



GAC Norway - Terms and Conditions for Logistics

INTRODUCTORY CONDITIONS

These General Conditions, which are based on the General Conditions of the Nordic Association of Freight Forwarders, set forth GAC Norway AS' (as the "**Freight Forwarder**") and the customer's rights and obligations towards each other, including the Freight Forwarder's liability under various applicable transport law conventions valid from time to time, such as CIM, CMR, the Hague-Visby Rules and the Montreal Convention, or any amendments, annexes or protocols of any such transport law convention.

THE FREIGHT FORWARDERS CONTRACT

§ 1

A. Services

The Freight Forwarders contract may include:

- carriage of goods, agency services and intermediary services,
- logistic services, supply chain services and advisory services,
- storage of goods and warehousing services,
- stevedoring services and ship brokering,
- other services, including – but not limited to – customs clearance, other customs and VAT-related services, co-operation in the performance of the customers obligations under public law, assistance in handling insurance-related issues and assistance in relation to export and import documents.

B. The Freight Forwarder as contracting party

1) In accordance with §§ 13-19, the Freight Forwarder will be responsible as a contracting party for all services undertaken by the Freight Forwarder, excluding assignments under § 1 C below. The Freight Forwarder is furthermore responsible for other contracting parties engaged by the Freight Forwarder to perform or carry out the assignment on behalf of the Freight Forwarder.

2) These conditions apply equally to the persons the Freight Forwarder has engaged in order to provide services for the Freight Forwarder in connection with the contract, irrespective of the grounds for the customer's claims against the Freight Forwarder or such other persons. The aggregate liability of the Freight Forwarder and such other persons is limited to the specified amount which applies to the Freight Forwarder under these conditions.

C. The Freight Forwarder as intermediary

Save as provided for in § 1 B.1 above, the Freight Forwarder is responsible in accordance with §§ 20 – 22 below, for whole or part of the assignment as an intermediary, if the Freight Forwarder does not undertake such services in his own name or for his own account, and provided that the Freight Forwarder specifies to the customer that the services are undertaken as an intermediary. As intermediary, the Freight Forwarder is only responsible for his own employees.

D. Warehousing

The responsibility of the Freight Forwarder with regards to warehousing or storing is governed by § 23 below.

E. General practice etc.

In addition to what has been expressly agreed upon, general practice and commonly used terms shall be applicable in so far as they do not deviate from these conditions and provided that they are not to the detriment of the Freight Forwarder.

THE CUSTOMER

§ 2

Under the present conditions, the customer is the party that has concluded a contract with the Freight Forwarder, or that has acquired the rights of that party. The liability of the customer is governed by § 24 below.

GENERAL CONDITIONS

THE PERFORMANCE OF THE CONTRACT

§ 3

The parties recognize the importance of and shall provide each other with information necessary for the performance of the contract. The Freight Forwarder undertakes to perform services, to pick up, take care of and procure the handling of the goods in a suitable manner for the customer with generally used means and routes of transport.

A contract between the Freight Forwarder and the customer (for carriage or other services) evidenced by electronic transport documents shall only be deemed to have been concluded after the Freight Forwarder has issued an electronic receipt which includes an acceptance of the assignment.

Instructions to the Freight Forwarder concerning the scope of the contract shall be given directly to the Freight Forwarder. Information contained in an invoice stating that goods have been sold cash on delivery or against a declaration of value specified in the dispatch instructions does therefore not mean that the Freight Forwarder has undertaken to collect the invoice amount or to take out an insurance.

Unless otherwise agreed it is the customer's obligation to arrange for loading and unloading of the goods and it is the Freight Forwarder's obligation to arrange for stowing and securing of the goods.

§ 4

The Freight Forwarder shall, according to the contract, protect the customer's interests in a diligent manner. The Freight Forwarder may not invoke the rules in these conditions which exonerate him from or limit his liability, or alter the burden of proof, if it is proven that the Freight Forwarder has wilfully or grossly negligent caused the damage, delay or other loss.

If the exact circumstances that resulted in loss, depreciation of, damage to or delay of goods which occurred when the goods were in the custody of the Freight Forwarder cannot be demonstrated, this shall not in itself be considered as gross negligence on the part of the Freight Forwarder.

§ 5

The Freight Forwarder shall ensure that the goods are picked up, carried and delivered within a reasonable time (without a time guarantee).

