

INTERLOG USA TERMS AND CONDITIONS OF SERVICE  
(Please Read Carefully)

This Agreement confirms a legally binding oral contract with the Customer shown on the reverse side governing all shipments of the Customer, which term shall include the exporter, importer, sender, receiver, owner, consignor, consignee, transferor, or transferee of the shipments, and or the party at whose direction or on whose account the shipments are made, that will be handled by Interlog USA, Inc. (hereinafter called the "Company"), pursuant to the following terms and conditions:

**Customer Confirmation of Agreement.** As soon as the terms of Company's services have been orally agreed upon, the Company shall complete this Invoice/Confirmation and shall send or fax copies to the Customer and, where applicable, to the Customer's agent. Unless the receiving party makes an objection in writing within twenty-four (24) hours of receipt of its copy of the Invoice/Confirmation, Customer shall be conclusively presumed to have agreed that the terms and conditions set forth herein are fully and correctly stated and binding on it.

**2. Liability for Charges.** The principal party to this Agreement is the Customer, who is the party obligated to pay the charges. The shipper and receiver may agree between themselves that the party who contracts with the Company is not the party obligated to pay the transportation charges; however, whenever the Company's contract arises from an oral agreement made by a party who is not the Customer, the party making the oral agreement and contract with the Company shall be deemed to be the agent of the Customer and, in the event Customer does not pay the charges to the Company, the agent will become obligated to pay the charges and be bound by the terms of this Agreement.

**3. Invoicing and Payment.** The Company will invoice the Customer for the agreed charges and the Customer agrees to pay the invoice amount in full within fifteen days of the invoice date, unless other payment forms are specifically agreed to. In the event Customer fails to pay the negotiated charges within the agreed time or otherwise breaches this Agreement, Customer shall pay all costs, expense, interest (up to the maximum allowed by law) and attorney's fees which may be expended or incurred by the Company in enforcing this Agreement.

**4. Services by Third Parties.** Except when providing international ocean transportation services pursuant to paragraph 22 as a non-vessel-operating common carrier ("NVOCC"), the Company functions as an independent entity and not as a carrier in selling, negotiating, providing or arranging for the transportation of freight exempt from regulation under federal transportation laws via over-the-road motor carriers, rail carriers, air carriers, and/or ocean carriers (collectively referred to herein as "Carrier") or for other transportation-related services. In arranging for the domestic motor carrier transportation of specified commodities regulated by federal transportation laws, the Company operates as a regulated transportation broker holding a license issued by the appropriate government agency. Unless the Company carries, stores or otherwise physically handles the shipment, and loss, damage, expense or unreasonable delay occurs during and as a direct and proximate result of such activity, the Company assumes no liability as a carrier and is not to be held responsible for any loss, damage, expense or delay to the goods to be forwarded or imported except as provided in paragraph 11 and subject to the limitations of paragraph 12 below, but undertakes only to use reasonable care in the selection of carriers, truckmen, lightermen, forwarders, custom brokers, agents, warehousemen and others to whom it may entrust the goods for transportation, cartage, handling and/or delivery and/or storage or otherwise. When the Company carries, stores or otherwise physically handles the shipment it does so subject to the

limitation of liability set forth in paragraph 11 below unless a separate bill of lading, air waybill or other contract of carriage is issued by the Company, in which event the terms thereof shall govern.

**5. Liability Limitations of Third Parties.** The Company is authorized to select and engage carriers, truckmen, lightermen, forwarders, customs brokers, agents, warehousemen and others, as required, to transport, store, deal with and deliver the goods, all of whom shall be considered as the agents of the Customer, and the goods may be entrusted to such agencies subject to all conditions as to limitation of liability for loss, damage, expense or delay and to all rules, regulations, requirements and conditions, whether printed, written or stamped, appearing in bills of lading, receipts or tariffs issued by such carriers, truckmen, lightermen, forwarders, custom brokers, agents, warehousemen and others. The Company shall under no circumstances be liable for any loss, damage, expense or delay to the goods for any reason whatsoever when said goods are in custody, possession or control of third parties selected by the Company to forward, enter and clear, transport or render other services with respect to such goods.

**6. Choosing Routes or Agents.** Unless express instructions in writing are received from the Customer, the Company has complete freedom in choosing the means, route and procedure to be followed in the handling, transportation and delivery of the goods. Advice by the Company to the Customer that a particular person or firm has been selected to render services with respect to the goods shall not be construed to mean that the Company warrants or represents that such person or firm will render such services.

