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### **TERMS AND CONDITIONS OF SERVICE**

1. **MERCHANT:** Wherever the term "Merchant" is used in this B/L it shall be deemed to include the Shipper, the Consignee, the Holder of this B/L and the owner of the goods.
2. **CONTRACTOR:** The term "Contractor" as used in this B/L means the transport operator by whom or on whose authority this B/L is signed, and his servants and agents and Carrier as defined hereunder.
3. **CARRIER:** Whilst the Contractor undertakes the carriage of the goods to their destination, he shall not be obliged to do so by means of vehicles or vessels owned or operated by him but be free in his own discretion to ship the goods by other carriers. The term "Carrier" as used hereinafter shall be deemed to mean any or all of such other carriers and terminal operators if, when, and to the extent that the goods are in their charge whether or not they are named in this B/L, and their servants and agents.
4. **TITLE TO THE GOODS, NEGOTIABILITY:** This B/L is a document of title, i.e., release of the goods is subject to surrender this B/L. Furthermore, this B/L is a negotiable document if issued "to order" and if at least one part of section of the carriage undertaken by the Contractor is subject to national law and/or International conventions permitting the issue of negotiable documents of title in respect thereof. If the Consignee is named in this B/L, the party presenting this B/L endorsed by the Consignee shall be deemed to be acting as the latter's fully authorized agent and entitled, to the exclusion of all others, to receive, hold, and dispose of the goods in the Consignee's name and behalf. If the Consignee's name is not named herein and this B/L is a negotiable document as aforesaid, the party presenting this B/L endorsed by the shipper shall be entitled, to the exclusion of all others, to receive, hold, and dispose of the goods in his own name.
5. **PRIMARY LIABILITY AND HIMALAYA:** The contract evidenced by this B/L is between the Merchant and the Contractor, who only shall be liable for the due performance thereof. If, however, it should be adjudged that any Carrier shall be liable to the merchant or any other claimant with regard to this contract, all defense including all limitations of and exemptions from liability available to such carrier shall be available to the contractor.
6. **SHIPPER'S WARRANTY:** The Shipper expressly warrants that he is either the owner of the goods or that he enters this contract with the full authority of the owner, and that he agrees that these Terms of Contract on behalf of all parties included under the term "Merchant" as defined above.
7. **CHOICE OF ROUTE AND MEANS:** The indications of route and Carriers in this B/L are not binding on the Contractor who shall be free to change either or both as he deems appropriate, and who is not obliged to use the shortest or customary route.

If and when a change of route, Carriers, ports of loading and/or discharge, transfer terminals, customs stations, and/or the place of delivery is effected in consequence of route change, transshipment, short or over-carriage or other deviation of a Carrier exercising versus the Contractor his statutory right to do so without becoming liable for loss or extra costs caused by such deviation or off-place delivery, then the aforementioned right of the Carrier shall inure also to be benefit of the contractor.

**8. PARAMOUNT CLAUSE:** If the goods for any portion of the total voyage are carried on a sea vessel, the Hague Rules contained in the international convention for the Unification of Certain Rules Relation to B's/L, dated Brussels 25th August, 1924, (herein referred to as the Hague Rules) as enacted in the Country of shipment shall apply to this contract.

**9. SUBROGATION (NON-CONCURRENCE) OF LIABILITY:** If a Carrier is liable to the Contractor for loss of or damage to the goods, the Contractor agrees that upon written demand from the merchant, he will code and assign all his right and title to compensation from such Carrier in respect of such loss or damage to the goods only. In the event of a cession as aforesaid, the liability of the Contractor in respect of the said loss or damage shall be annulled, and all costs and expenses incurred by the Contractor in pursuance of his claim upon the Carrier shall be reimbursed by the Merchant.

