

The to using and the conditions and exceptions hereinbefore referred to.

1 **DEFINITION.** Carrier means VHK Logistic (H.K.) Ltd. who performs the sea carriage of the goods as stated on the face hereof and the Vessel, her owner and demise charterer whether acting as carrier or bailee.

2 **JURISDICTION.** All disputes arising under or in connection with this Bill of Lading shall be determined by Hong Kong Law in the courts of or by arbitrators in HKSAR.

3 **CARRIER'S RESPONSIBILITY.** In respect of Carrier's liabilities responsibilities rights and immunities the Hague Rules contained in the International Convention for the Unification of Certain Rules Relating to Bills of Lading signed at Brussels on August 25, 1924, shall be applied.

4 **PERIOD OF RESPONSIBILITY.** The responsibility of the Carrier shall commence from the time when the goods are loaded on board the ship and shall cease when they are discharged from the ship. The Carrier shall not be liable for loss of or damage to the goods before loading and after discharging from the vessel however such loss or damage arises.

5 **PACKING AND MARKS.** The Merchant shall have the goods properly packed and accurately and clearly marked before shipment. The port of destination of the goods should be marked in letters not less than 5 cm high in such a way as will remain legible until their delivery. All fines and expenses arising from insufficiency or inadequacy of packing or marks shall be borne by the Merchant.

6 **FREIGHT AND OTHER CHARGES.** (1) Advance freight together with other charges is due on shipment. If not prepaid, though stipulated the freight and other charges shall be paid by the Merchant plus 5% interest pro annum running from the date of notification for their payment. If the cargo shipped are perishable, low cost goods, live animals stock cargo or goods for which there is no Carrier's option at the port of destination, the freight for such cargo and all related charges shall be paid at the time of shipment. Freight payable at destination together with other charges is due on vessel's arrival. Advance freight and/or freight payable at destination shall be paid to the Carrier in full and non-refundable and non-transferable irrespective of whatever loss or damage may happen to vessel and cargo or either of them. (2) All dues taxes and charges or any other expenses in connection with the goods shall be paid by the Merchant.

7 **INCORRECT STATEMENTS.** The Carrier is entitled at port of shipment and or port of destination to verify the quantity, weight measurement and contents of the goods as declared by the Merchant. If the weight measurement and/or contents of such goods as stated in the Bill of Lading turned out to be inconsistent with that of the goods actually loaded and the freight paid falls short of the amount which would have been due if such declaration had been correctly given the carrier is entitled to collect from the Merchant as liquidated damages to the Carrier the amount of difference between the freight for the goods actually shipped and that as stated. The Merchant shall be liable for loss of and damage to the vessel and/or goods arising or resulting from inaccuracies in stating the description quantity weight measurement or contents of the goods and shall indemnify the Carrier for the costs and expenses in connection with weighing, measuring and checking such goods.

8 **LOADING DISCHARGING AND DELIVERY.** The goods shall be supplied and taken delivery of by the carrier of the goods as fast as the vessel can take and discharge them, without interruption by day and if required by Carrier also by night weekdays and holidays inclusive notwithstanding any custom of the port to the contrary and the Owner of the goods shall be liable for all losses or damages including demurrage incurred in default thereof.

Discharge may commence without previous notice, if the goods are not taken delivery of by the Receiver from alongside the vessel without delay or if the Receiver refuses to take delivery of the goods or in case there are unclaimed goods the Carrier shall be at liberty to land such goods on shore or any other proper places at the sole risk and expense of the Merchant and the Carrier's responsibility of delivery of cargo shall be deemed to have been fulfilled.

Weighing on board is only allowed by special permission of the Carrier including attention and extra costs of discharging shall be for account of the Receiver of Consignments notwithstanding any custom of the port to the contrary.

If the goods are unclaimed during a reasonable time or wherever the goods will become deteriorated, damaged or worthless the Carrier may at his discretion and subject to the lien and without any responsibility attaching to him sell abandon or otherwise dispose of such goods solely at the risk and expense of the Merchant.

9 **LIGHTERAGE.** Any lighterage in or off points of loading or points of discharge shall be for the account of the Merchants.