**7. Quotations Not Binding.** Quotations as to fees, rates of duty, freight charges, insurance premiums or other charges given by the Company to the Customer are for informational purposes only and are subject to change without notice and shall not under any circumstances be binding upon the Company unless the Company in writing specifically undertakes the handling or transportation of the shipment at a specific rate.

**8. Duty to Furnish Information.** On all shipments the Customer shall furnish at a reasonable time in advance all documents and information required by any U.S. or foreign government or private agency or organization necessary for the transportation, importation, or exportation of the goods, including, but not limited to, all documents and information required by U.S. or Foreign Customs; *other U.S. or Foreign government agencies*; or under the Intermodal Safe Container Act. If the customer fails in a timely manner to furnish such information or documents, in whole or in part, as may be required to comply with U.S. laws or regulations, or if the information or documents furnished are inaccurate or incomplete, the Company shall be obligated only to use its best judgement in connection with the shipment and in no instance shall be charged with knowledge by the Customer of the true circumstances to which such inaccurate, incomplete, or omitted information or documents pertains. Where a bond is required to be given for the production of any document or the performance of any act, the Customer shall be deemed bound by the terms of the bond notwithstanding the fact that the bond has been executed by the Company as principal, it being understood that the Company entered into such undertaking at the instance and on behalf of the Customer, and the Customer shall indemnify and hold the Company harmless for the consequences of any breach of the terms of the bond. Customer acknowledges and agrees that under no circumstances shall the Company in any way be responsible or liable for increased duty, penalty, fine or expense unless caused by negligence or other fault of the Company, in which event its liability to the Customer shall be governed by the provision of paragraphs 11-13 below. *Customer acknowledges and agrees that the failure to provide accurate and complete information and documentation concerning its shipment may result in a detention, refusal, or delay in the handling or transport of the Customer's shipment and other shipments being*

*handled by the Company on behalf of its other customers and/or shipments of other entities being handled by third parties.* The Customer shall be bound by warrant as to the accuracy of all invoices, documents and information furnished to the Company by the Customer or its agent for export, entry or any other purposes and the Customer agrees to indemnify and hold harmless the Company against any increased duty, penalty, fine, *causes of action, direct or indirect consequential or incidental costs, and* or expenses including attorneys' fees, *directly or indirectly* resulting *or arising* from, *in any manner whatsoever*, any inaccuracy, incomplete statement, omission or any failure to make timely presentation, even if not due to any negligence *or fault* of the Customer.

**9. Declaring Higher Valuation.** Inasmuch as truckers, carriers, warehousemen and others to whom the goods are entrusted usually limit their liability for loss or damage unless a higher value is declared and a charge based on such higher value is agreed to by said truckers, etc., the Company must receive specific written instructions from the Customer to pay such higher charge based on valuation and the trucker, etc., must accept such higher declared value; otherwise the valuation placed by the Customer on the goods shall be considered solely for export or customs purposes and the goods will be delivered to the truckers, etc., subject to the limitation of liability set forth herein in paragraphs 11-13 below with respect to any claim against the Company and subject to the provisions of paragraph 5 above.

**10. Insurance.** The Company will make reasonable efforts to effect marine, fire, theft and other insurance upon the goods only after specific written instructions have been received by the Company in sufficient time prior to shipment from point of origin, and the Customer at the same time in writing states specifically the kind and amount of insurance to be placed. The Company does not undertake or warrant that such insurance can or will be placed. Unless the Customer has its own open marine policy and instructs the Company to effect insurance under such policy, insurance is to be effected with one or more insurance companies or other underwriters to be selected by the Company. Any insurance placed shall be governed by the certificate or policy issued and will only be effective when accepted by such insurance companies or underwriters. Should an insurer dispute its liability for any reason, the insured shall have recourse against the insurer only and the Company shall not be under any responsibility of liability in relation thereto, notwithstanding that the premium upon the policy may not be at the same rates as that charged or paid to the Company by the Customer, or that the shipment was insured under a policy in the name of the Company. Insurance premiums and the charge of the Company for arranging the same shall be at the Customer's expense. If for any reason the goods are held in warehouse, or elsewhere, the same will not be covered by any insurance, unless the Company receives written instructions from the Customer. Unless specifically agreed in writing, the Company assumes no responsibility to effect insurance on any export or import shipment, which does not handle.