**10. GOVERNMENT ORDERS, WAR, STRIKE, CONVULSION OF NATURE, ETC.:** The Contractor and the Carrier shall be at liberty to comply with any orders, directions, or recommendations as to loading, unloading, departure, routes, ports of call, transfer terminals, stoppages, destination, arrival, discharge, delivery, or any other matter whatever given by any Government or any person or body acting or purporting to act with the authority of such Government or any committee or person having under the terms of the insurance of the carrying vehicle or vessel the right to give any orders, directions or recommendations. If any event whatever occurs whether or not the same exists or was or could be foreseen at the date hereof which in the judgment of the Contractor would give rise to risk of capture, seizure, detention, requisition, boycott or restriction on the goods or any container the goods are carried, or the means of transport employed or intended to be employed for the goods, or to risk of damage or delay to the goods and containers in which the goods are carried or the means of transport employed or rendered to be employed for the goods or which in the judgment of the Contractor renders it in any way unsafe or unlawful to continue the carrier or to enter or discharge the goods at the place of destination named herein, the contractor may without notice discharge the goods at any place which may be selected by the Contractor at his sole discretion. Such place shall for all purposes be deemed to be the place of destination of the goods named herein and the Merchant shall there take delivery of the same and shall pay all costs and expenses

of such discharge and if the Contractor shall make arrangements to store and/or forward the goods to the original place of destination it is agreed that he shall do as agent only for and at the sole risk of the Merchant without any liability whatsoever in respect of such agency and the Merchant shall pay and reimburse the Contractor all extra freight charges and expenses thereby incurred.

**11. DELAY CAUSED BY MERCHANT, CUSTOMS ETC.:** The Merchant shall load and unload promptly containers, including trailers and other transport equipment placed at his disposal for this voyage by the Contractor or on his behalf, and he shall be solely responsible for delay and detention of the containers as aforesaid in loading, unloading and/or for clearance and/or inspection of the goods by customs or other Government authorities. It is expressly agreed and understood that the Contractor shall not act as customs broker or clearing agent of the Merchant, and that if the Contractor performs or in any way arranges the performance of service customarily rendered by such brokers or agents, these services shall not be part of his obligations under this contract in any way but always constitute an entirely separate transaction. Unless otherwise agreed and endorsed hereon, the merchant shall be liable for delay and detention of containers as aforesaid, at the rate of 10 gold francs per day in excess of 5 days of delay from causes for which the Merchant is responsible, in respect of every 20 foot box container, and for containers, trailers and transport equipment, determined according to the ratio which the value of such other containers as aforesaid bears in relation to the value of a 20' box container.

**12. MARKING, SORTING, STOWAGE AND CARE OF CONTAINERS:** The goods shall be distinctly and permanently marked. Each consignment must be delivered assorted according to marks and in such order as to enable separate stowage and corresponding delivery. Where the goods are loaded into containers otherwise than by the Contractor, the Merchant shall be responsible for the proper stowage of the goods in the container according to marks and the Contractor shall be under no liability or responsibility for such stowage or for the suitability of the container for the goods. The Merchant shall in such circumstances be responsible for assuring that there is due compliance with the load limited and shall indemnify the Contractor against any loss, damage or injury whatsoever arising out of excess loading or through any improper loading, stowing or handling of the container by the Merchant, his servants or agents. The Merchant accepting a container empty or loaded shall upon doing so check the condition of the same and shall be responsible to the Contractor for damage found to exist upon the return of the same to the Contractor which was not reported by him in writing to the Contractor when the same was accepted. The Contractor shall not be liable for any loss or damage arising from the non-performance of any of

the said obligation of the Merchant.

**13. OBLIGATION TO TAKE DELIVERY:** If the goods are taken by the Merchant at the time when the Carrier is entitled to call upon him to take delivery, the Carrier shall be at liberty at the sole risk and expense of the Merchant to put the goods in safe custody. The Carrier shall further be entitled forthwith in the case of perishable goods and 30 days after arrival in any other cause to sell the goods and to deduct out of the proceeds thereof all freight and other charge and expenses of the carrier in relation thereto.

**14. FREIGHT AND CHARGES:** Freight to be paid in cash without discount, and, whether prepaid or payable at destination, to be considered as earned on receipt of the goods and not to be returned or relinquished, container, vehicle, vessel and/or goods lost or not lost. All dues, taxes and charges or other expenses in connection of the goods shall be paid by the Merchant. The Merchant warrants the correctness of the declaration of contents, insurance, weight, measurement or value of the goods but the Contractor reserves the right to have the contents inspected and the weight, measurement or value verified. If on such inspection it is found that the declaration is no correct, it is agreed that sum equal either to five times the difference between the correct freight and the freight charges or to double the correct freight less the freight charges, whichever is smaller, shall be payable as liquidated damages to the Contractor for his inspection costs and losses of freight on other goods notwithstanding any other sum having been stated on the B/L as freight payable. The Merchant shall not be entitled to hold payment of any freight or other sum on account of any set-off or counterclaim whatsoever.