10 **LIEN.** The Carrier shall have a lien on the goods and any document relating thereto for freight dead freight, demurrage and any other amount payable by the Merchant and for General Average contributions for whatsoever due and for the cost of recovering the same and for this purpose shall have the right to sell or otherwise dispose of the goods. If on sale of the goods the proceeds fail to cover the amount due and the cost and expenses incurred the Carrier shall be entitled to recover the deficit from the Merchant.

11 **NOTICE OF LOSS OR DAMAGE, TIME BAR.** Unless notice of loss or damage and the general nature of such loss or damage be given in writing to the Carrier or his agent at the port of discharge before or at the time of the removal of the goods into the custody of the person entitled to delivery thereof under the contract of carriage such removal shall be prima facie evidence of the delivery by the Carrier of the goods as described in the Bill of Lading.

If the loss or damage is not apparent the notice must be given within three days of the delivery. The notice in writing need not be given if the date of the goods has at the time of their receipt bears the subject of joint survey or inspection.

In any event the Carrier and the vessel shall be discharged from all liability in respect of loss or damage unless suit is brought within one year after delivery of the goods or the date when the goods should have been delivered.

In the case of any actual or apprehended loss or damage the Carrier and the Receiver shall give all reasonable facilities to each other for inspecting and tallying the goods.

12 **AMOUNT OF COMPENSATION.** When the Carrier is liable for compensation in respect of loss of or damage to the goods such compensation shall be calculated on the basis of the Merchant's net invoice cost plus freight and insurance premium if paid.

Notwithstanding Clause 3 of this Bill of Lading the Carrier's liability for loss of or damage to the goods shall be limited to an amount not exceeding US\$ 50 per package or freight unit unless the value of the goods higher than this amount is declared in writing by the Shipper before receipt of the goods by the Carrier and inserted in this Bill of Lading and extra freight paid as required. If the actual value of the goods per package or per freight unit exceeds such declared value the value shall nevertheless be deemed to be the declared value and the Carrier's liability if any shall not exceed the declared value and any partial loss or damage shall be adjusted pro-rata on the basis of such declared value.

13 **FORWARDING, SUBSTITUTE OF VESSEL, THROUGH CARGO AND TRANSHIPMENT.** If necessary, the Carrier shall be at liberty to carry the goods to their port of destination by other vessel or vessels either belonging to the Carrier or other persons or by rail or other means of transport proceeding either directly or indirectly to such port and to carry the goods or part of them beyond their port of destination, and to tranship lighter land and store the goods on shore or afloat and receive and forward same at the Carrier's expense but at Merchant's risk. The responsibility of the Carrier shall be limited to the part of the transport performed by him on the vessel under his management.

14 **DANGEROUS GOODS, CONTRABAND.** (1) The Merchant undertakes not to tender for transportation any goods which are of a dangerous inflammable radio-active and/or any harmful nature without previously giving written notice of their nature to the Carrier and marking the goods and the container or other covering on the outside as required by any laws or regulations which may be applicable during the carriage.

(2) Whenever the goods are discovered to have been shipped without complying with the sub-clause (1) above or the goods are found to be contraband or prohibited by any laws or regulations of the port of loading, discharge or call or any place or waters during the carriage the Carrier shall be entitled to have such goods rendered innocuous thrown overboard or discharged or otherwise disposed of at the Carrier's discretion without compensation and the Merchant shall be liable for and indemnify the Carrier against any kind of loss damage or liability including loss of freight and any expenses directly or indirectly arising out of or resulting from such shipment.

(3) If any goods shipped complying with the sub-clause (1) above become a danger to the ship or cargo may in like manner be rendered innocuous thrown overboard or discharged or otherwise disposed of at the Carrier's discretion without compensation except to General Average if any.

15 **DECK CARGO LIVE ANIMALS AND PLANTS.** Cargo on deck plants and live animals are received banded sealed kept and discharged at Merchant's risk and the Carrier shall not be liable for loss thereof or damage thereto.

