

# TERMS AND CONDITIONS OF CONTRACT

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## *United States, Canada, and International*

These Terms and Conditions of Contract of **UPS Supply Chain Solutions, Inc.** (the “**Terms**”) are effective October 2, 2006, and are subject to change without notice. For the most current version of the Terms, please refer to the Terms on UPS Supply Chain Solutions’ web site at <http://www.ups-scs.com>, which Terms shall supersede these Terms.

In tendering the shipment for delivery, the Shipper, Consignee and any other party with an interest in the shipment (or anyone claiming by, through or on behalf of such parties) agree to these Terms and these Terms shall supersede all previous Terms. These Terms shall apply to all shipments unless otherwise required or mandated by a federal, state or foreign law, rule or regulation applicable to the shipment. Shipments originating outside the U.S. for U.S. or other international destinations are subject to local tariffs and the terms and conditions of the UPS Supply Chain Solutions subsidiary, branch or independent contractor which accepted the shipment, if such terms and conditions are different from these Terms.

NO EMPLOYEE, AGENT OR REPRESENTATIVE OF UPS SUPPLY CHAIN SOLUTIONS, OTHER THAN AN OFFICER OF UPS SUPPLY CHAIN SOLUTIONS, NOR ANY OTHER PERSON OR PARTY IS AUTHORIZED TO CHANGE OR MODIFY THESE TERMS. If there is a conflict between these Terms and the terms and conditions on any UPS Supply Chain Solutions Air Waybill (“**Air Waybill**”) or other transit documentation, the Terms contained herein shall control to the extent not in conflict with the rules relating to liability for international carriage established by the Convention for the Unification of Certain Rules Relating to International Carriage by Air signed at Warsaw on 12 October 1929 (“**Warsaw Convention**”), as amended by the protocol done at The Hague on 28 September 1955 (“**Hague Protocol**”), and the protocol number 4 done at Montreal on 25 September 1975 (“**Montreal Protocol 4**”), as applicable, and all other applicable amendments to the Warsaw Convention, or any applicable tariff, convention or treaty. These Terms supersede all previous and other prior statements concerning the conditions of the UPS Supply Chain Solutions service to which it applies. Should any provision(s) of these Terms for any reason be declared by any court of competent jurisdiction to be invalid or unenforceable, such decision shall not affect the validity of any remaining provisions, or portions thereof, of the Terms, which remaining provisions shall continue in full force and effect. Any failure to enforce or apply a term, condition or provision of these Terms shall not constitute a waiver of that term, condition or provision or otherwise impair our right to enforce or apply or apply such term, condition or provision in the future.

As used herein and on any of our documents, including Air Waybills, the words “UPS Supply Chain Solutions,” “our,” “we,” and “us” shall refer to UPS Supply Chain Solutions, Inc. and its employees and agents. For international shipments, “pound(s)” shall be converted to applicable metric weight.

## I. ACCOUNT NUMBERS AND ADDRESS CORRECTION

- A. A valid UPS Supply Chain Solutions account number is required for all U.S. and Canadian shipments unless payment is made at time of shipment. The use of a valid UPS Supply Chain Solutions account number ensures that (i) invoices are sent to the proper locations for payment; (ii) account activity is accurately summarized by our system; and, (iii) the payor is billed with the appropriate rate.
- B. Account numbers will be made available to all qualified customers.
- C. In the event that an earned discount is not applied to an invoice because the payor’s account number was omitted on the Air Waybill, no adjustment will be allowed.
- D. In the event a Consignee’s address or ZIP/Postal code is found to be incorrect, we will attempt to determine the correct address and complete the delivery as expeditiously as possible, but we assume no responsibility for our inability to complete delivery under such circumstances. A special handling fee per correction will be assessed

for this service. If the correct address can't be determined and if the Consignee cannot be reached, the Shipper will be contacted for address clarification or instructions for the return of the shipment. (See Section XVIII. NOTICE AND DISPOSITION OF PROPERTY.)

- E. U.S. Postal Regulations preclude delivery of shipments to P.O. Box addresses, P.O. Box ZIP codes or APO boxes. Therefore, any shipment addressed to P.O. Box addresses, P.O. Box ZIP codes or APO boxes will be considered an incorrect address and handled as outlined in Section I.D above.

## II. ADVANCEMENT OF CHARGES

- A. Upon request, and restricted to those points beyond the normal pickup and delivery area ("beyond points"), we will advance the charges for transportation, cartage, storage, loading, unloading, unpacking, packing, and processing not performed by us when a sufficient guarantee is given by either the Shipper or Consignee that such additional charges will be paid. We will not advance any charges within the normal pickup and delivery area. However, as a convenience to the customer, we will rebill "house trucker" charges along with a handling fee.
- B. We will not advance charges on any shipment on which prepayment of charges is required unless the amount of such advances has been deposited by check with us.

## III. THE AIR WAYBILL

- A. The Shipper shall have the duty to prepare and present a current version of our Air Waybill for each shipment. Notwithstanding who prepared the Air Waybill or the originating documentation, it shall conclusively be deemed to have been prepared by the Shipper. Customers' shipping documents will not be accepted; the Air Waybill must be used. In the event other shipping documentation, including without limitation a version of our Air Waybill other than our current version, or customer provided documentation, is inadvertently accepted by us, it shall be deemed to be utilized for convenience purposes only, and any such shipment shall be subject to these Terms. The Air Waybill or other shipping document shall be non-negotiable. Each shipment shall be subject to the rules, regulations, rates, and charges contained in the Air Waybill, the UPS Supply Chain Solutions Cities Served Directory, these Terms and all Tariffs in effect on the day of acceptance of such shipment.
- B. The Air Waybill shall be binding upon the Shipper, the Consignee, any other party with an interest in the shipment, us, and our agents.
- C. In tendering the shipment, the Shipper and the Consignee agree to these Terms and no employee, agent or representative of the parties, other than an Officer of UPS Supply Chain Solutions, is authorized to modify any of the Terms. All Terms, including but not limited to Limitations of Liability contained herein, shall apply to our agents and their contracting carriers.
- D. If requested, we will provide the Shipper with a copy of the Air Waybill, Bill of Lading, Shipper's Manifest or other non-negotiable shipping document on which the shipment was tendered to us. A charge per copy will be assessed for this service.
- E. It is the Shipper's sole responsibility to accurately and completely describe the contents of all shipments on the Air Waybill.
- F. A contact name and phone number for the Shipper must be legibly written on the Air Waybill.
- G. A contact name, address, ZIP code, and phone number for the Consignee must be legibly written on the Air Waybill.
- H. The number of pieces included in a shipment must be specified on the Air Waybill.
- I. The dimensions and weight of the shipment must be entered on the Air Waybill by the Shipper. If omitted or entered incorrectly, we reserve the right to either:
  - 1. Measure and weigh the shipment and apply appropriate density and oversize shipment surcharges, or
  - 2. Apply a piece count and weight estimate.
- J. When used for shipments moving to, from, or between international points ("International Shipments") by air, the Air Waybill shall be deemed an Air Waybill within the meaning of the Warsaw Convention.
- K. Omission of the service level on the Air Waybill will default to AM for U.S. and Canada domestic shipments, and Standard Service for International shipments.

- L. IATA regulations require certain notations to be placed on an Air Waybill for shipments of Dangerous Goods. Shipper shall have the sole obligation to comply with IATA regulations and make such notations, if applicable.
- M. If the commodity being shipped is not Dangerous Goods, but could be confused as such, the Shipper must place the words "NOT RESTRICTED" on the Air Waybill to indicate that the Shipper has reviewed the shipment against the appropriate regulations.

#### IV. APPLICATION OF CHARGES

- A. Except as otherwise provided for herein, transportation charges for a shipment will be assessed on the weight of the shipment based on the greater of:
  - 1. The actual weight,
  - 2. The minimum billable weight, if applicable, determined in accordance with Subsection J, or
  - 3. The cubic dimensional weight determined in accordance with Subsection E.
- B. The charges will be assessed on the basis of the service level requested on the Air Waybill at the rates in effect on the day of acceptance of the shipment. Omission of the service level on the Air Waybill will result in rates charged for AM or Standard Service. If a service requested on the Air Waybill is to a ZIP code where that level of service is not available, we will attempt to provide the service requested. However, failure to provide such level of service will not affect the applicable charges.
- C. In computing charges, fractions half or higher will be rounded up to the next higher cent, less than half will be rounded down.
- D. Fractions of inches or centimeters half or higher will be rounded up to the next higher unit, less than half rounded down. Fractions of kilograms will be rounded up to the next half kilogram. Fractions of pounds will be rounded up to the next whole pound.
- E. Charges for shipments with overall measurements exceeding 166 cubic inches (2720.24 cubic centimeters) will be assessed on the basis of one pound per 166 cubic inches (one kilogram per 5997.05 cubic centimeters) or fraction thereof. Fractions half or higher will be rounded up to the next higher unit, less than half rounded down. Cubic measurements will be based on the product of the length times width times height of each piece comprising a shipment.
- F. Multiple piece shipments that are tendered on a single Air Waybill that weigh less than 100 lbs. (45.36 kilograms), and that move within the continental United States or between the continental United States and Alaska, Hawaii, Puerto Rico and Canada, or within Canada, or between Canada and Alaska, Hawaii and Puerto Rico, will be rated at the lower of the sum of the average weight per piece charges or the charge for a 100 pound shipment (45.36 kilograms).
- G. One-day rate quotes are applicable only to the specific shipment under quote and are valid for 24 hours. Rate and service quotations will be based upon information provided by you, but final rates and service may vary based upon the shipment actually tendered. The customer must indicate the rate confirmation number on the Air Waybill, or IT2.
- H. We reserve the right to audit Air Waybills and shipments made via an automated device to verify service selection and package or shipment weight or dimensions. If the service selected dimensions or weight is incorrect, we may make appropriate adjustments to the Air Waybill or invoice at any time.
- I. In contemplation of exchange rate fluctuations between various currencies, we reserve the right to institute a currency adjustment fee on some or all shipments without prior notice. The currency adjustment fee may apply to any transportation or other charges, including, but not limited to, any accessorial charge. The currency adjustment fee will be applied to such services and for such periods as we, in our sole discretion, may determine necessary.
- J. North American air freight shipments are subject to a minimum billable weight of one hundred (100) pounds, regardless of actual weight or cubic dimensional weight. The 100-pound minimum billable weight charge applies to North American air freight shipments only and does not apply to UPS Expedite! shipments. A North American air freight shipment is defined as a shipment with its origin and destination in the 50 continental United States, Puerto Rico, or Canada.

## V. CHARGES PREPAID, COLLECT OR THIRD PARTY

- A. Shipments will be accepted either with the charges to be prepaid by the Shipper (a.k.a. bill to Shipper) or to be collected from the Consignee (a.k.a. bill to Consignee) or, when requested by the Shipper or the Consignee, to be billed to a third party. In any case, the UPS Supply Chain Solutions account number of the paying party must be specified on our Air Waybill. If the third party should refuse payment for any reason, liability for payment shall revert to the Shipper and Consignee, or whoever requested third party billing. When the form of payment is not marked on the Air Waybill, the shipment will be assumed to be prepaid. In all events, the Shipper and Consignee shall be liable jointly and severally for all unpaid charges payable on account of a shipment.
- B. The “type of billing” for international shipments cannot be changed once the shipment is tendered to us unless the request is accompanied by a written guarantee from the new payor. For any other shipments that have not been delivered or passed on to the Consignee’s broker, Shipper initiated requests for changes in type of billing, e.g., PREPAID, COLLECT, OR THIRD PARTY, will be honored at no charge. Subsequently, no request for “type of billing” changes that reduce the rates or charges will be accepted, nor will the invoice be adjusted.
- C. All requests for changes in type of billing after delivery must be accompanied by a guarantee of payment by the new payor. An additional charge for this change will be assessed. Revisions will not be allowed when a reduction in the original rates occurs as a result of the change.
- D. The following shipments must be prepaid by the Shipper, regardless of the payment type checked on the Air Waybill:
1. Shipments addressed to United States Government agencies, unless shipped on Government Bill of Lading.
  2. Shipments addressed to any person and/or organization in care of another person and/or organization.
  3. International Express Documents.
  4. Shipments with a commercial value less than the transportation charges.
  5. Shipments of samples.
- E. Charges on the following shipments must be collected when the freight is accepted:
1. Shipments destined to exhibition grounds, parks, fairs or similar enclosures.
  2. Shipments of personal effects consisting of wearing apparel, cosmetics, toilet articles, and articles worn by an individual, used, not for resale.
  3. Shipments addressed to hotel guests.
  4. Shipments addressed to or from political organizations.

