



## **STANDARD TRADING CONDITIONS FOR FREIGHT FORWARDERS IN MEXICO. STC.**

TRAFICARGO S.A. DE C.V. JUSTIFICATION.

The present standard trading conditions for Freight Forwarders by the Mexican Freight Forwarders Association are issued hereby upon FIATA recommendations and based on the prevailing need of having clear contract conditions for Freight Forwarders to protect their operation.

For this reason, to achieve a higher protection for Freight Forwarders in Mexico, an analysis of the General Conditions of Commerce from other countries was made, such as Great Britain, Singapore, Canada and Colombia, and the difficulties that diverse freight forwarders have experienced with their CLIENTS and suppliers.

It is important to point out that the present document shall have the legal strength to oblige the users or CLIENTS, as well as to clarify and delimit the obligations of the Freight Forwarders, and this may help in the future to protect them from related third parties' behaviors without protecting all the interests and difficulties that the FREIGHT FORWARDER faces in everyday life.

Therefore, this project is AMACARGA's second effort to protect the activities of its Union members, in a bench and syncretic study with a general and clear proposal for common use of all their members regardless the logistic type they coordinate or execute.

Methodology:

The present conditions are divided in Chapters:

- I. Statements.
- II. Definitions.
- III. The CLIENT.
- IV. The FREIGHT FORWARDER.



- V. Responsibility and weight restrictions.
- VI. The CUSTOMS AGENT.
- VII. Electronic communications.
- VIII. Handling of special and dangerous goods.
- IX. Insurance conditions.
- X. Payment rates and conditions.
- XI. Warehousing conditions.
- XII. Responsibilities, Fines and Compensations.
- XIII. Application and Competence.
- XIV. Final Provisions.

Conditions for interpreting and analysis.

A schematic chart was created in Microsoft Office Excel with the information of each of the proposed chapters, comparing it with that of other countries, and the proposal shall contain the reference of the afore mentioned chart.

The numbering of the Chapters is an initial proposal, and it needs a more methodic and thorough revision, along with the addition or restructuring of the first version.



CHAPTER I.  
STATEMENTS.

1. The present document exclusively regulates each relationship between THE CLIENT and THE FREIGHT FORWARDER; these relationships are considered as understood and accepted from the moment in which THE CLIENT requests a service from the FREIGHT FORWARDER, by any means agreed by both parties.
2. It is understood that THE CLIENT is an individual or legal entity with legal capacity to hire the FREIGHT FORWARDER services.
3. It is understood that the FREIGHT FORWARDER is an individual or legal entity with legal capacity to hire and provide the herein described services either as an Agent or as a principal, depending on the case.
4. The legal responsibility that is generated in the present document is assumed by THE CLIENT and THE FREIGHT FORWARDER, and in the event of irregular societies, by the individuals who represent or constitute them.
5. The Parties agree that when electronic communication is used to negotiate any matter, as a whole or in parts, such communication shall have full legal recourse.

CHAPTER II.  
DEFINITIONS.

6. The definitions mentioned herein are described in an including, but not limiting way.
7. For the purposes of this agreement, the words below shall have the following meanings:
  - 7.1. CLIENT. Any person, individual or legal entity, that requires the provision of services from the FREIGHT FORWARDER, such as consultancy, legal advice, transportation logistics, warehousing, distribution, handling and management of cargo and international and national merchandise or goods.
  - 7.2. FREIGHT FORWARDER. Any person, individual or legal entity, that provides consulting services, legal advice, transportation logistics, transportation logistics, warehousing, distribution, handling and management of cargo and international and national merchandise or goods, acting as an AGENT or PRINCIPAL.
  - 7.3 The CUSTOMS AGENT is an individual or legal entity with legal capacity for the provision of services of customs clearance, of services derived from the trade patent, promotion, handling and counseling for international trade, among others.
  - 7.4. CONSIGNEE. The recipient and/or owner of the goods specified in the Bill of Lading and/or any person that owns or has rights to the possession of the merchandise, who may have a present or future interest.



7.5. GOODS OR MERCHANDISE. Objects capable of being transported.

7.6. DANGEROUS GOODS. Those established with the highest quality by International Standards regarding different areas such as Maritime, Aerial, Land, etc., as well as those that could be or become dangerous, flammable or of a radioactive nature, or that are self-harming or towards another property; or that are dangerously packaged. Goods which could house or originate vermin or other pests, goods that due to the legal, administrative or other obstacles such as its transportation, unloading or any other type of situations could be detained or cause another person or goods to be detained; empty containers previously used for the transportation of Dangerous Goods, with the exception of those turned into safe; and goods considered by any authority to be dangerous or risky.