16 **CARGO IN CONTAINERS.** (1) Goods may be stowed by the Carrier or his agents or servants in containers and containers whether stowed as aforesaid or received fully stowed may be carried on or under deck without notice. The Carrier's liability for such cargo shall likewise be governed by the terms and conditions of this Bill of Lading irrespective of Clause 15 hereof notwithstanding the fact that the goods are being carried on deck and the goods shall contribute to General Average and shall receive compensation in General Average. (2) If a container has not been fitted packed stuffed or loaded by the Carrier, the Carrier shall not be liable for loss of or damage to the contents and the merchant shall indemnify the Carrier against any injury loss damage liability or expense incurred by the Carrier if such injury, loss, damage, liability or expense has been caused by:

- 1) the manner in which the container has been fitted packed stuffed or loaded; or
- 2) the unsuitability of the contents for carriage in containers; or
- 3) the unsuitability or defective condition of the container which would have been apparent upon reasonable inspection by the Merchant at or prior to the time the container was fitted, packed, stuffed or loaded. If a container which has not been fitted packed stuffed or loaded by the Carrier is delivered by the Carrier with the seal intact such delivery shall be deemed as full and complete performance of the Carrier's obligation hereunder and the Carrier shall not be liable for any loss of or damage to the contents of the container. The Shipper shall inspect containers before stuffing them and the use of the containers shall be prima facie evidence of their being sound and suitable for use.

17 **REFRIGERATED GOODS.** Before loading goods in any insulated space the Carrier shall in addition to the Claps Certificate obtain the certificate in this classification Society's Surveyor or other competent person stating that such insulated space and refrigerating machinery are in the opinion of the surveyor or other competent person fit and safe for the carriage and preservation of refrigerated goods. The aforesaid certificate shall be conclusive evidence against the Merchant. Receivers have to take delivery of refrigerated cargo as soon as the vessel is ready to deliver otherwise the Carrier shall land the goods at the wharf at the Merchant's risk and expense.

18 **TIMBER.** Any statement in this Bill of Lading to the effect that timber has been shipped in apparent good order and condition does not involve any admission by the Carrier as to the absence of stains, shakes split holes or broken pieces for which the Carrier accepts no responsibility.

19 **IRON AND STEEL.** Every piece of iron and steel is to be distinctly and permanently marked with oil paint and every bundle securely fastened distinctly and permanently marked with oil paint and metal tagged by the Merchant so that each piece or bundle can be distinguished at all of discharge. If the Merchant fails to meet the aforesaid requirements the Carrier shall neither be responsible for correct delivery nor liable for expenses arising therefrom.

20 **BULK CARGO, GOODS TO MORE THAN ONE CONSIGNEE.** (1) As the Carrier has no reasonable means of checking the weight of bulk cargo any reference to such weight in this Bill of Lading shall be deemed to be for reference only but shall constitute in no way evidence against the Carrier. Where bulk cargo or goods without marks or cargo with the same marks are shipped to more than one Consignee the Consignees or owners of the goods shall jointly and severally bear any expense or loss in dividing the goods or parcels into pre rates quantities and any deficiency shall fall upon them in such proportion as the Carrier's his servants or agents shall decide.

21 **HEAVY LIFTS AND AWKWARD CARGO.** Any one piece or package of cargo weighs 2,000 Kilos or upwards and any awkward cargo with a length of 9 meters or upwards must be clearly and boldly marked with the weight and its dimensions and/or length by the Shipper and shall be loaded and discharged by shore crane or otherwise at the ship's option and at the risk and expense of the Merchant. If any damage loss or liability to the ship lighter, wharf, quay, crane, hoisting tackle, or whatsoever or to whatsoever occurs owing to the lack of statement or mis-statement of weight, measurement or length, the Merchant shall be responsible for such damage, loss or liability.

22 **FUMIGATION.** In the event of fumigation of goods on board for whatever reason, the Carrier shall not be liable for damage to goods without actual proof of the carrier's negligence which shall not be presumed against him and all expenses incurred are for Merchant's account.

23 **OPTION.** The port of discharge for optional cargo must be declared to the vessel's agents at the first of the optional ports named in the option not later than 48 hours before the vessel's arrival there. In the contract of carriage shall then be considered as having been fulfilled. Any option must be for the total quantity of goods under this Bill of Lading.