## VI. CHARGES FOR SHIPMENTS CONTAINING OVERSIZED AND UNUSUAL PIECES

- A. Shipments moving between points in the United States, between points in the United States and points in Canada, or between points in Canada, which have any dimension (length, width, or height) of 60 inches (152.40 centimeters) or greater will be assessed a premium of 30% of the total transportation charge in addition to all other charges. A minimum premium of \$100.00 will be assessed when any dimension (length, width, or height) exceeds 120 inches (304.80 centimeters).
- B. Shipments moving between points in the United States, between points in the United States and points in Canada, or between points in Canada, with special pricing will be charged the higher rate of:
1. A charge equal to 20% of the transportation amount if the shipment contains any one piece exceeding a length plus girth of 200 inches (508.00 centimeters), length always being the largest measurement. Girth is defined as the sum of the width plus the height multiplied by two. This charge will be based on the greater of the actual vs. cubic dimensional weight of the shipment determined in accordance with Section IV, or
  2. A charge equal to 30% of the transportation amount if the shipment has any dimension (length, width, or height) of 60 inches (152.40 centimeters) or greater. A minimum premium of \$100.00 will be assessed when any dimension (length, width, or height) exceeds 120 inches (304.80 centimeters). This charge will be based on the greater of the actual vs. cubic dimensional weight of the shipment determined in accordance with Section IV.

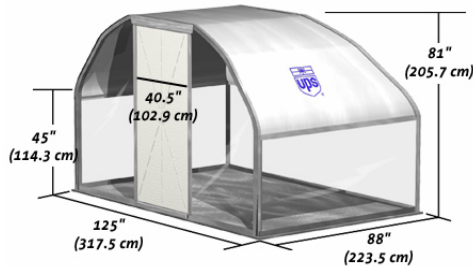
- C. International Gold Priority Plus, Gold Priority GXF, Express, Preferred, Standard, and Standard Plus rates may not apply on international shipments containing pieces measuring in excess of 120 inches (L) X 83 inches (W) X 62 inches (H) (304.80 centimeters X 210.82 centimeters X 157.50 centimeters). For information on international oversize shipments, please contact 1-800-443-6379.
- D. Subject to advance arrangements and possible delay (See Section XXIX. SHIPMENTS SUBJECT TO DELAY), we will accept shipments containing oversized pieces, as defined herein, that meet the conditions and limitations enumerated below and will base the appropriate charges on rating calculations described in Subsection E.

**Piece Dimensions and Positioning on Aircraft:**

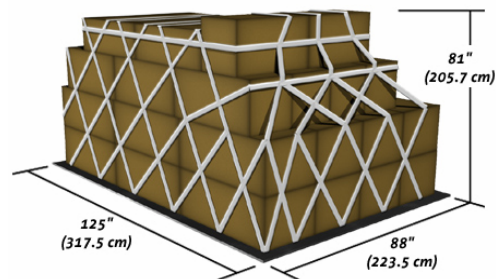
Shipments containing pieces with height greater than 62 inches, which cannot be tipped, will be moved as AM Service and rated at the applicable AM rate. Premiums described in Subsections A and B will apply.

Shipments containing pieces measuring in excess of 120 inches (304.80 centimeters) in length, or 83 inches (210.82 centimeters) in width, or 80 inches in height (203.20 centimeters) or otherwise restricted by their height/contour/profile from fitting in our single standard "A" container (shown below) shall be positioned during transportation in accordance with our operational practices, taking into consideration constraints and interior volume limits, consistent with safety and weight/ balance considerations.

**A2N CONTAINER**



**A2N PALLET**



**E. Rating Conditions**

1. The charges for shipments containing oversized pieces (defined in Subsection D above) shall be based on the higher of the following calculations:
  - (a) The actual weight of the shipments, or
  - (b) The weight determined by multiplying 4,100 pounds (1,859.76 kilograms) by the total number of pallets used (fully or partially) in positioning the shipment on the aircraft. See (2) below for pallet dimensions.
2. The dimensions of the containers/ pallets to be used are:
  - Length: 125 inches (317.50 centimeters)
  - Width: 88 inches (223.52 centimeters)
  - Height: 81 inches: (205.74 centimeters)
  - Pallet thickness: 5/8 inch (1.59 centimeters)
3. Shipments rated in accordance with the terms of this Subsection will not be assessed the premium described in Subsections A and B above.

**F. Equipment is scheduled for each city to provide space/weight allocations that equal normal daily average volume for that particular city. Shipments of excessive weight or size will be subject to the following conditions:**

1. Prior arrangements must be made. 24-hour advance notification is required for more than one container load or its equivalent. (See Section XXVIII. SHIPMENTS SUBJECT TO ADVANCE ARRANGEMENTS.)
2. Shipments may be delayed or moved by alternate means. (See Section XXIX. SHIPMENTS SUBJECT TO DELAY.)
3. Contract pricing or discounts may not apply, at UPS Supply Chain Solutions' sole discretion.

**G. Non-conforming cargo**

1. Shipments which are unusually shaped, difficult to handle, palletized, uncrated or which require special handling in transit (to prevent damage to the shipment, the other shipments it may come in contact with, the shipment handlers or the equipment) will be assessed an additional service charge and/or will be subject to delay.
2. Shipments which cannot be stacked (either by instruction on the Air Waybill or marking or labeling on the shipment) will be assessed an additional service charge and/or will be subject to delay.

## VII. CHECK TO SHIPPER ("C.T.S.") SHIPMENTS

A. Check to Shipper ("C.T.S.") Service will be provided only for shipments moving within the United States, within Canada, or between U.S. points, Puerto Rico, and Canada. These shipments shall be subject to the following conditions:

1. The amount of the C.T.S. must be entered by the Shipper in whole dollars in the space provided on the Air Waybill.
2. The letters C.T.S. must be legibly and durably marked by the Shipper on each piece of a C.T.S. shipment. The markings must also show the number of pieces in the shipment.
3. In the absence of a declaration of value by the Shipper on a C.T.S. shipment, the C.T.S. amount will be considered to be the Shipper's declared value for carriage, and the Shipper will be charged the appropriate valuation charge.
4. **THE FULL AMOUNT OF THE C.T.S. MUST BE PAID BY THE CONSIGNEE'S CHECK MADE PAYABLE TO THE SHIPPER. CASH WILL NOT BE ACCEPTED. UPS SUPPLY CHAIN SOLUTIONS' SOLE RESPONSIBILITY SHALL BE TO ACCEPT THE CONSIGNEE'S CHECK AND EXERCISE DUE CARE AND DILIGENCE IN MAILING IT TO THE SHIPPER. THE CHECK WILL BE MAILED TO THE SHIPPER WITHIN TEN (10) BUSINESS DAYS AFTER RECEIPT BY US. WE SHALL HAVE NO RESPONSIBILITY NOR LIABILITY WITH RESPECT TO PAYMENT OF THE CHECK. ALL RISKS RELATED TO CONSIGNEE'S CHECK SHALL BE ASSUMED BY THE SHIPPER, INCLUDING BUT NOT LIMITED TO NON-PAYMENT, FRAUD OR MISREPRESENTATION.**
5. Transportation charges, the fee for the C.T.S. service, or any other charges payable by the Consignee on delivery shall be made by a separate check payable to us and not included in the check payable to the Shipper for the C.T.S. amount at the time of delivery.
6. The disposition of refused or unclaimed C.T.S. shipments may be arranged for by the Shipper in the following manner:
  - (a) By instructions placed on the Air Waybill at the time of shipment, or
  - (b) By written order to us at origin, who will then transmit such instructions to destination at the expense of the Shipper.
7. C.T.S. shipments refused or unclaimed by the Consignee will be held subject to storage charges. If written disposal instructions as prescribed in Subsection 6 (b) are not received by us within thirty (30) calendar days after notice has been given to the Shipper that the shipment has been refused or unclaimed by the Consignee, such shipments will be returned by us to the Shipper, or otherwise disposed of, without liability to UPS Supply Chain Solutions, at the Shipper's expense.
8. For obtaining and mailing the Consignee's check, an additional charge will be assessed.

B. We will not provide C.T.S. service on the following types of shipments:

1. Shipments requiring prepayment in advance by the Consignee prior to movement of the shipment.
2. Shipments having a C.T.S. amount greater than \$50,000.00 (USD).
3. Shipments having a C.T.S. amount less than the transportation charges and C.T.S. fee.
4. Shipments of perishable commodities.
5. Shipments to or from points outside the United States, Canada or Puerto Rico.

## VIII. CLAIMS PROCEDURE

### A. Loss and Damage Claim Requirements

1. Claims for loss or damage must be delivered to the following addresses:

<b>For United States and Canada:</b> UPS Supply Chain Solutions Cargo Claims 12380 Morris Road Alpharetta, GA 30005	<b>For International:</b> UPS Supply Chain Solutions (Local office address)
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- (a) As used herein and throughout these Terms, a domestic shipment is one which moves solely within the borders of a country and/or its possessions.
- (b) As used herein and throughout these Terms, an international shipment is one which moves from one country to another.
2. All claims, domestic and international, for loss or damage **MUST** be made in writing within and received by us 120 calendar days after date of acceptance of the shipment by us. They will be acknowledged within 10 calendar days after receipt at the above address. All claims **MUST**:
  - (a) include a copy of the Air Waybill, bill of lading or shipping manifest;
  - (b) include a description of the goods;
  - (c) include a description and details of the nature/extent of the damage or loss; and
  - (d) include the amount of the claim.
3. No loss or damage claim will be processed until all transportation charges have been paid. The amount of a claim may not be deducted from lawful transportation charges.
4. Notice Requirement for Concealed Loss or Damage
  - (a) For shipments within the United States, or Canada, or between the United States and Canada, loss or damage to contents of a shipping container, which could not have been noted at time of delivery, must be reported to us by calling 1-800-443-6379 within 14 calendar days from date of delivery. A request for inspection should be made at that time. All merchandise must be retained in the original shipping container, in the same condition it was in when loss or damage was discovered, until inspected by us.
  - (b) For international shipments other than those between the United States and Canada, loss or damage to contents of a shipping container, which could not have been noted at time of delivery, must be reported to the local UPS Supply Chain Solutions office within 14 calendar days from date of delivery. A request for inspection should be made at that time. All merchandise must be retained in the original shipping container, in the same condition it was in when loss or damage was discovered, until inspected by us.
5. No action for loss or damage involving domestic shipments may be maintained against us unless (1) claimant strictly complies with all requirements of this Subsection A; and (2) claimant commences the action within one (1) year from the date of acceptance of the shipment by us unless otherwise required by Federal or State law, rule or regulation applicable to the shipment.
6. No action for loss or damage involving international shipments may be maintained against us unless (1) claimant strictly complies with all requirements of this Subsection A; and (2) claimant commences the action within two (2) years from date of arrival of the shipment at destination or from the date the shipment should have arrived or from the date on which carriage stopped.
7. When salvage becomes the property of UPS Supply Chain Solutions due to claim settlement, it will be picked up at our sole discretion.
8. For information on claim procedures for shipments within the United States, or Canada, or between the United States and Canada, contact 1-800-443-6379. For international shipments, contact the local UPS Supply Chain Solutions office.
9. Our liability, if any, for loss or damage, is limited in accordance with the provisions of Section XVI. **LIMITATIONS OF LIABILITY.**
10. All claims for loss or damage are subject to proof of value.