7.7. CONSOLIDATED MERCHANDISE. Merchandise grouping belonging to various consignees, gathered to be transported from a port, airport or land terminal with a destination to another port, airport or land terminal, in containers or in like manner, if they are contained within the same transportation unit.

7.8. TRANSPORTATION UNIT. Packaging case, pallet, container, trailer, ship or any other mechanism used for and in relation to the freight of goods by land, sea or air.

7.9. SERVICES. Any business taken on or advice, information or services provided by the FREIGHT FORWARDER.



- 7.10. SERVICE REQUEST. Document or order, either written, by phone or electronic sent by any means from the CLIENT to the FREIGHT FORWARDER for the provision of services.
- 7.11. CONDITIONS. Refers to the regulations established in the present document and its annexes.
- 7.12. ANNEXES. Any document that applies to and rules regarding the hiring of the SERVICES.
- 7.13. AUTHORITY. Administrative or a legal entity duly constituted who acts within his or her legal powers and practices jurisdiction within any nation, state, municipality, port or airport.
- 7.14. HAGUE VISBY RULES. These are the provisions of the International Convention for the unification of certain rules related to the bills of lading signed in Brussels, on August 25th, 1924, and amended by the Protocol established in Brussels on February 23rd 1968.
- 7.15. WARSAW CONVENTION. It is the convention for the unification of certain rules regarding International Aerial Transportation, signed in Warsaw, October 12<sup>th</sup> 1929 and amended in The Hague in 1955 and in Montreal in 1995.
- 7.16. PRINCIPAL. Transportation service borrowed directly from the FREIGHT FORWARDER.
- 7.17. AGENT. Services that are hired or provided by third parties in favor of the CLIENT.
- 7.18. PAYMENT RATE. Cost of the services quoted by the FREIGHT FORWARDER.
- 7.19. MANDATE. Process in which the CLIENT entrusts the management of one or more businesses to the FREIGHT FORWARDER in order to become responsible for them on account and risk of the aforementioned.
- 7.20. FOB. Corresponds to the English acronym Free on Board, which in Spanish language means “Libre a Bordo”, free alongside ship.
- 7.21. ELECTRONIC COMMUNICATION. Form of communication through electronic means such as a valid email address, for achieving an information exchange.

## 8. SERVICE REQUESTS.

- 8.1. The parties expressly agree that the services herein described refer to the merchandise specified by THE CLIENT on the service requests sent to the FREIGHT FORWARDER.
- 8.2. In order for a service request to be considered as included within the stipulations of this document it shall be sent to the FREIGHT FORWARDER by any of the means mentioned in the present clause, and it shall be, either expressly or implicitly, accepted by the FREIGHT FORWARDER.
- 8.3. The service requests may be made in writing, by phone, facsimile, MODEM, letter, email, or by any other electronic or printed means that allow a clear understanding between both parties. The approval of the present conditions is considered as established with its digital acceptance: by electronic signature, delivery confirmation, or by any other means.


## CHAPTER III.

### THE CLIENT.

9. The CLIENT confers to the FREIGHT FORWARDER in a general manner, unless otherwise agreed:

- 9.1. A mandate without representation to hire the transportation of the goods specified in each of the service requests, on behalf of the FREIGHT FORWARDER, but on account of the CLIENT.



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- 9.2. A mandate with representation to hire the insurance that covers the risks of the entrusted merchandise, according to the stipulations in this agreement, provided that the CLIENT has supplied what is needed for such hiring, under the terms and conditions to his knowledge and acceptance.
  - 9.3. A mandate with representation to deliver the merchandise on behalf of the CLIENT under the terms and conditions specified in the instructions issued by the CLIENT.
  - 9.4. An express mandate for the FREIGHT FORWARDER to make the services payments and arrangements in representation and on account of the CLIENT.