24 **GENERAL AVERAGE AND NEW JASON CLAUSE.** (1) General Average shall be adjusted in Beijing in accordance with China Council for the Promotion of International Trade Provisional Rules for General Average Adjustment, 1975.

(2) In the event of accident danger damage or disaster before or after commencement of the voyage, resulting from any cause whatsoever whether due to negligence or not for which or for the consequence of which the Carrier is not responsible by statute contract or otherwise the goods, Shipper, Consignees or Owners of the goods shall contribute with the Carrier in General Average in the payment of any sacrifices losses or expenses of a General Average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the goods. If a sailing ship is owned or operated by the Carrier salvage shall be paid for as fully as if the said sailing ship or ships belonged to strangers. Such deposit as the Carrier or his agents may deem sufficient to cover the adjustment contribution of the goods and any salvage and special charges thereon shall if required be made by the goods, Shipper, Consignees or Owners of the goods to the Carrier before delivery.

25 **BOTH TO BLAME COLLISION CLAUSE.** If the vessel comes into collision with another vessel as a result of the negligence of the other vessel and any act, neglect or default of the master, mariner, pilot or of the servants of the Carrier in the navigation or in the management of the vessel, the owners of the goods carried hereunder will indemnify the Carrier against all loss or liability to the other or non-carrying vessel or her owners in so far as such loss or liability represents loss of or damage to or any claim whatsoever of the Owners of said goods paid or payable by the other or non-carrying vessel or her Owners to the Owners of said goods and set-off, recouped or recovered by the other or non-carrying vessel or her Owners as part of their claim against the carrying ship or Carrier. The foregoing provisions shall also apply where the Owners operators or those in charge of any vessel or vessels or objects other than or in addition to the colliding vessels or objects are at fault in respect of a collision, contact stranding or other accident.

26 **WAR, QUARANTINE, ICE, STRIKES, CONGESTION ETC.** Should it appear that war blockades, pirate, epidemics, quarantine, ice, strikes, congestion and other causes beyond the Carrier's control would prevent the vessel from safely reaching the port of destination and/or discharging the goods thereat the Carrier is entitled to discharge the goods the port of loading or any other safe and convenient port and the contract of carriage shall be deemed to have been fulfilled. Any extra expenses incurred under the aforesaid circumstances shall be borne by the Merchant.

27 **LOCAL CLAUSE.** With respect to the goods carried to or from the United States of America, notwithstanding any other term hereof this Bill of Lading shall have effect subject to the provisions of the Carriage of Goods by Sea Act of the United States of America, 1936. Neither the Carrier nor the vessel shall in any event be or become liable for any loss of or damage to such goods in an amount exceeding Dollars 500 per package lawful money of the United States of America, or in case of goods not shipped in packages, per customary freight unit unless the nature and value of such goods has been declared by the Shipper, before shipment and inserted in the Bill of Lading.

28 **DELAY CONSEQUENTIAL LOSS.** (1) Notwithstanding any negligence of the Company its servants or agents or sub-contractors or other persons for whom the Company is responsible the Company shall not be responsible or liable for any damage to or loss or non-delivery or late delivery of goods or for any delay or deviation in respect of the transportation or delivery or other handling of goods unless it is proved that such damage, loss, non-delivery, late delivery or deviation occurred whilst the goods were in the actual custody of the Company and under its actual control and that the damage, loss, non-delivery, late delivery or deviation was due to the willful neglect or willful default of the Company or its own servants.

(2) The Company shall not in any event whether under Clause 28 (1) or otherwise be under any liability whatsoever for any special, incidental, indirect, consequential or economic loss or damage (including without limitation loss of market, profit, revenue, business or goodwill), any loss or damage or expense arising from or in any way connected with fire or consequence of fire in such cases however caused and whether or not resulting from any act or default or neglect of the Company or its servants or agents or sub-contractors or other persons for whom the Company is responsible.

29 **PARTIAL INVALIDITY.** Each of the provisions of these Conditions is severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid, illegal or unenforceable the validity, legality and enforceability of the remaining provisions of these Conditions shall not in any way be affected or impaired thereby.