11. For purposes of this Section only, no action shall be deemed to have commenced until receipt by us of service of process of the action on UPS Supply Chain Solutions.

**B. Guaranteed Service - Service Failure Claim Requirements**

1. Customers wishing to file a service failure claim MUST notify us within 30 calendar days after the date of acceptance of the Guaranteed Service shipment by us. For Guaranteed Service shipments within the United States, or between the United States and Canada or Puerto Rico, please contact us at 1-800-443-6379 or the local UPS Supply Chain Solutions office for information regarding where to file your claim. For international shipments, contact the local UPS Supply Chain Solutions office.
2. A service failure will be deemed not to have occurred if within 30 calendar days after notification, we provide:
  - (a) Proof of timely delivery, consisting of date and time of delivery and name of the person who signed for the Guaranteed Service shipment, or
  - (b) Service exception information reflecting that the failure to timely deliver resulted from an exception described under Section XII. GUARANTEED SERVICE.
3. No action for service failure involving domestic Guaranteed Service shipments may be maintained against us unless (1) claimant strictly complies with all requirements of this Subsection B; and (2) claimant commences the action within one (1) year from the date of acceptance of the Guaranteed Service shipment by us unless otherwise required by Federal or State law, rule or regulation applicable to the Guaranteed Service shipment.
4. No action for service failure involving international Guaranteed Service shipments may be maintained against us unless (1) claimant strictly complies with all requirements of this Subsection B; and (2) claimant commences the action within two (2) years from date of arrival of the Guaranteed Service shipment at destination or from the date the Guaranteed Service shipment should have arrived or from the date on which carriage stopped.
5. Our liability, if any, for service failures on Guaranteed Service shipments, is limited in accordance with the provisions of Section XII. GUARANTEED SERVICE.
6. For purposes of this Section only, no action shall be deemed to have commenced until receipt by us of service of process of the action on UPS Supply Chain Solutions.

**C. Non-Guaranteed Service - Service Failure Claim Requirements**

1. Customers wishing to file a claim for a service failure on non-Guaranteed Service shipments, including misdelivery, incomplete or otherwise inadequate delivery (including but not limited to failure to follow Shipper or Consignee instructions or failure to collect or properly deliver a payment instrument), non-delivery, delay (for international shipments only) or missed pickup, MUST notify us in writing within 30 calendar days from the date of shipment. For shipments within the United States, or Canada, or between the United States and Canada please contact 1-800-443-6379 for information regarding where to file your claim. For international shipments, contact the local UPS Supply Chain Solutions office.
2. A service failure will not be deemed to have occurred if within 30 calendar days after notification, we provide:
  - (a) Proof of timely or otherwise proper delivery, consisting of date and time of delivery and name of the person who signed for the shipment, or
  - (b) Service exception information reflecting that the failure to timely or otherwise properly deliver resulted from an exception described under Section XIII. LIABILITIES NOT ASSUMED, or
  - (c) Proof that the service was necessary for the protection of shipments with a declared value or insurance amount of \$25,000.00 (USD) or greater.
3. All claims MUST:
  - (a) include a copy of the Air Waybill, bill of lading or shipping manifest;
  - (b) include a description of the goods;
  - (c) include a description and details of the nature/extent of the service failure; and
  - (d) include the amount of the claim.



4. No service failure claim will be processed until all transportation charges have been paid. The amount of a claim may not be deducted from lawful transportation charges.
5. No action for service failure involving domestic shipments may be maintained against us unless (1) claimant strictly complies with all requirements of this Subsection C; and (2) claimant commences the action within one (1) year from the date of acceptance of the shipment by us unless otherwise required by Federal or State law, rule or regulation applicable to the shipment.
6. No action for service failure involving international shipments may be maintained against us unless (1) claimant strictly complies with all requirements of this Subsection C; and (2) claimant commences the action within two (2) years from date of arrival of the shipment at destination or from the date the shipment should have arrived or from the date on which carriage stopped.
7. Our liability, if any, for service failures on non-Guaranteed Service shipments, is limited in accordance with the provisions of Section XVI. LIMITATIONS OF LIABILITY.
8. All claims for service failure are subject to proof of value.
9. For purposes of this Section only, no action shall be deemed to have commenced until receipt by us of service of process of the action on UPS Supply Chain Solutions.

#### **D. Shipper's Interest Insurance Claim Requirements**

1. Claims for physical loss or damage covered by Shipper's Interest Insurance must be delivered to the local UPS Supply Chain Solutions office.
2. All Shipper's Interest Insurance claims for physical loss or damage **MUST** be made in writing within and received by us 120 calendar days after date of acceptance of the shipment by us. They will be acknowledged within 10 calendar days after receipt at the above address. All claims **MUST**:
  - (a) include a copy of the Air Waybill, bill of lading or shipping manifest;
  - (b) include a description of the goods;
  - (c) include a description and details of the nature/extent of the damage or loss; and
  - (d) include the amount of the claim.
3. No Shipper's Interest Insurance claims will be processed until all transportation charges have been paid. The amount of a claim may not be deducted from lawful transportation charges.
4. Notice Requirement for Concealed Loss or Damage
  - (a) Loss or damage to contents of a shipping container, which could not have been noted at time of delivery, must be reported to the local UPS Supply Chain Solutions office within 14 calendar days from date of delivery. A request for inspection should be made at that time. All merchandise must be retained in the original shipping container, in the same condition it was in when loss or damage was discovered, until inspected by us.
5. No action for physical loss or damage may be maintained against us unless (1) claimant strictly complies with all requirements of this Subsection D; and (2) claimant commences the action within two (2) years from date of arrival of the shipment at destination or from the date the shipment should have arrived or from the date on which carriage stopped.
6. When salvage becomes the property of UPS Supply Chain Solutions due to claim settlement, it will be picked up at our sole discretion.
7. For information on claim procedures for international shipments, contact the local UPS Supply Chain Solutions office.
8. All claims for loss or damage are subject to proof of value.
9. For purposes of this Section only, no action shall be deemed to have commenced until receipt by us of service of process of the action on UPS Supply Chain Solutions.

#### **E. Overcharge Claim Requirements**

1. Claims for overcharges or billing adjustments **MUST** be made in writing and delivered within 60 calendar days of date of shipment to the following addresses: For United States and Canada:

**For United States and Canada:**

Quality Assurance Department  
Keystone Industrial Park  
Box 7  
Scranton, PA 18577

**For International:**

UPS Supply Chain Solutions  
(Local office address)

2. No action for overcharge or billing adjustments may be maintained against us unless (1) claimant strictly complies with all requirements of this Subsection E; and (2) claimant commences the action within one (1) year from the date of acceptance of the shipment by us unless otherwise required by Federal or State law, rule or regulation applicable to the shipment. For purposes of this Section only, no action shall be deemed to have commenced until receipt by us of service of process of the action on UPS Supply Chain Solutions.

## IX. K-VAN SERVICE

- A. At the request of the Shipper, we will handle all shipments requiring inside pickup, inside delivery, or related origin and destination services under K-Van Service, and assess applicable charges. Shipments must be registered by e-mail at kvan@ups-scs.com, facsimile at (913) 469-5660, or by telephone at (800) 455-4858, and accepted by us, prior to tendering shipments to us.
  1. Shipments requiring inside delivery, unpacking, and other destination services must be registered and accepted by us prior to tendering shipments to us, and by no later than 4:00 PM, destination community time, the day the shipment is tendered to us.
  2. Shipments requiring inside pickup or other origin services must be registered by 4:00 PM, origin community time, the business day prior to the date of pickup.
  3. Shipments will be scheduled for delivery by 5:00 PM, Monday through Friday (excluding holidays) based on the service level requested unless otherwise requested and accepted by us at the time of registration.
- B. Unless otherwise requested and accepted by us on or prior to the date of shipment, inside delivery services will include a crew of two workers equipped with material handling tools appropriate for the delivery, based on information provided by the Shipper or Consignee. Additional charges may apply for:
  1. Equipment for ascending/descending stairs, floor coverings, climate control, cranes, rigging tools, fork lifts, and other nonstandard van equipment.
  2. Padded van pickup or delivery to points not identified as local delivery points.
  3. Inside pickup.
  4. Shipment preparation including packing, skidding, and crating.
  5. Assembly, disassembly, or installation.
  6. Shipments requiring more than a crew of two (2), or shipments of more than ten (10) pieces.
- C. Shipments subject to advance arrangements (additional charges may apply) include:
  1. Origin services requiring inside pickup, packing, padded van, and/or air-ride transportation.
  2. Origin or destination services:
    - (a) before 8:00 a.m. or after 5:00 p.m.
    - (b) on weekends or holidays.
    - (c) "at" a specific time.
    - (d) during a time interval of four (4) hours, or less.
- D. Freight collect, and/or C.O.D. shipments will not be accepted.
- E. Shipments will be placed, unpacked, de-skidded, and packing material debris will be removed and disposed of only if specifically requested at the time of registration. Additional charges may apply.
- F. Liability for cargo damage or loss that occurs during shipment preparation, inside pickup, disassembly, packaging, skidding, crating, storage, inside delivery, unpacking, placement, assembly, installation or other non-transportation services provided by us shall be as set forth in Section XVI.A. above.
- G. We reserve the right to treat requests for inside pickup or delivery as requests for K-Van Service, whether

registered with K-Van Service or not, and assess applicable charges accordingly.

- H. Shipments that are undeliverable because they require K-Van Service may be treated by us as though K-Van Service was requested by the Shipper or Consignee, and assess applicable charges accordingly. Charges for these services will be assessed to the party responsible for the payment of transportation charges.

## X. CUSTOMS CLEARANCE

- A. All shipments which cross international borders must be cleared through Customs in the destination country prior to delivery to the Consignee. Customs clearance is the responsibility of the Shipper and/or Consignee, and arrangements can be made by UPS Supply Chain Solutions upon request.
- B. Except as provided in Subsection E, below, or where you specify a broker other than UPS Supply Chain Solutions, Inc. or UPS SCS, Inc., upon request or automatically for shipments inbound to the U.S. and cleared at Louisville, Kentucky, with a value under \$25,000 or cleared elsewhere in the U.S. with a value under \$10,000, subject to exceptions available by contacting us (e.g., regulations of the FTC or FDA, quota, visa, government contract entries, temporary import bonds, U.S. goods returned, etc.), we will submit international shipments inbound to the U.S. to Customs and/or other regulatory agencies for clearance in accordance with the then-current UPS Supply Chain Solutions, Inc. Terms and Conditions of Service or UPS SCS, Inc. Terms and Conditions of Service and these Terms. We will advance duties and taxes on behalf of the Shipper and Consignee provided appropriate credit arrangements have been made in advance. The UPS Supply Chain Solutions, Inc. Terms and Conditions for brokerage services in the U.S. and Canada are available upon request or at <http://www.ups-scs.com>.
- C. When shipments are held by Customs or other agencies due to incorrect or missing documentation, we will attempt first to notify the Consignee. If local law requires the correct information or documentation to be submitted by the Consignee and Consignee fails to do so within a reasonable time as we alone may determine, the shipment will be considered undeliverable. (See Section XXIX. SHIPMENTS SUBJECT TO DELAY.) If the Consignee fails to supply the required information or documentation and local law allows the Shipper to provide the same, we will attempt to notify the Shipper. If Shipper also fails to provide the information or documentation within a reasonable time as we may determine, the shipment will be considered undeliverable. (See Section XXIX. SHIPMENTS SUBJECT TO DELAY.)
- D. Shipments requiring documentation in addition to the International Air Waybill (e.g., a Commercial Invoice) may require additional transit time. Proper completion of necessary documentation and accurate commodity descriptions are the responsibility of the Shipper.
- E. All non-document shipments to Anguilla, Antigua, Martinique, Montserrat, St. Kitts and Nevis, regardless of value, must be cleared through Customs by the Consignee. All non-document shipments to St. Vincent, Uruguay and Grenada valued over \$50; to Argentina valued over \$100; and to Brazil and Chile valued over \$500, must be cleared through Customs by the Consignee. In these cases, Customs paperwork will be delivered to the Consignee. In this instance, delivery of paperwork constitutes shipment delivery.
- F. U.S. Customs regulations require the IRS Employer Identification Number (EIN) or, if an individual, the Social Security Number (SSN) of the U.S. Consignee for certain shipments being imported into the United States. **THIS INFORMATION MUST BE INCLUDED ON THE INTERNATIONAL AIR WAYBILL AND COMMERCIAL INVOICE ON ALL INBOUND SHIPMENTS.** The EIN or SSN must be on file with the U.S. Customs Service. Any changes to a company name, address, or the EIN/SSN should be provided to UPS Supply Chain Solutions for system updating.