10. THE CLIENT SHALL HAVE THE FOLLOWING POWERS AND OBLIGATIONS.

- 10.1. The CLIENT shall request the FREIGHT FORWARDER, through the service request, the services rendering, entrusting its planning, control, coordination and management to the counterpart, by means of the pertinent and feasible instructions.
- 10.2. The CLIENT guarantees that he is either the owner or the agent authorized by the legitimate Owner and also accepts these clauses not solely on his part, but also as an agent from or on behalf of the owner.
- 10.3. The CLIENT shall truthfully provide the FREIGHT FORWARDER with all the information related to the description, value, quantity, volume, weight and other characteristics of the goods subject to the service based on the present document and shall guarantee that the complete information related to the general nature and danger of the Goods or Merchandise, its description, bar code, brands, numbering, weight, volume and quantity, as supplied by the CLIENT or person on his behalf, is complete and correct at moment that the FREIGHT FORWARDER, or the third parties were hired and took the Goods under their custody. The CLIENT commits to supply a confirmation irrespective of such details according to what the FREIGHT FORWARDER requires.

In case of concealment, delay or misrepresentation of information, the CLIENT shall take absolute and full responsibility for what may arise, including but not limited to damages and prejudices caused to the FREIGHT FORWARDER and to third parties, expenses and other economic compensations generated. The CLIENT shall thereby be obliged to testify when goods considered as dangerous are involved and shall comply with the laws issued for such effect.

- 10.4. The CLIENT shall be considered reasonably aware of the matters regarding the management of his business, including the sale and purchase terms, the need for assurance and the extent of the coverage available for the type of goods available for its transportation, the need to avoid the transmission of viruses by means of electronic communications, the need for the confidential handling of the information related to high-value goods, and other such matters therefore related.
- 10.5. THE CLIENT shall give the FREIGHT FORWARDER, upon the delivery of the merchandise at the latest, all the necessary information and documentation concerning the transportation by any hired means, which shall at least include: "the name and address of the recipient, the place of delivery, the nature, the value, the number, the weight, the volume, and the characteristics of the contents, such as the particular conditions of the freight and when the merchandise requires special packaging or a technical distribution".
- 10.6. THE CLIENT may provide the FREIGHT FORWARDER the necessary information to determine the routes, the modality and transportation means of the merchandise specified in the service requests. THE CLIENT shall assume all responsibility for the suitability of its instructions and/or of the selection of such routes, modalities and means. In the same way, THE CLIENT shall assume any damage caused as a result of using that route, modality or means, provided that when selecting it, the FREIGHT FORWARDER has adjusted to his instructions.
- 10.7. The CLIENT shall inform the FREIGHT FORWARDER, upon delivery of the merchandise at the latest, of all the necessary data to carry out the customs processing concerning imports or exports, according to the applicable law and shall be held responsible for all the rights, contributions, or taxation in general.



which the goods may be subjected to, including fines, late fees and such pertaining similarities. Such responsibility shall be exempt in case of proven guilt or negligence by the FREIGHT FORWARDER.

- 10.8. The CLIENT shall provide written instructions to the FREIGHT FORWARDER, within a reasonable amount of time before arranging to store or transport the goods when it is required that they: 1.- process the departure or arrival of the goods before the specified dates, 2.- arrange that the goods are transported, stored or handled separately, 3.- manage the transportation of goods which could contaminate or affect other goods or could host or originate vermin or pests or that could for any reason put public health at risk, 4.- declare the value or special interest to deliver it to any carrier or terminal.
- 10.9. By written instructions to the FREIGHT FORWARDER, THE CLIENT may out-license the stored merchandise as well as the right to make use of them to third parties.
- 10.10. THE CLIENT may, at any time, modify the transportation conditions whose hiring is entrusted to the FREIGHT FORWARDER or of those of any of the other procedures related to the issuing, reception, import, export or handling of the merchandise. Such modification shall be made by any of the agreed means to proceed with the service requests. In these cases, the FREIGHT FORWARDER may accept or reject the modifications. In case of acceptance, he should act in accordance with the new instructions and do every reasonable effort to modify the agreements that have been entered and signed. If these agreements could not be changed, the FREIGHT FORWARDER shall inform the CLIENT of such circumstances without bearing any accountability. In the rejection, the FREIGHT FORWARDER shall express, verbally or in writing, the reasons why he considers conditions should not be changed in the agreements already entered and signed or yet to be signed; in such a case, the original regulations shall remain effective.
- 10.11. Any additional cost generated because of the change issued by the CLIENT shall be assumed by the latter.
- 10.12. THE CLIENT expressly authorizes the FREIGHT FORWARDER to delegate the provision of the services requested, in whole or in parts. In case the commission of transportation is delegated, the intermediary party shall assume the obligations contracted by the FREIGHT FORWARDER with respect to the hiring of the transportation.
- 10.13. THE CLIENT shall have the right to inspect, on his own or through a third party, the merchandise while these are in custody of the FREIGHT FORWARDER in working hours, complying with the instructions provided by the FREIGHT FORWARDER while in its custody, for which the latter could appoint an agent.
- 10.14. THE CLIENT declares under oath that the merchandise is legal and was acquired by means of legal resources, and requests that such is treated according to these conditions.
- 10.15. THE CLIENT declares under oath the payments of the hired commercial services come from legal resources.
- 10.16. The CLIENT particularly commits to:
  - 10.16.1. Inform the value of the merchandise whose transportation are entrusted to the FREIGHT FORWARDER. This value shall specify the unitary F.O.B price of each kind to be transported, its quantity and quality, taxation values, packaging, charter fees, insurance and any other applicable expenses.
  - 10.16.2. Receive or have the merchandise received at the place indicated in the service request to the FREIGHT FORWARDER.
  - 10.16.3. Prove to the FREIGHT FORWARDER, the carrier, customs authorities or of any other nature, as required, the ownership of the merchandise or the right of handling possessed on them. Pay, upon service request, the value of the services to be provided and all other amounts.