The Freight Forwarder is responsible (with a time guarantee) for the goods being picked up, carried and delivered within the time that:

- has been agreed upon in writing as a special, time-guaranteed transport, or
- has been submitted in writing as a condition of an offer expressly accepted by the Freight Forwarder, or
- has been presented by the Freight Forwarder in a written quotation that was accepted by the customer.



§ 6

If it becomes necessary for the Freight Forwarder in the performance of the contract to act before obtaining instructions from the customer, such acts are at the risk and account of the customer.

If the risk of depreciation of goods already taken over by the Freight Forwarder arises or, if by reason of the nature of the goods, there is a danger to persons, property or to the environment, and the customer cannot be reached, or fails to, upon being requested, remove the goods, or arrange to do so immediately, the Freight Forwarder may take appropriate measures in respect of the goods, and, if necessary, sell the goods. The Freight Forwarder may, depending on the circumstances and without notice, sell on behalf of the customer, render harmless or destroy goods which are in danger of becoming worthless or extensively depreciated, or which give rise to imminent danger.

After deduction of reasonable expenses connected with the sale, the sum received from the sale shall be reported to the customer.

The Freight Forwarder shall notify the customer of measures that have been taken, and shall, upon request, supply reasonable evidence of any expenses in connection herewith.

For such expenses the Freight Forwarder may debit a special expense charge.

§ 7

The Freight Forwarder has a duty to inform the customer and notify a claim against a third party, where goods have been damaged, delayed or when some other loss has occurred due to that third party's acts or omissions, but only if the Freight Forwarder has knowledge of such damage, delay or loss. The Freight Forwarder shall in such case inform the customer and consult with him in order to take such steps as are necessary to secure the customer's claim for compensation from the party who has caused the damage or loss, or who is responsible for such damage, and shall, upon request, assist the customer in his relation to the third party.

If so requested, the Freight Forwarder shall transfer to the customer all rights and claims that the Freight Forwarder may have under his agreement with a third party.

§ 8

The offer made by the Freight Forwarder is based on information relevant to the assignment supplied to the Freight Forwarder by the customer, or otherwise as the case may be, on circumstances that may be assumed by the Freight Forwarder as being normal for the relevant contract.

§ 9

Irrespective of the customer's obligation as to payment under contracts of sale or freight agreements with parties other than the Freight Forwarder, he has a duty to pay the Freight Forwarder what is due as per the contract (remuneration, advanced payment, refund of outlays) including advance payment to the Freight Forwarder for such expenditures.

Unless otherwise agreed upon the Freight Forwarder is entitled to – when the goods have not been delivered for transport under the terms of the contract and the contract therefore cannot be executed, wholly or partially, or if the contract is interrupted and cannot be executed as agreed upon due to circumstances beyond the control of the Freight Forwarder or his subcontractors – receive the agreed charges for freight and other remuneration subject to deductions for what the Freight Forwarder has saved by not having to execute the contract.

The above also applies if the Freight Forwarder has agreed to allow the customer to defer payment until the arrival of the goods at the destination.

§ 10

For services which are necessary in addition to those that have been explicitly agreed upon, or normally follows from the Freight Forwarder's contract, including additional expenses for services rendered by the Freight Forwarder but under the scope of the agreement and contract, the Freight Forwarder is entitled to additional compensation. Such compensation shall be subject to the same principles as compensation for services agreed upon under the scope of the agreement.

CONFIDENTIALITY AND INFORMATION SECURITY

§ 11

The parties undertake to treat all material information received from the other party as confidential.

Each party is responsible for that its employees and advisers comply with the confidentiality obligations of the party as set forth in the freight forwarding contract.

The parties shall take appropriate technical and organizational measures to safeguard the information security of its services and the storage and use of information processed in its information system having regard to the security of the functions, telecommunication, hardware and software as well as the confidentiality and integrity of the data content.

All access to the information systems of the Freight Forwarder or the customer must be conducted in a manner which safeguards the security of the accessed information system.

The parties shall exercise reasonable care in observing the obligations above, taking into account the technology available and the risks and costs involved.

The obligations set forth above in this § 11 shall survive termination of the contract between the Freight Forwarder and the customer.