**11. Limitation of Liability for Loss, etc.** (a) The Customer agrees that the Company shall only be liable for any loss, damage or delay to the goods directly arising from or resulting from the exclusive and sole negligence of the Company; and that such liability of the Company shall be limited to an amount equal to the lesser of fifty dollars (\$50.00) per shipment or the fee(s) charged for services, provided that, in the case of partial loss, such amounts will be prorated, pro rata; (b) Where the Company issues its own bill of lading and receives freight charges as its compensation, Customer has the option of paying a special compensation and increasing the limit of Company's liability up to the shipment's actual value; however, such option must be exercised by written agreement, entered into prior to any covered transaction(s) setting forth the limit of the Company's liability and the compensation received; (c) Notwithstanding any provision herein to the contrary, on international transportation movements where the Company is engaged for the

domestic land portion, the Company shall assume no cargo liability if ocean cargo insurance is attached to the movements. The Company shall assume no cargo liability for export movements after the cargo is delivered to the port of embarkation or for import shipments unless repacked at point of entry, and then only where there is clear evidence that loss or damage occurred while in the custody of the domestic Carrier. "Domestic" transportation is defined as rail or truck transportation between points within the continental United States (except Alaska) or Canada. (d) It is further understood and agreed that the Company assumes no liability for Bodily Injury Property Damage or Public Liability arising, directly or indirectly, out of the involved transportation or services; (e) In instances other than in (b), (c), and (d), above, unless the Customer makes specific written arrangements with the Company to pay special compensation and declare a higher value and Company agrees in writing, liability is limited to the amount set forth in (a) above; (f) Customer agrees that the Company shall, in no event, be liable for consequential, punitive, statutory or special damages in excess of the monetary limit provided for above.

**12. Presenting Claims.** Company shall not be liable under paragraph 11 for any claims not presented to it in writing within 90 days of either the date of loss or incident giving rise to the claim; no suit to recover for any claim or demand hereunder shall be maintained against the Company unless instituted within six (6) months after the presentation of the said claim or such longer period provided for under statute(s) of the State having jurisdiction of the matter.

**13. Advancing Money.** The Company shall not be obligated to incur any expense, guarantee payment or advance any money in connection with the importing, forwarding, transporting, insuring, storing or cooperating of the goods, unless the same is previously provided to the Company by the Customer on written demand. In addition to arranging for transportation, Customer understands and agrees that the Company may at its discretion advance funds to the underlying Carrier(s) and that the Company may pay the Carrier in full upon presentation by Carrier of a clear delivery receipt signed by the receiver; provided, that the Customer further understands and agrees that any such advance by the Company shall not be construed as a waiver of the provisions hereof and shall not relieve the Customer of its obligations to pay such expenses and/or reimburse the Company for advancements made on the Customer's behalf.

**14. Indemnification for Freight; Duties.** In the event that a carrier, other person or any governmental agency makes a claim or institutes legal action against the Company for ocean or other freight, duties, fines, penalties, liquidated damages or other money due arising from a shipment of goods to the Customer, the Customer agrees to indemnify and hold harmless the Company for any amount the Company may be required to pay such carrier, other person or governmental agency together with reasonable expenses, including attorneys' fees, incurred by the Company in connection with defending such claim or legal action and obtaining reimbursement from the Customer. The confiscation or detention of the goods by any governmental authority shall not affect or diminish the liability of the Customer to the Company to pay all charges or other money due promptly on demand.

**15. C.O.D. Shipments.** Goods received with Customer's or other person's instructions to "Collect on Delivery" (C.O.D.) by drafts or otherwise, or to collect on any specified terms by the time drafts or otherwise, are accepted by the Company only upon the express understanding that it will exercise reasonable care in the selection of a bank, correspondent, carrier or agent to whom it will send such item for collection, and the Company will not be responsible for any act, omission, default, suspension, insolvency or want of care, negligence, or fault of such bank, correspondent,

carrier or agent, nor for any delay in remittance lost in exchange, or during transmission, or while in the course of collection.