owed to the FREIGHT FORWARDER, according to the rates established by the aforementioned in accordance with the corresponding chapter.

10.16.4. Pay, upon service request, the value of the services to be provided and all other amounts owed to the FREIGHT FORWARDER, according to the payment rates established by the aforementioned in accordance with corresponding chapter.

11. Payment for provision of the services contracted.

11.1. To collect the services, the FREIGHT FORWARDER shall deliver THE CLIENT the tax receipt in terms of the applicable Tax Legislation, which demands electronic means for the receipt's issuance, and these shall be sent by electronic means to the emails provided from the CLIENT to the FREIGHT FORWARDER.

11.2. The parties agree that the invoices sent to the afore mentioned emails shall have all the legal effects for their collection and shall be considered as accepted within three days following its acceptance confirmation. In case there is no acceptance confirmation, they shall be considered as accepted within five days following the second time, they were sent to the emails specified by THE CLIENT.

11.3. In case there is a change in the email addresses for delivery and reception of electronic invoices, the party shall provide the written notice to the other party at least 10 days in advance.

12. Packaging and handling of merchandise by the CLIENT.

12.1. If the FREIGHT FORWARDER receives from the CLIENT, the merchandise or goods already loaded in a Transportation Unit, the CLIENT shall be responsible for the Transportation Unit to be in good condition and suitable for the transportation of goods to the planned destination.

12.2. If any transportation unit, whatever its nature, had not been packed, stowed or arranged by the FREIGHT FORWARDER, he shall not be made accountable for any loss or damage to the contents if caused by: (i) the way in which the Transportation Unit was packed or loaded; (ii) the poor suitability of the content for its transportation in such unit; (iii) the poor suitability or defective conditions of the Transportation Unit, considering that, if the Transportation Unit was provided by or on behalf of the FREIGHT FORWARDER, this paragraph shall only apply if the poor suitability or defective condition

(a) arose without negligence by the FREIGHT FORWARDER or (b) if it had been evident on reasonable inspection by the CLIENT, owner or representative of either, or (c) if it arose because of the particularities of the goods, and these particularities had not been notified to the FREIGHT FORWARDER; or (iv) the Transportation Unit was not properly sealed at the start of any transportation.

12.3. For these purposes, the CLIENT shall deliver the merchandise duly prepared, packed, wrapped, marked and labeled. The CLIENT guarantees that the preparation, packing, wrapping, marking and labeling are suitable and adequate for any handling or motion that may affect them. Exceptionally, the FREIGHT FORWARDER shall accept instructions from the CLIENT for the preparation, packing, wrapping, marking and labeling of the merchandise. In this case the CLIENT shall vouch for such instructions to be adequate and clear for any person in charge of such activities to carry them out in such a way that the merchandise will bear any sort of handling or motion that may affect them.

12.4. THE CLIENT shall be strictly accountable for any losses, damages or breakdowns caused by an unsuitable or insufficient packing carried out directly by himself or on his account by any person other than the FREIGHT FORWARDER.