Shipments scheduled for delivery which do not have the correct EIN or SSN may be detained until that information can be obtained from the Consignee or otherwise determined, and UPS Supply Chain Solutions shall have no liability arising therefrom.

This U.S. Customs Service requirement applies to shipments with a declared value for Customs of US \$1,250 or more and for the following commodities regardless of value: textiles or textile products, leather or leather products, or goods that are restricted or controlled requiring a formal entry by the U.S. Customs Service.

## XI. DANGEROUS GOODS

- A. If the shipment contains Dangerous Goods, as hereafter defined, the Shipper shall have the responsibility to so state on the Air Waybill and, if required by applicable regulations, shall also submit a signed Shipper's

Declaration for Dangerous Goods.

B. Dangerous Goods means those commodities that are transported in accordance with the provisions set forth in one or more of the following:

1. Title 49 of the U.S. Code of Federal Regulations (“CFR”), revisions thereto or reissues thereof. The only Dangerous Goods we will accept under Title 49 CFR will be Consumer Commodities.
2. The “Dangerous Goods Regulations” published by the International Air Transport Association (“IATA”), revisions thereto or reissues thereof.
3. The “Technical Instructions for the Safe Transport of Dangerous Goods by Air” published by the International Civil Aviation Organization (“ICAO”), revisions thereto or reissues thereof.

C. We accept the following Dangerous Goods:

<b>ICAO/IATA HAZARD NAME AND CLASS</b>	<b>NO. AMERICA</b>	<b>INTL</b>	
Explosives (1.1,1.2,1.3,1.4F,1.5,1.6)	NO	NO	
Explosives 1.4	YES	YES	
Flammable Gas (2.1)	YES	YES	
Non-Flammable Gas (2.2)	YES	YES	
Poisonous Gas (2.3)	NO	NO	
Flammable Liquid (3)	YES	YES	
Flammable Solid (4.1)	YES	YES	
Spontaneously combustible (4.2)	YES	YES	
Dangerous When Wet (4.3)	YES	YES	
Oxidizers (5.1)	YES	YES	
Organic Peroxides (5.2)	YES	YES	
Toxic Substances (Packing Group I and II)	NO	NO	
Toxic Substances (6.1) (Packing Group I and II)	YES	YES	
Toxic Substances (Packing Group III)	YES	YES	
Infectious Substance(6.2) (Category A)	NO	NO	
Infectious Substances (6.2) (Biological Substances, Category B)	YES	YES	
Radioactive I, II, III (7)		YES	YES for Mexico only
Canada and			
Corrosive (8)	YES	YES	
Magnetized Material (9)	YES	YES	
Dry Ice (9)	YES	YES	
Hazardous Waste	NO	NO	

The only material we accept for air transport under 49CFR is ORM-D (Consumer Commodities), and this is only within the contiguous 48 U.S. States.

D. For shipments moving between points in the United States, between points in the United States and Canada, and between points in Canada shipments of Dangerous Goods are only accepted as Next Day AM Service, including Saturday. An additional charge will be assessed in addition to all other applicable charges.

E. From points in the United States and Canada, to International points, shipments of Dangerous Goods are only accepted as Standard Service. Shipments are rated at the applicable IATA rate plus the airline surcharge for each article having a description which differs from that of another article(s) carried in the same shipment, plus a UPS Supply Chain Solutions surcharge.

F. Between all other points not specified in Subsection D and E above, the charges for handling and transporting dangerous goods may vary. For shipments within the United States, or Canada, or between the United States and Canada please contact 1-800-443-6379 for charges. For other international shipments, contact the local UPS Supply Chain Solutions office.

G. Dangerous Goods must not be included in the same shipment with non-dangerous goods.

H. If the commodity being shipped is not Dangerous Goods but could be confused as such, the Shipper must place the words “NOT RESTRICTED” on the Air Waybill to indicate that the Shipper has reviewed the shipment against the appropriate regulations.

## XII. GUARANTEED SERVICE

- A. UPS Supply Chain Solutions guarantees that shipments sent via Guaranteed Service will arrive within one (1) minute of the published delivery times in effect on the date of shipping. Information on availability and description of Guaranteed Service products, delivery times, designation of pickup and delivery locations, and applicable rates and charges, can be found on UPS Supply Chain Solutions' web site at <http://www.ups-scs.com>, is available upon request, and is subject to change without notice. Availability of Guaranteed Service is subject to suspension or revocation by us without notice.
- B. OUR SOLE LIABILITY FOR SERVICE FAILURE ON GUARANTEED SERVICE SHIPMENTS, INCLUDING, WITHOUT LIMITATION, OUR FAILURE TO MEET AN AGREED UPON DELIVERY DEADLINE, IS LIMITED TO A REFUND, CANCELLATION OR CREDIT (AT OUR OPTION) TO THE PAYOR, UPON PAYOR'S REQUEST, OF THE APPLICABLE FREIGHT CHARGES FOR SUCH GUARANTEED SERVICE SHIPMENT. Only one refund or credit is permitted per shipment. In the case of multiple-package shipments, the guarantee will apply to every package in the shipment. If a service failure occurs for any package within the multiple-package shipment on an international shipment (other than U.S./Canada transborder shipments), a refund, cancellation or credit will be given only for the portion of the transportation charges applicable to that package. If a service failure occurs for any package within the multiple-package shipment on a domestic shipment (including the U.S./Canada transborder shipments), a refund, cancellation or credit will be given for the transportation charges applicable to the entire shipment. Credits or cancellations for transportation charges will be applied to the payor's account only, and refunds will be made payable to the payor only. WE SHALL IN NO EVENT BE LIABLE FOR LOSS OF MERCHANTABILITY OR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS OR INCOME, WHETHER OR NOT WE HAD KNOWLEDGE THAT SUCH DAMAGES MIGHT BE INCURRED.
- C. A refund, cancellation or credit will not be given if the service failure is caused, in whole or in part, by:
1. The act, default or omission of the Shipper, Consignee or any other party claiming an interest in the shipment.
  2. The nature of the shipment, defect, or inherent vice of the product.
  3. Failure of the Shipper or Consignee to observe any term contained in this document, including but not limited to improper or insufficient packaging, securing, addressing or marking of any shipment, or the Shipper's failure to follow any term related to shipments that are not acceptable for transport.
  4. Acts of God, weather conditions, environmental or dangerous goods incidents, perils of the air, public enemies, public authorities acting with actual or apparent authority, acts or omissions of customs officials, authority of law, quarantine, riots, strikes, work stoppages or slowdowns, or other labor disputes or disturbances, civil commotions or hazards incident to a state of war, local or national disruptions in ground or air transportation networks or systems due to events beyond our control, disruption or failure of communication and information systems, disruption or failure of utilities, or other circumstances beyond our control.
  5. Mechanical delay of aircraft or other equipment failures on all international shipments other than shipments between the continental United States and Canada, and shipments between the continental United States and Puerto Rico.
  6. Acts or omissions of any person other than us, including delivery instructions from the Shipper or Consignee that were complied with by us.
  7. Guaranteed Service shipments with aggregate weight exceeding 3,000 pounds (1,360.80 kilograms) in a single day based on the greater of the Actual vs. Cubic Dimensional weight. Cubic Dimensional weight will be determined based on 194 cubic inches per pound. For International Gold Priority Express and Gold Priority GXF shipments, Cubic Dimensional weight will be determined based on 166 cubic inches per pound.
  8. The guaranteed delivery time for all Air and International service shipments delivered within the United States and Canada will be extended by 90 minutes on the Day after Thanksgiving Day and on December 18 through December 24.
  9. Compliance with laws, government regulations, orders or requirements, or any cause beyond our control.
- D. The following shipments are not eligible for Guaranteed Service:
1. Residential Deliveries.

2. Domestic shipments with origination or destination points in Alaska.
  3. Shipments containing Dangerous Goods.
  4. Shipments referenced in Section XXVII. SHIPMENTS NOT ACCEPTABLE.
- E. The following shipments MUST be sent via Guaranteed Service:

1. Live animals.
2. Perishable or Temperature Control Commodities.
3. Jewelry, furs and any item of extraordinary value.

### **XIII. LIABILITIES NOT ASSUMED**

- A. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AND EXPRESSLY DISCLAIM ANY AND ALL WARRANTIES. Except for our failure to deliver in accordance with Section XII, we will not be liable for misdelivery, incomplete or otherwise inadequate delivery (including but not limited to failure to follow Shipper or Consignee instructions or failure to collect or properly deliver a payment instrument), non-delivery, missed pickup, delay on international shipments, loss or damage and/or any fines, penalties or other expenses, unless caused by our sole negligence. We will not be liable for any shipment until we have accepted and taken possession of the shipment.
- B. Without limiting the generality of Subsection A, we shall not be liable for any misdelivery, incomplete or otherwise inadequate delivery (including but not limited to failure to follow Shipper or Consignee instructions or failure to collect or properly deliver a payment instrument), non-delivery, missed pickup, penalties, expenses, delay on international shipments, loss or damage caused, in whole or in part, by:
1. The act, default or omission of the Shipper, Consignee or any other party claiming an interest in the shipment.
  2. The nature of the shipment, defect, or inherent vice of the product.
  3. Failure of the Shipper or Consignee to observe any requirements or obligations contained in these Terms, including, but not limited to, improper or insufficient packaging, securing, addressing or marking of any shipment or, the Shipper's failure to follow any term related to shipments that are not acceptable for transport.
  4. Acts of God, weather conditions, environmental or dangerous goods incidents, perils of the air, public enemies, public authorities acting with actual or apparent authority, acts or omissions of custom officials, authority of law, quarantine, riots, strikes, work stoppages or slowdowns, or other labor disputes or disturbances, local or national disruptions in ground or air transportation networks or systems due to events beyond our control, disruption or failure of communication and information systems, disruption or failure of utilities, civil commotions or hazards incident to a state of war, other circumstances beyond our control, and, for all shipments other than domestic and specified international Guaranteed Service shipments (See Section XII.C.5 GUARANTEED SERVICE), mechanical delay of aircraft or other equipment failures.
  5. Acts or omissions of any person other than us, including delivery instructions from the Shipper or Consignee that were complied with by us.
  6. Compliance with laws, governmental regulations, orders or requirements, or any cause beyond our control.
- C. EXCEPT FOR ELIGIBLE GUARANTEED SERVICE (SEE SECTION XII) SHIPMENTS, WE DO NOT GUARANTEE DELIVERY BY A SPECIFIC TIME OR DATE, AND WE SHALL NOT BE LIABLE FOR DELAY OR ANY OTHER FAILURE TO MEET AN AGREED UPON DELIVERY DEADLINE. There are no stopping places which are agreed at the time of tender of a shipment, and we reserve the right to route the shipment in any way, manner or mode we deem appropriate. IN NO EVENT SHALL WE BE LIABLE FOR LOSS OF MERCHANTABILITY OR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES DUE TO MISDELIVERY, INCOMPLETE OR OTHERWISE INADEQUATE DELIVERY (INCLUDING BUT NOT LIMITED TO FAILURE TO FOLLOW SHIPPER OR CONSIGNEE INSTRUCTIONS OR FAILURE TO COLLECT OR PROPERLY DELIVER A PAYMENT INSTRUMENT), NON-DELIVERY, MISSED PICKUP, DELAY, LOSS OR DAMAGE WHETHER OR NOT WE HAD KNOWLEDGE THAT SUCH DAMAGES MIGHT BE INCURRED.
- D. Shipper and Consignee are responsible for and warrant their compliance with all applicable laws, rules and regulations, including, but not limited to, customs laws, import and export laws, and government regulations of

any country to, from, through or over which its shipment may be carried. Shipper and/or Consignee agree to furnish such information and complete and attach to the Air Waybill such documents as are necessary to comply with such laws, rules and regulations. We assume no liability to Shipper, Consignee or any other person for any loss or expense due to Shipper's and/or Consignee's failure to comply with this provision.

