, or any other handling of the Goods; epidemics or diseases; bad weather, shallow water, ice, landslide, or other obstacle in navigation or haulage.

17. DANGEROUS GOODS

- A. The Merchant undertakes not to tender for transportation any Goods which are dangerous, inflammable, radio-active, or of damaging nature, without previously giving written notice to the Carrier and marking the Goods and the Container or other covering on the outside as required by any laws or regulations which may be applicable during carriage. The Carrier or the Master may however, in their absolute discretion, reject any such cargo.
- B. If the requirements of sub-clause A are not complied with, the Goods may, at any time or place, be unloaded, destroyed or rendered harmless without compensation and the Merchant shall indemnify the Carrier against all loss, damage, or expense arising out of the Goods being tendered for transportation or handled, or carried by the Carrier. Further, the Carrier shall be under no liability to make any general average contribution in respect of such Goods.
- C. If the Goods of dangerous, inflammable, radio-active or damaging nature which were tendered in compliance with sub-clause A, shall become a danger to the Vessel, cargo, or any other property or person, such Goods may in like manner, be unloaded, destroyed, or rendered harmless without compensation and the Merchant shall indemnify the Carrier against all loss, damage, or expense which the Carrier could not avoid by the exercise of reasonable diligence, but incurred as a result of the Carriage of such Goods.

18. OPTIONAL STOWAGE, DECK CARGO AND LIVESTOCK

- A. The Goods may be stowed by the Carrier in containers or similar articles of transport used to consolidate goods.
- B. Goods stowed in Containers, whether by the Carrier or by the Merchant, may be carried on deck or under deck without notice to the Merchant unless on the face hereof it is specifically stipulated that the Containers will be carried under deck, and if carried on deck, the Carrier shall not be required to note, mark or stamp on the bill of Lading any statement of such on deck carriage. Such Goods (other than livestock) whether carried on deck or under deck and whether or not stated to be carried on deck shall participate in general average and shall be deemed to be within the definition of Goods for purpose of The Hague Rules or similar provisions of any other Acts which may be applicable.

19. REGULATIONS RELATING TO GOODS

The Merchant shall comply with all regulations or requirements of Customs, port and other authorities, and shall bear and pay all duties, taxes, lines, imposts, expenses, or losses incurred or suffered by reason thereof, or any illegal, incorrect or insufficient marking, numbering, or addressing of the Goods, and indemnify the Carrier in respect thereof.

20. GENERAL AVERAGE

General average shall be adjusted at any port or place at the option of the Carrier in accordance with the York-Antwerp Rules 1974 as amended 1990, and the Merchant shall provide such security as may be required by the Carrier.

21. VARIATION OF THE CONTRACT, ETC.

No servant or agent of the Carrier shall have the power to waive or vary any terms of the Bill of Lading unless such waiver or variation is in writing and is specifically authorized or ratified in writing by the Carrier in this connection.

22. INTERMODAL TRANSPORT

- A. This Bill of Lading may be issued for INTERMODAL Transportation in any country. When so issued as between the Merchant and an Inland Carrier, custody and carriage of the Goods by the Inland Carrier are subject to the relevant laws, regulations, tariffs, and Bill of Lading applicable to or issued by the Inland Carrier. Copies of the form of the Inland Carrier's applicable Bill of Lading are available upon request.

B. Claims by the Merchant against an Inland Carrier for loss or damage shall be given, and suit commenced as provided in the Inland Carrier's applicable Bill of Lading.

23. NEGOTIABILITY

This Bill of Lading shall be non-negotiable unless made out "to order", in which event it shall be negotiable and shall constitute title to the Goods and the holder shall be entitled to receive or transfer the Goods herein described.