13. Special Conditions. Even when the FREIGHT FORWARDER accepts the instructions from the CLIENT for charging the charter fees, taxes, charges, bills to pay or any other expenses to the Consignee or another Person, through the reception of a suitable request by the FREIGHT FORWARDER, and in the absence of any payment evidence (for any given reason) by the Consignee, or another person; it is understood that the CLIENT is still accountable for such charter fees, taxes, charges, bills to pay and other expenses





## CHAPTER IV.

### THE FREIGHT FORWARDER.

#### 14. THE FREIGHT FORWARDER SHALL HAVE THE FOLLOWING POWERS AND OBLIGATIONS.

- 14.1. To receive instructions from the CLIENT, which are included in the service request.
- 14.2. To receive the merchandise established in the accepted service requests, provided that they adhere to the specifications thereby listed.
- 14.3. To provide the CLIENT with the necessary consultancy for planning, controlling, coordinating and directing the movements entrusted to it.
- 14.4. To execute on its own behalf, the agreement of the merchandise according to the instructions given by the CLIENT.
- 14.5. The FREIGHT FORWARDER offers its services based on these clauses, which are applicable to all activities or services offered or processed by it, concerning the transportation of goods or the provision of related services, such as warehousing and any other kind of logistic services.
- 14.6. The FREIGHT FORWARDER undertakes to receive the merchandise established by the CLIENT in the service request, whose transportation has been entrusted under the terms stated in the present agreement and shall solely verify the apparent conditions of the merchandise it receives and, eventually, its packaging. Therefore, the FREIGHT FORWARDER shall not be held responsible for the content of the transportation units.
- 14.7. If the delivered merchandise or their packaging appear to be defective or mistreated, the FREIGHT FORWARDER shall inform the CLIENT of these circumstances in a timely manner, to take the appropriate action. Failure to do this at the appropriate time, the FREIGHT FORWARDER shall take note of these circumstances in the appropriate transportation document, save the documents, and make a written statement which specifies the afore mentioned circumstances, thus releasing itself from responsibility.
- 14.8. The FREIGHT FORWARDER commits to provide the services for the planning, the project, the coordination, the follow-up, the control and the management of all the necessary operations for the moving of the goods or the merchandise described in the present document, the different means of transportation, as well as the handling and delivery of the goods to their destination as requested by the CLIENT, as established in the annexes of the present document.
- 14.9. The FREIGHT FORWARDER shall have reasonable care during the fulfillment of its obligations, including the selection and instruction of third parties that provide their hired services on the CLIENT's behalf, being required to carry out its duties with a reasonable level of attention, diligence, skill and common sense.
- 14.10. The FREIGHT FORWARDER may reject the service request, in whole or in parts, within three (3) days following its reception and if there is no reply, it should be considered as it was rejected. In case that a service request is rejected by the FREIGHT FORWARDER, THE CLIENT may hire the same services specified in this contract from any other party designated by the CLIENT.
- 14.11. In the same way, if the FREIGHT FORWARDER has not received the CLIENT's request and is notified by a third party about the shipping of the merchandise or goods as a consignee for its handling, the FREIGHT FORWARDER may reject the merchandise by notifying the relevant authorities of the afore mentioned rejection, to prevent the shipping of forbidden merchandise.