If Shipper does not complete all the documents required for carriage, or if the documents Shipper submits are not appropriate for the service or destination requested, Shipper hereby instructs us, where permitted by law, to complete, correct or replace the documents for Shipper at Shipper's expense. However, we are not obligated to do so. If a substitute form of air waybill is needed to complete the receipt or delivery of the shipment, and we complete that document, the terms of the Air Waybill will govern. We are not liable to Shipper or any other person for our actions under this provision.

- E. Our liability for damages, including but not limited to those damages arising from or related to misdelivery, incomplete or otherwise inadequate delivery (including but not limited to failure to follow Shipper or Consignee instructions or failure to collect or properly deliver a payment instrument), non-delivery, missed pickup, delay, loss or damage, shall in no event exceed that set forth in the Limitations of Liability (see Section XVI) provisions contained herein.

#### **XIV. LIABILITY FOR CHARGES AND INDEMNIFICATION**

- A. The Shipper and Consignee shall be liable, jointly and severally, for all unpaid charges payable on account of any shipment, including, but not limited to, transportation charges and all duties, customs assessments, governmental penalties and fines, taxes and our attorneys' fees and legal costs related to the shipment, and such other sums advanced or disbursed by us on account of such shipment.
- B. The Shipper and Consignee shall be liable, jointly and severally, to pay or indemnify, protect, defend and hold us harmless from and against any and all claims, liabilities, fines, penalties, damages, costs or other sums (including attorneys' fees and costs) that may be incurred, suffered or disbursed for any violation of any of the terms contained herein or any other default of the Shipper, Consignee or such other party with respect to a shipment.

#### **XV. LIENS ON SHIPMENTS**

We shall have a lien on the shipment for all sums due and payable to us. In the event of non-payment of any sum payable to us, the shipment may be held by us and be subject to storage and/or disposed of at public or private sale, without notice to Shipper or Consignee and with no further liability to us, paying us out of the proceeds of such sale all sums due and payable to us, including storage charges. The Shipper and/or Consignee shall continue to be liable for the balance of any unpaid charges payable on account of the shipment.

#### **XVI. LIMITATIONS OF LIABILITY**

The limitations of liability and other provisions below reflect agreed upon risk allocation and service pricing considerations between UPS Supply Chain Solutions and the Shipper and Consignee.

For purposes of these Terms, "shipment" shall mean one or more pieces, either packages or freight, moving on a single Air Waybill or Gemini Manifest. "Transportation charges" shall mean the amounts assessed for air movement of a shipment from airport to airport and does not include any other fees or charges which may be assessed, such as (but not limited to) Declared Value charges, special handling fees, Customs duties and taxes, C.T.S. charges, and surcharges. All limitations of liability shall be calculated using actual weight of the shipment and shall at no time exceed the actual value of the lost or damaged goods. The Limitations of Liability contained herein apply to ALL SERVICES, unless lower limitations apply.

- A. OUR LIABILITY FOR DAMAGES ON DOMESTIC SHIPMENTS, INCLUDING BUT NOT LIMITED TO THOSE DAMAGES ARISING FROM OR RELATED TO MISDELIVERY, INCOMPLETE OR OTHERWISE INADEQUATE DELIVERY (INCLUDING BUT NOT LIMITED TO FAILURE TO FOLLOW SHIPPER OR CONSIGNEE INSTRUCTIONS OR FAILURE TO COLLECT OR PROPERLY DELIVER A PAYMENT INSTRUMENT), NON-DELIVERY, MISSED PICKUP, AND LOSS OF OR DAMAGE TO CARGO, SHALL BE LIMITED TO THE HIGHER OF \$50.00 (USD) PER SHIPMENT OR \$0.50 (USD) PER POUND (\$1.10 [USD] PER KILOGRAM) OF THAT PART OF THE CARGO ADVERSELY AFFECTED THEREBY, PLUS TRANSPORTATION CHARGES APPLICABLE TO THAT PART OF THE SHIPMENT ADVERSELY AFFECTED THEREBY, UNLESS AT TIME OF SHIPMENT THE SHIPPER MAKES A DECLARATION OF

VALUE FOR CARRIAGE IN THE SPACE DESIGNATED ON THE AIR WAYBILL AND PAYS THE APPROPRIATE VALUATION CHARGE.

- B. OUR LIABILITY FOR LOSS OR DAMAGE ON INTERNATIONAL SHIPMENTS SUBJECT TO THE UNAMENDED WARSAW CONVENTION OR THE WARSAW CONVENTION AS AMENDED BY THE HAGUE PROTOCOL SHALL BE LIMITED TO \$9.07 (USD) PER POUND OR \$20.00 (USD) PER KILOGRAM OF THAT PART OF THE CARGO LOST OR DAMAGED PLUS TRANSPORTATION CHARGES APPLICABLE TO THAT PART OF THE SHIPMENT LOST OR DAMAGED, UNLESS AT THE TIME OF SHIPMENT THE SHIPPER MAKES A DECLARATION OF VALUE FOR CARRIAGE IN THE SPACE DESIGNATED ON THE AIR WAYBILL AND PAYS THE APPROPRIATE VALUATION CHARGE.

OUR LIABILITY FOR LOSS OR DAMAGE ON INTERNATIONAL SHIPMENTS SUBJECT TO MONTREAL PROTOCOL 4 SHALL BE LIMITED TO A SUM OF 17 SPECIAL DRAWING RIGHTS PER KILOGRAM OF THAT PART OF THE CARGO LOST OR DAMAGED PLUS TRANSPORTATION CHARGES APPLICABLE TO THAT PART OF THE SHIPMENT LOST OR DAMAGED, UNLESS AT THE TIME OF SHIPMENT THE SHIPPER MAKES A DECLARATION OF VALUE FOR CARRIAGE IN THE SPACE DESIGNATED ON THE AIR WAYBILL AND PAYS THE APPROPRIATE VALUATION CHARGE. SHIPPER SHALL BE RESPONSIBLE FOR KNOWING THE VALUE OF 17 SPECIAL DRAWING RIGHTS. FOR SHIPPER'S CONVENIENCE ONLY, CONVERSION RATES FOR THE SPECIAL DRAWING RIGHTS CAN BE FOUND BY CONTACTING THE INTERNATIONAL MONETARY FUND, OR BY VIEWING THEIR WEB SITE AT "WWW.IMF.ORG/EXTERNAL/NP/TRE/SDR/SDR.HTM".

IN THE EVENT THE WARSAW CONVENTION, INCLUDING ANY APPLICABLE AMENDMENTS THERETO, DOES NOT APPLY FOR ANY REASON, OUR LIABILITY FOR LOSS OR DAMAGE ON INTERNATIONAL SHIPMENTS SHALL BE LIMITED TO \$9.07 (USD) PER POUND OR \$20.00 (USD) PER KILOGRAM OF THAT PART OF THE CARGO LOST OR DAMAGED PLUS TRANSPORTATION CHARGES APPLICABLE TO THAT PART OF THE SHIPMENT LOST OR DAMAGED, UNLESS AT THE TIME OF SHIPMENT THE SHIPPER MAKES A DECLARATION OF VALUE FOR CARRIAGE IN THE SPACE DESIGNATED ON THE AIR WAYBILL AND PAYS THE APPROPRIATE VALUATION CHARGE.

OUR LIABILITY FOR ALL OTHER DAMAGES ON INTERNATIONAL SHIPMENTS, INCLUDING BUT NOT LIMITED TO THOSE DAMAGES ARISING FROM OR RELATED TO MISDELIVERY, INCOMPLETE OR OTHERWISE INADEQUATE DELIVERY (INCLUDING BUT NOT LIMITED TO FAILURE TO FOLLOW SHIPPER OR CONSIGNEE INSTRUCTIONS OR FAILURE TO COLLECT OR PROPERLY DELIVER A PAYMENT INSTRUMENT), NON-DELIVERY, AND MISSED PICKUP SHALL BE LIMITED TO THE HIGHER OF \$50.00 (USD) PER SHIPMENT OR \$0.50 (USD) PER POUND (\$1.10 [USD] PER KILOGRAM) OF THAT PART OF THE CARGO ADVERSELY AFFECTED THEREBY, PLUS TRANSPORTATION CHARGES APPLICABLE TO THAT PART OF THE SHIPMENT ADVERSELY AFFECTED THEREBY, UNLESS AT TIME OF SHIPMENT THE SHIPPER MAKES A DECLARATION OF VALUE FOR CARRIAGE IN THE SPACE DESIGNATED ON THE AIR WAYBILL AND PAYS THE APPROPRIATE VALUATION CHARGE.

- C. WHEN DECLARATION IS MADE, THE VALUE PER POUND OR PER KILOGRAM FOR CALCULATING DECLARED VALUE LIABILITY SHALL BE DETERMINED BY DIVIDING THE SHIPPER'S DECLARED VALUE FOR CARRIAGE BY THE ACTUAL WEIGHT OF THE SHIPMENT, ON A PRO RATA BASIS. LIABILITY SHALL IN NO EVENT EXCEED THE DECLARED VALUE OF THE SHIPMENT, PLUS APPLICABLE FREIGHT CHARGES, OR THE ACTUAL AMOUNT OF LOSS OR DAMAGE, WHICHEVER IS LOWER. IF THE SHIPPER REQUESTS SHIPPER'S INTEREST INSURANCE, THE AMOUNT OF INSURANCE MUST BE ENTERED IN THE INSURANCE SECTION OF THE SHIPPER'S LETTER OF INSTRUCTION OR THE AIR WAYBILL. WHEN THE SHIPMENT IS SUBJECT TO THE WARSAW CONVENTION, OR OTHER APPLICABLE AMENDMENT THERETO, THE SHIPPER ACKNOWLEDGES THAT HE OR SHE HAS BEEN GIVEN THE OPPORTUNITY TO DECLARE A VALUE IN EXCESS OF THE APPLICABLE LIABILITY LIMITS.

- D. WHEN THE SHIPPER DECLARES A VALUE THAT EXCEEDS \$0.50 (USD) PER POUND OR \$50.00 (USD), WHICHEVER IS GREATER, ON DOMESTIC SHIPMENTS, AN ADDITIONAL CHARGE OF \$0.65 (USD) FOR EACH \$100.00 (USD) OR FRACTION THEREOF, SUBJECT TO A MINIMUM CHARGE OF \$2.50 (USD) PER SHIPMENT, WILL BE ASSESSED ON THE DECLARED VALUE SHOWN ON THE AIR WAYBILL.

- E. WHEN THE SHIPPER DECLARES A VALUE THAT EXCEEDS \$9.07 (USD) PER POUND (\$20.00 [USD]



PER KILOGRAM) ON SHIPMENTS MOVING BETWEEN THE UNITED STATES AND CANADA, A CHARGE OF \$0.65 (USD) FOR EACH \$100.00 (USD) OR FRACTION THEREOF, SUBJECT TO A MINIMUM CHARGE OF \$3.75 (USD) PER SHIPMENT, WILL BE ASSESSED ON THE DECLARED VALUE SHOWN ON THE AIR WAYBILL.