RIGHT OF RETENTION AND LIEN

§ 12

The Freight Forwarder has a right of retention and lien in the goods under his control, for fees and expenses in respect of such goods – remuneration and warehousing charges included – as well as for all other amounts due from the customer under contracts according to § 1 above.

Should the goods be lost or destroyed, the Freight Forwarder has the same rights in respect of compensation payable by insurance companies, carriers or others.

Should the amount due to the Freight Forwarder not be paid, he has the right to arrange for the sale, in a satisfactory manner, of as much of the goods as is required to cover the total amount due to him, including expenses incurred. The Freight Forwarder shall, if possible, inform the customer in advance what he intends to do with regard to the sale of the goods.

SPECIAL CONDITIONS

THE FREIGHT FORWARDER'S LIABILITY AS A CONTRACTING PARTY

§ 13

The Freight Forwarder is liable as contracting party in accordance with §§ 13 – 19 for loss, depreciation of or damage to goods, occurring



between the moment when the goods have been taken over until delivery of the goods.

If for any reason outside the control of the Freight Forwarder it is or becomes impossible for the Freight Forwarder to carry out the contract in accordance with the terms agreed, or where circumstances prevent the Freight Forwarder from making delivery of the goods after their arrival at the place designated for delivery, the Freight Forwarder has a responsibility for the goods in accordance with § 4, section 1, unless otherwise agreed in writing.

§ 14

There is no liability if loss, depreciation, damage or delay is caused by:

- a) fault or negligence by the customer;
- b) handling, loading, stowage, securing or unloading of the goods by the customer or anyone acting on his behalf;
- c) the goods are easily damaged due to the inherent nature of the goods, i.e. by breakage, leakage, spontaneous combustion, rotting, rust, fermentation, evaporation or being susceptible to cold, heat or moisture;
- d) lack of or insufficient packing;
- e) faulty or insufficient address or marking of the goods;
- f) faulty or insufficient information about the goods;
- g) the use of open transport equipment, where this is standard or has been agreed;
- h) circumstances which the Freight Forwarder could not have avoided or prevented.

Unless specifically agreed in writing, the Freight Forwarder is not liable for money, securities and other valuables.

§ 15

Compensation for loss or depreciation of goods shall be calculated on the basis of their invoice value, unless it is proved that their market value, or the current value of goods of the same kind and nature at the time and place the Freight Forwarder took over the goods was different from the invoice value taking into account that the customer must demonstrate that there is no residual value of the goods. Compensation will not be paid for antique value, sentimental value or other special value.

Reasonable freight charges, customs charges and other costs in relation to the transport of the goods lost will also be compensated. Apart from that, the Freight Forwarder is not obliged to pay any compensation, including for loss of profit, loss of market or any other loss of any kind whatsoever.

§ 16

Compensation for damaged goods shall correspond to the extent of depreciation in value. This shall be calculated by taking the value of the goods, pursuant to § 15, section 1, and using the percentage of depreciation on such value. Compensation for expenses referred to in § 15, section 2, first sentence, will also be paid to the same extent, but apart from this, the Freight Forwarder is not obliged to pay any further compensation for losses.

§ 17

Delay

A. If the goods are picked up, carried or delivered too late pursuant to § 5, section 1, the Freight Forwarder shall compensate the customer for such direct and reasonable expenses as could have been foreseen as a probable consequence of the delay at the time of the conclusion of the contract, although with an amount not exceeding a sum equivalent to the freight or other compensation agreed upon in the contract.

B. When a time guarantee has been agreed, according to § 5, section 2, and the agreed time of transport has been exceeded, the Freight Forwarder shall, unless otherwise agreed, credit the customer for the freight or any other compensation agreed upon for the transport. This does not apply if the delay was caused by circumstances beyond the Freight Forwarder's own control. The customer shall be considered to have suffered a loss equivalent to the amount of the freight, unless it can be reasonably shown that the amount of the loss is lower. In the latter case only the amount equivalent to the loss shall be credited.

§ 18

Delay and total loss

A. The customer has the right to compensation as if the goods had been lost if no delivery has been made

- with regard to international road transports, within 30 days after the expiry of the agreed period of time, or, if no particular period of time has been agreed upon, within 60 days from the moment the goods were received for transport
- for other modes of transport, within 60 days from the time when the goods should have arrived.