- 14.12. In case the FREIGHT FORWARDER must execute preservation actions of the shipped merchandise, the CLIENT shall be held accountable and cover any expenses incurred, understanding that by acting on these premises, he is not accepting the service request.
- 14.13. THE FREIGHT FORWARDER shall supervise the movement of merchandise through any method that he considers appropriate, having the responsibility of notifying the CLIENT of any anomaly that may arise during the process, and to be able of modifying the transportation conditions, even if it turns more burdensome, to safeguard the condition of the merchandise. In case the FREIGHT FORWARDER is required to incur extra expenses, these shall be covered by the CLIENT as established in this agreement. When the FREIGHT FORWARDER considers that it is necessary to modify the transportation conditions, it shall notify the CLIENT, explaining the reasoning its suggestions are based on. If unable to locate the CLIENT, or if the circumstances do not make previous consulting possible, the FREIGHT FORWARDER shall take the measures with the sole objective of protecting the CLIENT's interests.
- 14.14. According to the CLIENT's instructions, or when not indicated otherwise, the FREIGHT FORWARDER may freely choose the transporter, methods, means and transport routes that he considers convenient concerning the nature of the merchandise, the rules of trading, the terms of the letters of credit, delivery deadlines and any other additional circumstance that might influence in such decision. In special cases, the FREIGHT FORWARDER shall be allowed to divert from the CLIENT's instructions, and hire equivalent means or methods, provided that the entrusted transit is completed.
- 14.15. The FREIGHT FORWARDER shall have the right, but not the obligation, to divert from the CLIENT's instructions if, to its judgment, there is a justified reason to do so for the CLIENT's own benefit. The FREIGHT FORWARDER shall take no further responsibilities, aside from those herein described (if any).
- 14.16. At any moment, the FREIGHT FORWARDER may comply with the orders or recommendations given by any Authority.
- 14.17. It must deliver the goods or merchandise transported by these means, as described in the annexes of the present document or the service request, and shall be delivered at the destination indicated therein, according to the established conditions.
- 14.18. The FREIGHT FORWARDER, upon the CLIENT's request and by own agreement, shall be able to carry out any relevant transactions before any authorities, and shall be allowed to directly hire or execute any commercial transaction needed for the issuing, handling, receipt, import or export of the merchandise delivered by THE CLIENT.
- 14.19. When the FREIGHT FORWARDER acts directly before the customs authorities, it shall do so on behalf of the CLIENT. In the same manner, when the FREIGHT FORWARDER has the capacity of a customs agent duly authorized or hires an authorized customs agent, THE CLIENT shall be the one held accountable for any complaint issued by a third party due to the actions carried out during the completion of the service.
- 14.20. The FREIGHT FORWARDER's responsibility regarding the goods shall end upon delivery of the same, or under any other regulation, in accordance with the orders or recommendations he might receive.
- 14.21. The FREIGHT FORWARDER shall be able to require an inspection of the delivered merchandise upon completion of each task, and request a document, from either the CLIENT or other recipients of the merchandise, according to the stipulations of this agreement and the instructions of each case, in which their satisfactory reception is stated, and any right to a complaint against the FREIGHT FORWARDER is relinquished.
- 14.22. The FREIGHT FORWARDER is not obliged to verify the authenticity or authority of the signatories of any communication, instruction or document that might affect the availability of the merchandise. It is the sole accountability of the CLIENT to provide information on who the signatories are and with which document they will be identified.



- 14.23. If no person appears to receive the merchandise and the FREIGHT FORWARDER is compelled to do so, the CLIENT shall assume full accountability for the expiration of the legal terms or contractual complaints to the carrier due to loss or damage done to the goods or due to delays on the delivery.
- 14.24. If for any reason the delivery cannot be completed or there is a discrepancy over the conditions on which this shall be done or who the legitimate recipient of the merchandise is, the FREIGHT FORWARDER shall be allowed to receive it or return it, store it or take any other preventative measure at expense of the CLIENT, recipient or legitimate owner of the merchandise, in a solidary manner. In the same way, the FREIGHT FORWARDER shall be allowed to dispose of perishables or goods that are easily damaged by their nature or state.
- 14.25. The FREIGHT FORWARDER shall not be held accountable for any delay in the delivery of the merchandise. Any complaint of this nature shall be made in the presence of the transporter, except those services provided as primary functions.
- 14.26. THE CLIENT shall be the only one accountable for the expenses incurred due to fines, delays, warehousing, damage, detriment and any other expenses generated.

## 15. FORMS OF SERVICES

15.1. The FREIGHT FORWARDER shall provide his services either as a Principal or as an agent, and all the services may be made in this form.

15.2. It is understood that in a general manner the FREIGHT FORWARDER acts as an Agent.

15.3. It is understood that the FREIGHT FORWARDER provides his services as a principal when:

15.3.1. He makes any transporting, handling or storing of goods, but only when the transportation is done by the FREIGHT FORWARDER, with his own assets, either subcontracted or from third parties', and the goods are in custody and under control of these.

15.3.2. The FREIGHT FORWARDER makes an agreement with the CLIENT under the legal figure of a Multimodal Transportation Operator.

15.3.3. The FREIGHT FORWARDER expressly accepts this in writing.

15.3.4. The principal figure shall only be updated regarding the part of the service rendered directly by the FREIGHT FORWARDER, by his own means or employees, without taking into consideration the parts hired by third parties.

15.4. Notwithstanding Clause 14.1., when the FREIGHT FORWARDER acts as an Agent, it has the authorization from the CLIENT to carry out and propose agreements on its behalf and performing these acts for committing the CLIENT to such agreements, regardless any deviation from the CLIENT's instructions.