**15. LIENS:** The Contractor shall have a lien upon the goods and nay documents relating thereto for all freight and all other sums or claims of any nature due on any account whatsoever to the Contractor.

**16. GENERAL AVERAGE:** If General Average is declared on a vessel carrying the goods, it is agreed that the carrier's normal Conditions or Carriage shall be applied, or if these are adjudged inapplicable, the Merchants obligations shall be determined according to the York Antwerp Ruled 1950.

**17. NOTIFICATION OF CLAIMS:** The Merchant shall notify the Contractor or his delivering office or agent named herein immediately when loss or damage becomes apparent to him, and this must be confirmed in writing latest 7 days after delivery.

**18. LOCUM CITANDIETECUTANDI:** All claims and disputes arising under this B/L shall be decided in the country where the Carrier has his principle place of business and the law of such country shall apply to the exclusion of the jurisdiction of the Courts of any other country.

**19. DANGEROUS AND HARMFUL CARGO:** No goods of a dangerous, inflammable or damaging nature (which expression includes goods likely to cause damage to the container or to other goods) shall be consigned to the Contractor without his express consent given in writing. If such goods are consigned to the Contractor without such express consent or

if in the opinion of the Contractor the goods become dangerous, inflammable or of a damaging nature, the same may at any time be destroyed, disposed of, abandoned, thrown overboard or rendered harmless without prejudice to the Contractor's right to freight and any other charges thereon, and the Merchant shall whether or not aware of the nature of the goods be liable to the contractor for all loss, damage or liability caused to or incurred by the Contractor as a result of such consignment. The Merchant shall be responsible for compliance with all regulations relating to such goods as aforesaid in force in any Country through or in which the goods may pass or be.

**20. SEA CARRIAGE ON OR UNDER DECK:** The Contractor shall have the liberty to load the goods or any part thereof on or under deck, and shall be under no liability whatsoever for any loss, damage or delay caused through the goods being stowed on deck.

**21. PACKAGE LIMITATION:** In the event of any loss of or damage to goods exceeding in actual value \$500 lawful money of the United States per package, or in case of Goods not shipped in packages, per customary freight unit, meaning the unit in which the cargo is shipped, container stuffed by the Merchant to be considered as a unit, the value of Goods shall be deemed \$500 per package per customary freight unit, as the case may be, and the Carrier's liability, if any shall be determined on the basis of 4500 per package or per customary freight unit, unless the nature of Goods and a higher value shall be declared by Shipper, in writing before shipment, and inserted in this Bill of Lading, and extra freight paid thereon if required. In the event of a higher value being declared by Shipper, in writing and inserted in the Bill of Lading and extra freight paid thereon, if required, Carrier's liability, if any, for loss or damage to or in connection with Goods shall be determined on the basis of such declared value, and prorate of such declared value in case of partial loss or damage, provided such declared value does not exceed the actual value of Goods.

**LAND CARRIAGE:** When under this Bill of Lading either the place of acceptance or the Place of Delivery is an inland point, the responsibility of the Carrier with respect to the transportation inland shall be as follows: (a) the Carrier shall procure transportation by carriers (one or more) authorized by competent authority to engage in transportation inland. Such transportation shall be subject to the inland Carrier's contracts of carriage and tariffs. The Carrier guarantees the fulfillment of such Inland Carrier's obligations under their contracts and tariffs; (b) as to services incident to transportation, the Carrier undertakes to procure such services as necessary. All such services will be subject to the usual contracts of persons providing the services. The Carrier guarantees fulfillment of the obligations of such persons under the pertinent contracts.

**22.** During all periods of the Carrier's responsibility for the Goods, except as is otherwise specifically provided for

herein, the rights and liabilities of the parties to the B/L with respect to Goods shall be governed by the United States Carrier of Goods by Sea Act, approved April 15, 1936, which shall be deemed to be incorporated herein, and all other statutes and laws compulsorily applicable to this B/L during such periods.