- F. WHEN THE SHIPPER DECLARES A VALUE THAT EXCEEDS \$9.07 (USD) PER POUND OR \$20.00 (USD) PER KILOGRAM, OR 17 SPECIAL DRAWING RIGHTS, FOR AN INTERNATIONAL SHIPMENT NOT MENTIONED ABOVE, A VALUATION CHARGE OF \$0.85 (USD) FOR EACH \$100.00 (USD) OR FRACTION THEREOF, SUBJECT TO A MINIMUM CHARGE OF \$2.50 (USD) PER SHIPMENT, WILL BE ASSESSED ON THE DECLARED VALUE ON THE AIR WAYBILL.
- G. THE VALUE PER POUND OR PER KILOGRAM FOR APPLYING VALUATION CHARGES SHALL BE DETERMINED BY DIVIDING THE SHIPPER'S DECLARED VALUE FOR CARRIAGE BY THE ACTUAL WEIGHT OF THE SHIPMENT.
- H. OUR LIABILITY FOR THE LOSS OF, OR DAMAGE TO, OR ANY DELAY IN THE DELIVERY OF SHIPMENTS ON INTERNATIONAL CARRIAGE BY ROAD SHALL BE LIMITED BY THE CONVENTION OF THE INTERNATIONAL CARRIAGE OF GOODS BY ROAD, SIGNED AT GENEVA, SWITZERLAND, ON MAY 19, 1956 ("CMR CONVENTION"), TO AN AMOUNT EQUAL TO THE ACTUAL VALUE OF SUCH PROPERTY, WHICH SHALL BE PRESUMED NOT TO EXCEED APPROXIMATELY 25 FRENCH GOLD FRANCS PER KILOGRAM UNLESS THE SHIPPER, AT THE TIME OF PRESENTING SUCH PROPERTY FOR TRANSPORTATION, HAS DECLARED A HIGHER VALUE AND PAID AN ADDITIONAL CHARGE, IN WHICH EVENT UPS SUPPLY CHAIN SOLUTIONS' LIABILITY SHALL NOT EXCEED SUCH HIGHER DECLARED VALUE. THE LIABILITY LIMIT OF 25 FRENCH GOLD FRANCS IS DEEMED APPROXIMATELY \$2.00 (USD) PER KILOGRAM ON THE BASIS OF \$42.22 (USD) PER OUNCE OF GOLD.
- I. FOR MULTIMODAL TRANSPORTATION OF SHIPMENTS, IF THE STAGE OF TRANSPORT WHERE THE LOSS OR DAMAGE OCCURRED IS KNOWN, OUR LIABILITY SHALL BE DETERMINED BY THE PROVISIONS CONTAINED IN ANY INTERNATIONAL CONVENTION OR NATIONAL LAW, IF ANY, WHICH PROVISIONS WOULD HAVE APPLIED IF SHIPPER HAD MADE A SEPARATE AND DIRECT CONTRACT WITH US UNDER OUR CURRENT TERMS AND CONDITIONS OF CONTRACT FOR THAT MODE IN RESPECT WHERE THE LOSS OR DAMAGE OCCURRED AND RECEIVED AS EVIDENCE THEREOF ANY PARTICULAR DOCUMENT WHICH MUST BE ISSUED IF SUCH INTERNATIONAL CONVENTION OR NATIONAL LAW SHALL APPLY. NOTWITHSTANDING THE ABOVE, IF THE LOSS OR DAMAGE OCCURRED DURING TRANSPORT BY SEA OR INLAND WATERWAYS, THE LIMITATIONS OF LIABILITY PROVISIONS OF THE HAGUE RULES CONTAINED IN THE INTERNATIONAL CONVENTION FOR THE UNIFICATION OF CERTAIN RULES SIGNED AT BRUSSELS ON AUGUST 25, 1924, OR OF ANY LEGISLATION OF THE HAGUE RULES CONTAINED IN THE PROTOCOL OF BRUSSELS, DATED FEBRUARY 23, 1968, IN THOSE COUNTRIES WHERE THEY ARE IN FORCE AS ENACTED IN THE COUNTRY OF SHIPMENT SHALL APPLY.
- J. NOTWITHSTANDING THE ABOVE LIMITATIONS, DOMESTIC SHIPMENTS CONTAINING THE FOLLOWING ITEMS OF EXTRAORDINARY VALUE ARE LIMITED TO A MAXIMUM DECLARED VALUE OF \$500.00 (USD):
  - 1. ARTWORKS AND OBJECTS OF ART, INCLUDING WITHOUT LIMITATION ORIGINAL PAINTINGS, DRAWINGS, ETCHINGS, WATER COLORS, TAPESTRIES OR SCULPTURE. SHIPPER MUST PACK THESE ITEMS IN ACCORDANCE WITH THE PACKING AND MARKING PROVISIONS CONTAINED HEREIN. WE SHALL NOT BE LIABLE FOR ANY DAMAGE TO A COMMODITY CONTAINING GLASS FACINGS WHEN DAMAGE TO THE COMMODITY IS CREATED BY THE BREAKAGE OF THE GLASS.
  - 2. CLOCKS, WATCHES, JEWELRY (INCLUDING COSTUME JEWELRY), FURS AND FUR TRIMMED CLOTHING.
  - 3. PERSONAL EFFECTS.
  - 4. OTHER INHERENTLY FRAGILE OR UNIQUE ITEMS, INCLUDING PROTOTYPES, ETC.
- K. OUR LIABILITY FOR DAMAGE TO DOMESTIC SHIPMENTS CONTAINING GLASS SHALL BE LIMITED TO \$50.00 (USD). SHIPMENTS CONTAINING GLASS WITH A DECLARED VALUE EXCEEDING \$50.00 (USD) WILL NOT BE ACCEPTED. IF INADVERTENTLY ACCEPTED, LIABILITY WILL BE LIMITED TO \$50.00 (USD). SHIPMENTS CONTAINING GLASS INCLUDE, BUT ARE NOT

LIMITED TO, WINDSHIELDS, PLATE GLASS, CERAMICS, CHINAWARE, LIGHT BULBS, PLASMA TELEVISIONS (INCLUDING SCREENS AND MONITORS), GLASS AND GLASSWARE.

- L. THE MAXIMUM DECLARED VALUE FOR ANY ENVELOPE OR URGENT PACK IS \$100.00 (USD).
- M. THE MAXIMUM DECLARED VALUE FOR ANY LIVE ANIMAL SHIPMENT IS \$100.00 (USD).
- N. ANY DECLARED VALUE IN EXCESS OF THE MAXIMUMS ALLOWED HEREIN IS NULL AND VOID, AND THE ACCEPTANCE BY US FOR CARRIAGE OF ANY SHIPMENT WITH A DECLARED VALUE IN EXCESS OF THE ALLOWED MAXIMUMS DOES NOT CONSTITUTE A WAIVER OF THESE MAXIMUMS.
- O. WE SHALL IN NO EVENT BE LIABLE FOR LOSS OF MERCHANTABILITY OR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS OR INCOME, WHETHER OR NOT WE HAD KNOWLEDGE THAT SUCH DAMAGES MIGHT BE INCURRED. This exclusion applies to damages of any kind, including, but not limited to, personal injury and property damage, whether or not related to the goods being transported.
- P. Shipper, Consignee and any other party with an interest in the shipment hereby waive any and all rights of subrogation, recovery, claim, action or cause of action in subrogation, against us for any misdelivery, incomplete or otherwise inadequate delivery (including but not limited to failure to follow Shipper or Consignee instructions or failure to collect or properly deliver a payment instrument), non-delivery, missed pickup, delay, loss or damage to or arising from shipments hereunder, regardless of cause. Shipper, Consignee and any other party with an interest in the shipment (or anyone claiming by, through or on behalf of such parties) represent and warrant that their respective insurers have agreed to said waiver, and agree to hold harmless, protect, defend, and indemnify us against such insurers or other holders of interest for failing to secure said agreement.
- Q. Receipt of shipment by the Consignee or the Consignee's agent without written notification of damage or loss on the delivery receipt and/or delivery manifest will be prima facie evidence that the shipment was delivered in good condition.
- R. NONE OF OUR EMPLOYEES, OUR AGENTS, OR REPRESENTATIVES, OTHER THAN AN OFFICER OF UPS SUPPLY CHAIN SOLUTIONS, MAY WAIVE OR ALTER ANY OF THE LIMITATIONS SET FORTH HEREIN.

## **XVII. NEXT BUSINESS DAY DEFINED**

For shipments tendered to us on Monday through Thursday, the next business day is the following day, except for holidays. For shipments received on Friday, the next business day is Monday, except for holidays. For shipments received by UPS Supply Chain Solutions on Saturday, the next business day is Tuesday, except for holidays. If an earlier delivery date is requested, shipments are subject to advance arrangements.

## **XVIII. NOTICE AND DISPOSITION OF PROPERTY**

- A. When shipments arrive at destination, we will promptly notify the Consignee and/or the designated broker if we are not delivering them to the Consignee.
- B. If at the expiration of free storage time provided in Section XIII. STORAGE a shipment containing non-perishable property is unclaimed or delivery cannot be accomplished, we will notify the Shipper and Consignee by mail or facsimile at the address shown on the Air Waybill. Upon written instructions from the Shipper, unless prohibited by local customs regulations or other regulations, we will return the shipment, forward or reconsign it, or otherwise dispose of it at the Shipper's expense, which expense may include without limitation substantial Dangerous Goods or Hazardous Waste disposal fees where applicable. If no instructions are received by us within 30 calendar days from the date of receipt of the shipment at destination, we will dispose of the shipment at public or private sale without further notice to the Shipper and Consignee and with no further liability to us.
- C. If a Shipper or Consignee desires notification by collect telephone call, facsimile or telegram when a shipment containing perishable property is delayed, threatened with deterioration, unclaimed, or delivery cannot be effected, authorization and instructions for such notification, including the name, telephone number, facsimile number and/or address of the party to be notified, shall be given on the Air Waybill. If such authorization and instructions are not given, or if after reasonable attempt to comply therewith we do not promptly receive further instructions concerning the disposition of the shipment, we will take such steps as we deem appropriate in our

sole discretion, including rerouting the shipment by other means of transportation or disposal of the shipment at public or private sale, without further notice to the Shipper or Consignee and with no further liability to us.

- D. No sale or disposal pursuant to this provision shall discharge any liability of the Shipper and Consignee or lien to any greater extent than the proceeds thereof, less selling expenses, if any, and the Shipper and Consignee shall remain liable, jointly and severally, for any deficiency.

## **XIX. PACKING AND MARKING REQUIREMENTS**

- A. Shipments must be prepared or packed by the Shipper or its agents, in accordance with the provisions of this Section and all legal requirements, to ensure safe transportation with ordinary care in handling.
- B. Any article susceptible to damage by ordinary handling must be adequately protected by proper packing and must be marked or bear appropriate labels.
- C. Any article susceptible to damage as a result of any condition which may be encountered in transportation--such as high vibration, high or low temperature variations, high or low atmospheric pressure variations--must be adequately protected by proper packing and any other necessary measures.
- D. Shipments of Perishable Commodities:
1. U.S. and Canadian shipments must be packed to travel without spoilage for 72 hours from the time of pickup.
  2. All international shipments must be packed to travel without spoilage for 24 hours beyond an agreed delivery deadline.
  3. International shipments may be transported via UPS Supply Chain Solutions' International Preferred or Standard Services using the most expeditious direct, back-to-back consolidation service as agreed to by UPS Supply Chain Solutions and the Shipper.
  4. UPS Supply Chain Solutions reserves the right to periodically embargo regions of the world due to conditions that may cause damage to perishable commodities
- E. Each piece must be legibly and durably marked with the name and address, including correct ZIP code of the Shipper and Consignee. When a container is used repetitively by the Shipper, Shipper must remove all old labels, tags, markings, etc., and Shipper must ensure that the container retains adequate strength for transportation.
- F. Pieces with a floor bearing weight in excess of 100 pounds (45.36 kilograms) per square foot must be provided with a skid or base which will reduce the floor bearing weight to 100 pounds (45.36 kilograms) or less per square foot. Such skid or base must be furnished by the Shipper and included in the gross weight of the piece.
- G. Shipments with a declared value for carriage of \$100.00 (USD) or more must be packed in outside containers with measurements of at least one cubic foot in volume or more.
- H. Shipments of artwork, original paintings, drawings, etchings, water colors, and sculptures of any kind, must be packed in wood crates of at least 1/4 inch (.64 centimeters) thickness which completely surround the article being shipped and must be clearly marked as to the nature of the contents. The Shipper must not include glass facings in the same shipping container described herein. If a glass facing is included, we will not be responsible for any damage to the commodity therein. (See Section XVI, Subsection J.)
- I. Dangerous Goods must be packaged, marked and labeled by the Shipper in accordance with applicable regulations and these Terms.
- J. Domestic shipments of perishables picked up on Friday must be destined to an AM Service point, include a Saturday delivery request and will be subject to additional charges. International shipments of perishables are subject to advance arrangements.