15.5. The FREIGHT FORWARDER shall, upon the CLIENT's request, provide evidence of any agreement it may have signed as the CLIENT's agent. In case he does not comply with the obligation of providing such evidence, it shall be understood that the FREIGHT FORWARDER signed the contract with the CLIENT acting as a Principal to complete the CLIENT's instructions.

15.6. The FREIGHT FORWARDER, who expressly accepts to act as a Principal in any of his services, shall be at complete liberty to perform such services on his own, or to subcontract under any terms all or part of these services.

15.7. If the FREIGHT FORWARDER acts as a Principal regarding the transportation of goods or merchandise in any manner (by land, air or sea), the following notification shall be issued: If the transportation involves a final destination or stopover in a country that is different from the country of origin,



the Hague (in the case of a transport by sea) and Warsaw Conventions, respectively, might apply, and in most cases, might limit the carrier's accountability regarding loss or damage to the cargo. In the same manner, it is stipulated that all parties are subject to the content of the terms of the transportation document (air waybill, waybill, bill of lading, or other) that the FREIGHT FORWARDER might issue while acting as Principal.

## CHAPTER V.

### RESPONSIBILITY AND WEIGHT RESTRICTIONS.

#### 16. JUSTIFICATION

The objective of the International Convention for the Safety of Life at Sea (SOLAS Convention) of 1974, is to salvage human life at sea; however, the last modifications shall impact, directly, in trade operations, due to the fact that the shipper shall correctly declare the weight and the verified gross mass (VGM) of the container; on the contrary, the main risk could be the sinking of the vessels or commercial ships due to the overload of the shipped merchandise, risking the life of the crew on board; therefore, it is important to make the following clarifications:

#### 17. DEFINITIONS

17.1. SOLAS. International Convention for the Safety of Life at Sea.

17.2. VGM. Verified Gross Mass. Total weight of a packed container obtained through one of the weight methods described hereinafter.

17.3. SHIPPER. The person who is mentioned in the bill of lading or in the sea waybill, the sea transportation guide, or multimodal transportation document and/or person who has executed a merchandise transportation agreement with any shipping firm.

17.4. SCALE TICKET. Document issued by the Shipper through method 2, which works as the Weight Certificate.

17.5. WEIGHT CERTIFICATE. Document issued by a weighing point that gives credit to the VGM of the packed container, or the one representing the VGM of a bulk or cargo tied, packaged or bottled, wrapped, kept in boxes or packages for its transportation, whose only measurement unit is kilogram.

17.6. ISSUANCE DOCUMENT. Document that has the VGM independently from the used method, and which requires to be issued by the shipper in the terms provided in the subsequent chapters.

#### 18. WEIGHING METHODS

The containers shall be weighed for obtaining the Verified Gross Mass through two methods:

18.1. METHOD 1. The container shall be weighed including the bulks or transported cargo. In this case, the owner or operator of the instrument shall issue the Weight certificate, where the corresponding information shall be noted, such as the VGM, the identified heavy container, the denomination of the company that operates the instrument to be weighed, as well as its description.

18.2. METHOD 2. First, the empty container must be weighed and then, the bulks or cargo, as well as the tare weight or platform involved. It is important to mention that both weights shall result in the VGM, and once it is obtained, the scale ticket shall be issued.

18.3. In Mexico, both weight methods shall be subject to the provisions of the NOM-010-SCFI-1994, or in its case, to the alternative procedures that are approved by the Merchant Marine, in the understanding that, it shall be subject to the regulations that each country has concerning the SOLAS International Convention.

#### 19. OBLIGATIONS AND/OR RESPONSIBILITIES OF THE SHIPPER



19.1. The shipper, either the Freight Forwarder or the Client, shall comply with the following:

19.2. To obtain and document the VGM.

19.3. The Freight Forwarder, as shipper, shall require the client the delivery of the weight certificate or the scale ticket for issuing the document along with the VGM, in a timely manner to the captain, his representative or, in its case, to the terminal's representative for the preparation of the stowage plan where all the port responsibilities shall be considered.

19.4. The shipper shall keep the original weight certificate or scale ticket, according to each case for any clarification about the VGM of the cargo container.

## 20. DISCREPANCIES

20.1. In Mexico, a discrepancy is considered when the declared VGM exceeds the margin of error in accordance with the NOM-010-SCFI-1994.