However, the customer has no right to compensation as if the goods had been lost if the Freight Forwarder can prove that the goods have not been lost and that they can be delivered within a reasonable period of time.

B. In case of error in labelling, cross-labelling or delivery to the wrong destination, the Freight Forwarder shall use reasonable efforts to transport the cargo to its original destination. If the Freight Forwarder fails for reasons within the Freight Forwarder's control to redeliver the goods to the agreed destination, the Freight Forwarder shall compensate the customer in accordance with §§ 15 and 16, but shall be under no further liability or bear any further costs related to the goods regardless of the circumstances.

§ 19

A. For loss, depreciation of or damage to goods, the Freight Forwarder's liability is limited to SDR 8.33 per kg (gross) of the part of the goods which has been lost, depreciated or damaged.

B. For delay in pick up, carriage or delivery the Freight Forwarder's liability is limited to the amount of the freight.

C. For all other loss the Freight Forwarder's liability is limited to SDR 100,000 in respect of each assignment.

D. In calculating the extent of compensation for loss, depreciation, damage and delay, and all other loss, the principles of §§ 15-18, shall apply correspondingly. The Freight Forwarder is not obliged to pay any compensation for loss of profit, loss of market or other loss of any kind whatsoever.

E. The limitations in this § 19 shall, except in the event of gross negligence or wilful misconduct, apply irrespective of anything to the contrary in these conditions or a contract.

THE FREIGHT FORWARDER'S LIABILITY AS INTERMEDIARY

§ 20

The Freight Forwarder is liable for damage resulting from his lack of due diligence in the performance of the contract. The Freight Forwarder is not liable for acts or omissions of third parties in performing the transport, loading, unloading, delivery, clearance, storage, collection or other services rendered by the Freight Forwarder.

When assessing whether the Freight Forwarder has acted with due



diligence it shall be taken into consideration what the Freight Forwarder knew about the third party as well as which information was given by the customer regarding the character of the task as well as other information with relevance to the selection of a suitable third party.

Unless specifically agreed in writing, the Freight Forwarder is not liable for money, securities and other valuables.

§ 21

In calculating the extent of compensation for loss, depreciation, damage and delay, and all other loss, the principles of §§ 15-19, shall apply correspondingly.

§ 22

The Freight Forwarder's liability for services mentioned in § 1 C is limited to SDR 50,000 in respect of each assignment, and totally in the event of any one occurrence to SDR 500,000.

However, in any event compensation shall not exceed:

- a) for delay: a sum equivalent to the agreed payment in relation to the individual assignment,
- b) for loss, depreciation of or damage to goods: SDR 8,33 per kg (gross) of the part of the goods which has been lost, depreciated or damaged,
- c) for all other loss five (5) times the agreed payment in relation to the assignment.

The limitations in this § 22 shall, for services mentioned in § 1 C and except in the event of gross negligence or wilful misconduct, apply irrespective of anything to the contrary in these conditions or a contract.

STORAGE
§ 23

A. Responsibility for tasks performed by the Freight Forwarder as contracting party, cf. § 1 B:

Unless otherwise instructed in writing by the customer, the Freight Forwarder shall take out insurance for the risks of fire, water and burglary in his own name and for account of the customer based upon the invoice value at the time of storage + 10 %. Unless the customer has informed the Freight Forwarder of the value of the goods, the Freight Forwarder may assess the value. The customer bears the risk of errors in such assessment of the Freight Forwarder.

For loss, depreciation of or damage to the goods not covered by insurance in accordance with the above, or when no insurance has been taken out by the Freight Forwarder, the Freight Forwarder is liable for negligent acts or omissions with the determination and limitation of liability specified in §§ 15-16 and 19. However, and irrespective of anything to the contrary in these conditions or a contract, the Freight Forwarder's liability in relation to all customers is limited to SDR 500,000 with regard to damages occurring on one and the same occasion.

The Freight Forwarder is liable for delay according to §§ 17 – 18 and 19 B.

B. Furthermore, the following applies:

1. The Freight Forwarder shall check and issue receipts for whole packages of goods received, but shall have no liability for the content of the packages and damage which is not visible. At the request of the customer the Freight Forwarder shall make an inventory of the stock.

The Freight Forwarder shall, upon opening the packages, immediately notify the customer of any defect or damage that he has observed.