## **XX. PAYMENT OF CHARGES**

- A. Rates and charges published herein are stated in United States currency and are payable in lawful money of the United States or such lawful money as UPS Supply Chain Solutions specifies.
- B. Shipper must apply and qualify for a credit account with UPS Supply Chain Solutions. If UPS Supply Chain Solutions approves Shipper's application and a credit account is established for Shipper, then Shipper shall make payments in accordance with UPS Supply Chain Solutions' Credit Terms and Conditions, the effective and

current version of which is available at <http://www.ups-scs.com>. Unless and until UPS Supply Chain Solutions notifies Shipper that it has approved Shipper's application for and established a credit account for Shipper, which approval may be granted or denied in UPS Supply Chain Solutions' sole discretion, or if any such credit account is terminated, or unless UPS Supply Chain Solutions otherwise agrees in writing, all accounts are on a prepaid, cash-only basis. Shipper must pay all duties, taxes, interest and other charges due on imported goods either (i) directly to U.S. Customs, through a check to U.S. Customs or U.S. Customs' Automated Clearinghouse (ACH), in accordance with applicable U.S. Customs requirements and regulations, or (ii) to UPS Supply Chain Solutions. Payment of any required duties, fees, taxes, interest and other charges due on imported goods must be received within ten (10) days of the commencement of the entry process. Shipper shall be liable for any penalties, fines, or any other damages that may arise as a result of Shipper's failure to make timely payment.

- C. All prepaid charges are payable by check at the time we accept the shipment, and all collect charges are payable by check at the time we deliver the shipment. In the case of a check made payable to UPS Supply Chain Solutions, funds are deemed received on the day the check clears and funds are credited to UPS Supply Chain Solutions. In the event that Shipper fails to make any payment when due, all amounts owed by Shipper to UPS Supply Chain Solutions shall immediately become due and payable. Any payment which is past due shall be subject to an additional charge at the rate of 1.5% per month of the outstanding balance due, or the highest rate of interest permitted by applicable law, whichever is less. Cash will not be accepted by our employees as a form of payment. We may apply payments made on your account, or payments owed by us, to any unpaid invoice issued on your account at our sole discretion.

## XXI. PICKUP AND DELIVERY SERVICE

- A. Pickup and/or delivery service will be provided during normal business hours Monday through Friday (except certain holidays).
- B. Pickup and/or delivery service will not be provided to or from any address not directly accessible to vehicles or where it is impractical to operate a vehicle.
- C. At buildings where our employees are not permitted access to floors above the ground floor:
  - 1. We will pick up shipments only when tendered at the ground floor, and
  - 2. We will deliver shipments to the person whose duty it is to receive property for the occupants of such buildings, which will constitute delivery to Consignee.
- D. Loading and unloading incidental to pickup and delivery service will ordinarily be performed by one person. Pickup and delivery service will not be provided for pieces which cannot be handled by one person unless advance arrangements have been made, including, where necessary, the furnishing of additional people and equipment by the Shipper or Consignee. The Shipper and Consignee shall indemnify, protect, defend and hold us harmless from and against any and all claims, liabilities, fines, penalties, damages, costs or other sums (including attorneys' fees and costs) related to personal injury (including death) or property damage arising from or related to the acts or omissions of the people or equipment furnished by Shipper or Consignee for the loading or unloading process.
- E. When vehicles are held for loading or unloading in excess of 15 minutes, an additional charge will be assessed. Charges based on time will be computed by multiplying the hourly rate by the time involved.
- F. If, at the customer's request, a vehicle other than our own does the pickup or delivery within certain pickup and delivery zones, a handling fee will be assessed, and UPS Supply Chain Solutions shall have no liability for the shipment during such pickup or delivery. In addition, the trucker's actual amount invoiced to us will be re-billed to the payor of the shipment.
- G. Any pickup or delivery requested and made after normal business hours on Monday-Friday or on a legal holiday or on Saturday or Sunday, will be subject to advance arrangements and additional charges. After hour delivery charges for Sunday and legal holidays apply until the start of normal business hours on the next business day.
- H. Saturday Pickup and Delivery Service (U.S. & Canada only):
  - 1. All shipments requiring Saturday delivery must move in AM Service. Saturday pickup and delivery is not available for our Second Day Service or Economy Service shipments.
  - 2. Shipments requiring a Saturday pickup or delivery service will be assessed an additional charge, in addition to all other applicable charges.

3. Saturday pickup and delivery service is available for AM Service points within the continental United States only.
  4. Saturday pickup service is available on request if advance arrangements are made with us. Shipments delivered on Saturday will be charged the applicable AM rate in addition to a Saturday delivery charge.
  5. Shipments picked up on Friday will be scheduled to be delivered by 5 p.m. Saturday if requested. Shipments picked up by us on Friday will be available at the destination Service Center for pickup on Saturday until 12 noon.
  6. Saturday charges will apply regardless of whether the shipment is being delivered to or picked up from our Service Center.
- I. Residential pickup or deliveries will be assessed an additional charge in addition to all other applicable charges.
- J. Pickup or Delivery to or from a Convention or Tradeshow site will be assessed an additional charge in addition to all other applicable charges.

## **XXII. PROOF OF DELIVERY**

When requested by the Shipper or Consignee, we will furnish, as proof of delivery, a copy of the delivery record signed by the Consignee or designated agent. An additional charge per copy will be assessed for this service.

## **XXIII. RATES**

The applicable rates and charges for services are those in effect on the date we receive the shipment. The following shipments (which also may be Shipments Subject To Advance Arrangements, see section XXVIII) will be charged AM Rates and in addition will be assessed the surcharges below:

- A. Live animals for medical laboratories (See Section XXVII. SHIPMENTS NOT ACCEPTABLE) – 100% surcharge.
- B. Cut Flowers – 50% surcharge.
- C. Furs - (See Section XXVII. SHIPMENTS NOT ACCEPTABLE) 50% surcharge.
- D. Neon signs – 75% surcharge.
- E. Self-propelled surface vehicles – 100% surcharge.

## **XXIV. RE-DELIVERY SERVICE**

A shipment which, through no fault of ours, cannot be delivered on the first tender of delivery to the Consignee, will be returned to our Service Center and the Consignee will be notified. Redelivery will be made only upon request of the Consignee. An additional charge will be assessed for re-delivery.

## **XXV. ROUTING AND RE-ROUTING**

We will determine the routing, method and modes of transportation of all shipments. We reserve the right to route or re-route the shipment in any way we deem appropriate and to divert any shipment (including use of other carriers) for any purpose in order to facilitate delivery. Shipper and/or Consignee agree that there are no stopping places which are agreed at the time of the tender of the shipment, and that UPS Supply Chain Solutions may, without notice, substitute alternate carrier or aircraft, deviate from any route, or cause the shipment to be transported by any mode we deem appropriate. Shipper and Consignee expressly authorize UPS Supply Chain Solutions to subcontract part or all of the services, and these Terms incorporate by reference the terms and conditions of UPS Supply Chain Solutions' contract with, and to the exclusion of, any such subcontractors. In the event of a conflict between these Terms and the terms and conditions of any subcontractor used by us, these Terms shall prevail.

## **XXVI. SHIPMENTS ACCEPTABLE**

Shipments are acceptable for transportation only when the rules and regulations shown herein and all laws,

ordinances, and other governmental rules and regulations governing the transportation thereof have been complied with by the Shipper and/or Consignee. We reserve the right to refuse any shipment for any reason at our sole discretion.

## XXVII. SHIPMENTS NOT ACCEPTABLE

Unless otherwise agreed in writing by UPS Supply Chain Solutions prior to shipping, the following shipments will not be acceptable for transportation by UPS Supply Chain Solutions:

- A. Corpses or cremated or disinterred remains.
- B. Live animals (including birds, fish, reptiles, or insects), except mice, rats, toads, frogs or leeches destined to or originating from medical laboratories within the United States or Canada.
- C. Shipments of gold or other precious metals including but not limited to silver, bronze, copper, gold or silver coins, coin collections, gems, and precious stones.
- D. Postage, trading or revenue stamps, and stamp collections.
- E. Money, currency, bonds, bills of exchange, deeds, promissory notes, negotiable securities and stock certificates, and other documents of inherent value.
- F. Antiques.
- G. Original manuscripts, electronic data or prototypes for which no other copy or replacement exists.
- H. Stringed instruments including but not limited to violins, violas, cellos, bass violins, guitars, mandolins or banjos.
- I. Uncrated, unwrapped or otherwise improperly packaged furniture or household goods.
- J. Shipments consigned "To Order of," "To Order Notify," or other similar designations.
- K. Shipments requiring special care or attention between origin and destination, other than as provided in Sections IX and XXXVI.
- L. Shipments requiring a DOT "Inhalation Hazard" label or marking.
- M. Hazardous waste materials.
- N. Shipments requiring a DOT or IATA Explosives 1.1, 1.2, 1.3, 1.4F, 1.5 or 1.6 label.
- O. Shipments not accompanied by proper documentation required by a treaty, convention, statute or regulation applicable to such shipments.
- P. Shipments of an inherent nature for which transportation could not be furnished without sustaining loss or damage, including but not limited to the following shipments if they have a glass facing included in the same shipping container: artwork, original paintings, drawings, etchings, water colors, and sculptures of any kind.
- Q. Shipments requiring a federal, state or local license for transportation, with which UPS Supply Chain Solutions elects not to comply.
- R. Shipments which could cause damage to other shipments, equipment or crew, or the carriage of which is prohibited by law.
- S. Shipments that are improperly packaged. Acceptance by us of any shipment shall not create a presumption that the shipment was properly packaged for carriage, and Shipper remains ultimately responsible to ensure proper packaging.
- T. Nursery stock or plants.
- U. COD (Cash On Delivery) shipments.
- V. Fireworks.
- W. **Additional exclusions from Second Day or Economy Service:** Mice, rats, toads, frogs, or leeches destined to or originating from medical laboratories within the United States or Canada, perishable items, jewelry, furs, firearms, Dangerous Goods, any item of extraordinary value, or shipments having a declared or insured value exceeding \$50,000.00 (USD).

X. Additional exclusions from our International Express Service:

Animals and plants, foodstuff, perishables, feed or other edible material intended for consumption by humans or animals, Dangerous Goods, drugs (prescription and non prescription), firearms, weaponry and parts thereof, “in bond” shipments, cosmetics, gambling devices, liquor, tobacco, pornography, and other shipments which are prohibited by law.

Y. Additional exclusions from our Guaranteed Service: Residential Deliveries, shipments with origination or destination points within Alaska or Hawaii, and shipments containing Dangerous Goods.

Z. Lottery Tickets and other documents of inherent value.

AA. Shipments classified as “Infectious Substance, Category A,” including, without limitation, UN2900 and UN2814.

## **XXVIII. SHIPMENTS SUBJECT TO ADVANCE ARRANGEMENTS BY CALLING 1-800-443-6379**

The following will be accepted for carriage only upon advance arrangements, and only when such advance arrangements have been satisfactorily completed.