**16. General Lien on Any Property.** The Company shall have a general lien on any and all property (and documents relating thereto) of the Customer, in its possession, custody or control or en route, for all claims for charges, expenses or advances incurred by the Company in connection with any shipment of the Customer and if such claim remains unsatisfied for thirty (30) days after demand for its payment is made, the Company may sell at public auction or private sale, upon ten (10) days written notice registered mail (R.R.R.), to the Customer, the goods, wares and/or merchandise, or so much thereof as may be necessary to satisfy such lien, and apply the net proceeds of such sale to the payment of the amount due to the Company. Any surplus from such sale shall be transmitted to the Customer, and the customer shall be liable for any deficiency in the sale.

**17. Compensation of Company.** The compensation of the Company for its services shall be included with and is in addition to the rates and charges of all carriers and other agencies selected by the Company to transport and deal with the goods and such compensation shall be exclusive of any brokerage, commissions, dividends or other revenue received by the Company from carriers, insurers and others in connection with the shipment. In any referral for collection or action against the Customer for monies due to the Company, upon recovery by the Company, the Customer shall pay the expenses of collection and/or litigation, including a reasonable attorney fee.

**18. No Responsibility For Governmental Requirements.** It is the responsibility of the Customer to know and comply with the *information disclosure and* marking requirements of the U.S. Customs Service, the regulations of the U.S. Food and Drug Administration and U.S. Department of Transportation, and all other requirements, including regulations of foreign and Federal, state and/or local agencies pertaining to the merchandise. The Company shall not be responsible for action taken or fines or penalties assessed by any governmental agency *or by any third party* against the shipment because of the failure of the Customer to comply with the law or the requirements or regulations or any governmental agency or with a notification issued to the Customer by any such agency.

**19. Indemnity Against Liability Arising From the Importation of Merchandise.** The Customer agrees to indemnify and hold the Company harmless from any claims and/or liability arising from the importation of merchandise which violates any Federal, state and/or other laws or regulations and further agrees to indemnify and hold the Company harmless against any and all liability, loss damages, costs, claims and/or expenses, including but not limited attorney's fees, which the Company may hereafter incur, suffer or be required to pay by reason of claims by any government agency or private party. In the event that any action, suit or proceeding is brought against the Company by any government agency or any private party, the Company shall give notice in writing to the Customer by mail at its address on file with the Company, upon receipt of such notice, the Customer at its own expense shall defend against such action and take all steps as may be necessary or proper to prevent the obtaining of a judgement and/or order against the Company.

**20. Loss, Damage or Expense Due To Delay.** Customer acknowledges and agrees that arrival times at destination are not guaranteed by either the Company or the underlying Carrier(s) providing transportation services on behalf of the Customer, and that unless the services to be performed by the Company on behalf of the Customer are delayed as a direct and foreseeable result of the negligence of the Company, the Company shall not be responsible for any loss,

damage or expense incurred by the Customer because of such delay. In the event the Company is at fault, as aforesaid, its liability is limited in accordance with the provisions of paragraphs 11-12 above.

**21. Air Freight Services.** Where Company provides or arranges for air freight services for the Customer's shipments, the terms and conditions of the applicable air freight waybill which was provided to the Customer shall govern.

**22. NVOCC Services.** When providing international ocean transportation services as a common carrier, the Company is operating as a non-vessel-operating common carrier (NVOCC) pursuant to its Ocean Transportation Intermediary (OTI) license issued by the United States Federal Maritime Commission and the services it provides in that capacity are subject to and governed by the terms of the applicable ocean bill of lading applying to the movement and the governing provisions of the Company's tariff published pursuant to FMC regulations.

**23. Security of Shipments.** *It is the Customer's responsibility to ensure that all shipments tendered to the Company are for lawful purposes only and are not made to effect or further any act of terrorism; any act of a criminal nature; or any action of a like or similar nature. Customer represents that it has implemented effective security policies and procedures and that shipments made by Customer have received an appropriate security screening prior to being tendered to the Company. Customer agrees that it assumes full and absolute liability for any shipment that effects or furthers any act of terrorism; any act of a criminal nature; or any action of a like or similar nature, and further agrees to indemnify and hold harmless Company for any and all liability and or direct or indirect consequences that may arise from such actions, regardless of any negligence or fault of the Company in the Company's own security screening of the shipment.*

**24. Construction of Terms and Venue.** The foregoing terms and conditions shall be construed according to the laws of the State of Minnesota. Unless otherwise consented to in writing by the Company, no legal proceeding against the Company may be instituted by the Customer, its assigns, subrogees. Legal action taken hereunder shall venue in Anoka County, Minnesota.