The Freight Forwarder shall take care of the necessary delivery control.

2. If the customer has not left any special instructions with regard to the storage of the goods, the Freight Forwarder may freely choose between various storage possibilities, provided that he exercises due diligence in so doing.

3. If goods in store, by reason of their nature, are deemed to be a danger to property or persons, the customer has a duty to remove the goods immediately.

4. The customer shall inform the Freight Forwarder at the latest at the time of delivery of the address to which notice concerning the goods shall be sent and from where instructions shall be received, and inform the Freight Forwarder immediately of any changes thereof.

C. This provision does not apply for any storage of goods.

THE CUSTOMER'S LIABILITY
§ 24

The customer shall indemnify and hold the Freight Forwarder harmless for damage, loss or liability incurred by the Freight Forwarder arising out of or in connection with:

- a) if the particulars concerning the goods or information and documents relating to the assignment are incorrect, unclear or incomplete,
- b) if the goods are incorrectly packaged, marked or declared, or incorrectly loaded, stowed or secured by the customer or another party acting on his behalf,
- c) if the goods have such harmful properties as could not have reasonably been foreseen by the Freight Forwarder,
- d) if the Freight Forwarder is obliged to pay customs duty or other official fees or provide a security, unless such obligation is solely caused by the Freight Forwarder's negligence,
- e) if the goods are illegal, defective, deficient or noncompliant with applicable rules or regulations, are suspected of being or shown to be in violation of intellectual or industrial property rights of a third party; or the necessary official permits are not in place for the import, export, handling, storage or transport of the goods,
- f) if the Freight Forwarder suffers a direct financial loss, fines or penalties, incurs administrative charges, incurs loss or damage related to the Freight Forwarder's authorizations or licenses,
- g) loss or damage caused by the goods, including but not limited to the Freight Forwarder's employees, the Freight Forwarder's property, or to any third party's property/other goods.

Should the Freight Forwarder, in his capacity as charterer become liable in connection with carriage of the customer's goods by sea, to pay general average contribution, or become exposed to claims from third parties for reasons stated above, the customer shall indemnify and hold the Freight Forwarder harmless.

NOTICE OF CLAIM AND DISPUTES

NOTICE OF CLAIM
§ 25

Notice of a claim shall be given to the Freight Forwarder without undue delay.

Any loss, depreciation of or damage to the goods which were visible or discovered when the goods were received, shall be notified to the Freight Forwarder immediately upon receipt of the goods. Any other loss, depreciation of or damage to the goods shall be notified to the Freight Forwarder no later than seven (7) calendar days from the date



of delivery.

If notice is not given as described above, the burden of proving that the loss, depreciation of or damage to the goods has occurred while the goods were in the custody of the Freight Forwarder rests on the customer.

Notice of claim concerning matters other than damage to, or depreciation or loss of the goods shall be given within fourteen (14) days from the day on which the customer knew or ought to have known about the circumstances forming the basis of the Freight Forwarder's liability. If such notice of claim has not been given, the customer has lost his right of claim.

If a certain mode of transport has been expressly agreed upon, or if it is proven that loss, depreciation, damage or delay has occurred whilst the goods were being carried by a particular means of transport, the law applicable to such mode of transport and commonly used conditions of carriage shall apply instead, to the extent that they deviate from what is laid down in this § 25.

TIME-BAR
§ 26

Legal proceedings against the Freight Forwarder must be commenced within a period of one (1) year; otherwise the right of claim shall be regarded as lost and waived.

The time limit period runs:

- a) upon depreciation of or damage to goods from the day upon which the goods were delivered to the consignee,
- b) upon delay, loss of the whole consignment or other kind of loss from the time at which the delay, total loss or other loss could at the earliest have been noticed,
- c) in all other cases from the time at which the cause on which the claim is based could at the earliest have been noticed.

DISPUTE RESOLUTION AND CHOICE OF LAW
§ 27

These conditions, and any contract with the Freight Forwarder, shall be governed by Norwegian law. In the event of a dispute between the Freight Forwarder and the customer, the parties shall in the first instance attempt to find a solution through negotiation. If the parties are unable to reach a solution via negotiation, the dispute shall be decided in the general courts in the Freight Forwarder's principal place of business. Legal proceedings, these conditions and any contact shall be subject to the law of the Freight Forwarder's principal place of business.