- A. Shipments of live animals comprised of or containing mice, rats, toads, frogs and leeches destined to or originating at medical laboratories in the United States or Canada will be accepted for transportation subject to the following provisions and only when such animals are harmless, inoffensive, odorless, and require no attention in transit:
1. Such shipments must be boxed or crated by the Shipper so as to prevent escape, ensure safe transportation with ordinary care in handling and assure protection to any person handling the shipment.
  2. All laws, ordinances, or government rules and regulations governing the transportation of live animals must be complied with by the Shipper.
  3. We assume no liability for the conduct or acts of the animals to themselves or to each other (such as biting, kicking, goring or smothering), nor for loss or damage arising from delay or from the condition of the animals themselves or any such condition resulting from the carriage, or which results from their nature or propensities.
- B. Any shipments having a declared or insured value of \$25,000.00 (USD) or more.
- C. Shipments containing pieces measuring in excess of 120 inches (304.80 centimeters) in length, 83 inches (210.82 centimeters) in width, 80 inches (203.20 centimeters) in height, or that are otherwise restricted by their height/contour/profile from fitting in our single, standard “A” container (as shown in Section VI).
- D. Perishables such as fresh fruits, vegetables or other perishable foods or cut flowers.
- E. Shipments requiring pickup or delivery of packages which cannot be handled by one individual.
- F. Shipments of excessive weight (exceeding a total of 3,000 pounds (1,360.80 kilograms) total GAD (greater of actual or dimensional) weight) on a single day and/or consolidated shipments from a single shipper to a single destination requiring more than one ULD/position) or size (as described in Section XXVIII. C.).
- G. Transportation Protective Services (“T.P.S.”) shipments (See Section XXXVI. TRANSPORTATION PROTECTIVE SERVICES [“T.P.S.”].)
- H. Shipments requiring special devices for safe handling.
- I. Multi-piece or unusually sized Dangerous Goods.
- J. Saturday pickups.
- K. Next Flight Shipments.
- L. Gold Priority Service shipments.
- M.K-Van Service shipments (see Section IX. K-VAN SERVICE).
- N. Guaranteed Service shipments with aggregate weight exceeding 3,000 pounds (1,360.80 kilograms) in a single day based on the greater of the Actual vs. Cubic Dimensional weight. Cubic Dimensional weight will be

determined based on 194 cubic inches per pound. For International Gold Priority Express shipments, Cubic Dimensional weight will be determined based on 166 cubic inches per pound.

O. Furs

P. Neon Signs

Q. Self-propelled surface vehicles.

## **XXIX. SHIPMENTS SUBJECT TO DELAY**

The following conditions may delay delivery of the shipment to the Consignee:

- A. If the dimensions of the shipment are too large for available aircraft. (As described in Section XXVIII. C.)
- B. Shipments that are improperly or inadequately packaged, labeled, or marked or that lack proper documentation.
- C. Shipments, tendered by a beyond carrier or by the Shipper, which do not enter our system in time to meet our departure times or critical processing requirements.
- D. Shipments for which the Shipper has omitted or provided an incorrect Consignee address or ZIP code on the Air Waybill.
- E. Shipments requiring government approvals, licenses, permits or processes prior to export.
- F. T.P.S. shipments (See Section XXXVI. TRANSPORTATION PROTECTIVE SERVICES [“T.P.S.”].)
- G. Shipments difficult to handle, including oversized or unwieldy shipments.
- H. Shipments where Shipper instructs us (either by instruction on the Air Waybill or marking or labeling on the shipment) to refrain from breaking down a palletized shipment.
- I. Dangerous Goods.
- J. Shipments requiring customs clearance and shipments subject to government agency requirements other than customs clearance, such as inspection of plant materials.
- K. C.T.S. shipments.
- L. Shipments subject to carrier or government agency, or other authority security requirements.

## **XXX. SHIPMENTS SUBJECT TO INSPECTION**

We may, but shall not be obligated to, inspect any shipment. Cargo items tendered for air transportation may be subject to aviation security controls by air carriers, or other government regulations. Copies of all relevant shipping documents showing the Consignee, consignor, description and other relevant data will be retained on file until the shipment completes its air transportation.

## **XXXI. SHIPMENTS SUBJECT TO SPECIAL CONDITIONS**

The following shipments are subject to UPS Supply Chain Solutions prior written approval, in addition to the following requirements:

- A. Shipments requiring special devices for safe handling will be accepted only when such special devices are provided and operated by and at the expense of the Shipper or Consignee.
- B. Furs, Dangerous Goods, live animals and items with a declared or insured value of \$25,000.00 (USD) or greater must not be included in the same shipment with any other article.
- C. Alcoholic beverages must be shipped from a licensed dealer or distributor to another licensed dealer or distributor and will only be accepted on an airport to airport basis.
- D. Firearms must be shipped from or consigned to a licensed manufacturer, licensed importer, licensed dealer or licensed collector who is not prohibited from such shipments by federal, state, or local regulations, and must be sent via UPS Supply Chain Solutions’ Constant Surveillance Service (See Section XXXVI. TRANSPORTATION PROTECTIVE SERVICES [“T.P.S.”].)



NOTE: The Shipper is required to comply with all applicable government regulations, laws, etc., including regulatory compliance by the Consignee. The local Alcohol, Tobacco and Firearms (ATF) Divisional Office or local equivalent agency will supply the Shipper with needed assistance. Upon presenting the package for shipment, the Shipper is required to inform UPS Supply Chain Solutions personnel in writing that the package contains firearms or ammunition.

## XXXII. SHIPPER'S INTEREST INSURANCE - INTERNATIONAL SHIPMENTS

We will arrange for Shipper's Interest Insurance for any shipment from or to an international point if an amount of insurance is entered in the insurance section of the Shipper's Letter of Instructions or the Air Waybill. We accept no responsibility or liability for, and the Shipper and Consignee waive, release and discharge UPS Supply Chain Solutions from, Shipper's or Consignee's failure to comply with the terms and conditions of the Shipper's Interest Insurance policy. Policy terms and conditions apply.

The insurance covers the shipment against all risks of physical loss or damage from most external causes. (See exclusions listed below.) Coverage begins when the Shipper's Letter of Instructions or the Air Waybill is issued and the shipment has been delivered to us, our agent or forwarder and continues until the shipment has been delivered to the final destination point named in the Air Waybill or the Shipper's Letter of Instructions, or when the Consignee or Consignee' agent has taken possession.

The amount of insurance requested (in whole dollars) should be equal to the value of the shipment (lesser of replacement cost or sales price) plus insurance, incurred duty and the freight charges, plus 10%. A premium per \$100.00 (USD) of insurance requested will be charged and billed. Advance arrangements must be made for requested insurance greater than \$25,000 (USD) (see Section XXVIII. SHIPMENTS SUBJECT TO ADVANCE ARRANGEMENTS), and in no event shall the amount of insurance requested exceed \$10,000,000 (USD). Any amount of insurance requested in excess of the maximum allowed herein is null and void, and the acceptance by us for carriage of any shipment with an insurance amount in excess of the allowed maximum does not constitute a waiver of this maximum.

All claims must be made in accordance with Section VIII. D.

EXCLUSIONS: Loss or damage caused by or resulting from delay, deterioration, loss of market, nuclear reaction, radiation, radioactive contamination or improper packaging is not covered under this policy.

## XXXIII. STORAGE

- A. Shipments will be held by us at destination without charge for three (3) calendar days (excluding Saturdays, Sundays, and Legal Holidays), computed from the first 8:00 a.m. following notification to the Consignee of the arrival of the shipment. Storage charges will not be assessed on shipments lacking proper documentation when advance arrangements have been made with us in writing by the Shipper or the Shipper's agent.
- B. After the expiration of such free time, we will continue to hold such shipments for the Shipper and Consignee, subject to an additional charge per shipment per calendar week or prorated portion thereof. If such continued holding is not practical, we will place the shipment in a public warehouse at the expense of the Shipper and Consignee, subject to a lien against the Shipper and Consignee for all transportation, storage, delivery, warehousing, and other charges, including additional handling charges.
- C. When the shipment is held by us after the expiration date of such free time while awaiting delivery instructions, our liability for the shipment shall terminate.
- D. Except as otherwise agreed in writing, shipments will be held for a period of time not to exceed thirty (30) calendar days from the first 8:00 a.m. following the receipt of the shipment. At the expiration of thirty (30) calendar days, we will return the shipment or part of the shipment to the Shipper at the Shipper's expense, subject to a lien for all charges applicable to the shipment or part thereof, or we will dispose of the shipment in accordance with Section XVIII. NOTICE AND DISPOSITION OF PROPERTY, Subsection B, if it is not feasible to return it to the Shipper.
- E. Our lien rights shall apply to all shipments which are stored pursuant to these Terms.
- F. Calendar week means a period of seven (7) successive calendar days, including Saturdays, Sundays, and legal holidays.

## XXXIV. SURCHARGE

If unforeseen economic conditions (including, but not limited to, fuel price increases, security cost increases, regulatory changes, etc.) change UPS Supply Chain Solutions' cost of providing services, UPS Supply Chain Solutions reserves the right to increase its rates and charges or impose applicable surcharges to cover such increased costs without notice. Any such surcharge will be applied in an equitable manner to all shipments having similar characteristics and will be applied for such periods as we may determine necessary.

## XXXV. TARIFF COPYING CHARGES

We will furnish copies of tariff pages on request. A service charge will be assessed for each copy/page furnished.

## XXXVI. TRANSPORTATION PROTECTIVE SERVICES ("T.P.S.")

- A. At the request of the Shipper, we will handle shipments under T.P.S. from the time of acceptance from Shipper at origin to the time of delivery to Consignee at destination. T.P.S. is only available within selected United States and Canadian locations. T.P.S. is comprised of two services: Signature Security Service and Constant Surveillance Service. The Shipper must specifically request the service desired on the UPS Supply Chain Solutions Air Waybill. T.P.S. is not a guaranteed service and does not constitute a separate contract for services. T.P.S. is subject to the limitations of liability set forth in sections XIII and XVI of these Terms,
- B. Signature Security Service shall mean that each employee or our agent shall execute a signed receipt upon accepting custody of the shipment and shall obtain a signed receipt upon relinquishing custody of such shipment to another employee or our agent. On shipments tendered on behalf of the Department of Defense requesting Signature Security Service, we will use the DD Form 1907 issued by the Shipper as a signature and tally record.
1. Air Waybills, Government Bills of Lading, or other shipping documents presented to us must have the statement "Signature Service Requested" entered by the Shipper.
  2. For Signature Security Service, a handling charge will be assessed in addition to all other applicable charges.
- C. Constant Surveillance Service shall mean that an employee or authorized agent shall keep the shipment in constant view and stay within 25 feet of the vehicle containing the shipment at all times when the shipment is being transferred from one mode of transportation to another. Constant Surveillance Service shipments awaiting transportation at an UPS Supply Chain Solutions facility will be locked in a secure room or storage facility.
- D. Each employee or agent shall execute a signed receipt upon accepting custody of the shipment and shall obtain a signed receipt upon relinquishing custody of the shipment.
- E. All "Constant Surveillance Service" shipments must be prearranged by contacting UPS Supply Chain Solutions at 1-800-367-3532.
- F. Air Waybills, Government Bills of Lading or shipping documents presented to us must have the statement "Constant Surveillance Requested" and the pre-approved authorization number entered by the Shipper.
- G. For Constant Surveillance Service, a handling charge will be assessed in addition to all other applicable charges.
- H. Constant Surveillance Service is only available in the contiguous U.S. and to selected locations in Canada.
- I. Firearms must be sent via Constant Surveillance Service (see Section XXXI. D. SHIPMENTS SUBJECT TO SPECIAL CONDITIONS.)

## XXXVII. SEVERABILITY

- A. The provisions of these Terms shall be severable, and if any part, term, or provision herein shall be held invalid, such holding shall not affect the validity or enforceability of any other part, term or provision herein.