20.2. When abroad, each country shall establish the limit and methods to determine the discrepancies of the VGM.

## 21. CONSEQUENCES

21.1. The container shall not be shipped in the vessel if there is any failure in the report of the VGM packed container, unless the captain or his representative and/or the terminal's representative have obtained the VGM by any other means.

21.2. The packed container shall not be shipped until its VGM is issued, when it is not ruled by the SOLAS International Convention regulations, and it is delivered to any facility of the port terminal without having its VGM verified.

21.3. The captain of the vessel shall deny the container's shipment provided that the latter is not duly weighed and verified or, in its case, fails to have the issuance document with the verified gross mass.

21.4. In case that a new weight is required by, either the shipping firm or the terminal, the requestor shall cover the cost of the new weight if the VGM of the weight declared in first place matches the second one.

21.5. The shipper shall assume the cost and responsibilities, as well as the payment for the disciplinary penalties, delays, stays, maneuvers among others that derive from a new weight, provided that there is a discrepancy between the VGM results in the issuance documentation and the result obtained in the new weight.

## CHAPTER VI.

### THE CUSTOMS AGENT

#### 22. THE CUSTOMS AGENT SHALL HAVE THE FOLLOWING FACULTIES AND OBLIGATIONS:

22.1. At all times, the CUSTOMS AGENT shall conduct himself with responsibility, transparency, integrity and efficiency in the provision of services.

22.2. The CUSTOMS AGENT shall comply with all the applicable laws, regulations and policies in force. He declares under oath that he has not provided and shall not provide nor offer in the future, either directly or indirectly, nor to pay or give any valuables to the employees or public servants or candidates of political parties, nor to employees or public servants of international organizations, with the objective of inappropriately influence in the obtainment or preservation of any business, or obtain inadequate advantages in the process of licenses, permits and government authorizations necessary for the services he will provide.



22.3. The CUSTOMS AGENT undertakes to control all the products and merchandise that were delivered in his customs clearance, until the acts and formalities have been covered in the merchandise dispatch; therefore, he shall be accountable for reporting to the CLIENT of any anomaly, damage or loss that may be detected when carrying out the aforementioned. This report shall be made in written before the merchandise dispatching in the customs office with the written authorization from the CLIENT. The faulty part issued by the corresponding warehouse or transportation company shall be annexed.

22.4. The CUSTOMS AGENT assumes all the responsibilities for the sanctions that are generated due to infractions to the legal provisions for the bad management of the merchandise in the customs office, having, as a result, to cover the CLIENT for all the fines or taxes generated for that reason, as well as the rest of the expenses and costs incurred derived from the abovementioned. In the same manner, the CLIENT releases from any responsibility, provided that the mistakes or omissions are attributable to the CLIENT.

22.5. The CUSTOMS AGENT undertakes to carry out on behalf of the CLIENT, the payment of the taxes and rights that are generated from the merchandise dispatch, as a result of the definitive, temporary imports, the legal deposit, returns, exports and/or any other customs regime, for which the CUSTOMS AGENT shall carry out the corresponding payments, and THE CLIENT shall carry out their reimbursement provided that he presents the original receipts issued by the respective authority, duly filled out in accordance with the tax laws and in favor of the CLIENT, or whoever he designates for this effect.

22.6. The expenses originated from insurances, maneuvers, warehousing or others that are not included, shall be under the CLIENT's responsibility. Such expenses with the previous written authorization by any means, shall be covered by the CUSTOMS AGENT, in representation and on behalf of the CLIENT, who shall present the original receipts that prove such expenses, complying with all the tax requirements in force, and issued in favor of the CLIENT or whoever is designated for this effect. In case there is a credit balance after carrying out the payment of the corresponding taxes, rights and charter fees, this balance may be applied for the payment of the generated expenses for the shipping (maneuvers, licensing, warehousing, etc.) and may be used for the payment of fees and/or expenses invoiced by the CUSTOMS AGENT.

22.7. The CUSTOMS AGENT shall apply the preferential tariff negotiation to the merchandise aimed for imports and which covers the Origin Certificates and the customs regime that THE CLIENT describes in its instructions letter, provided that the Origin Certificates comply with the instructions' requirements for filling out forms published in the Official Journal of the Federation. This shall be made for each service of the "merchandise dispatch" that the CLIENT requires.

22.8. The CUSTOMS AGENT undertakes to inform the CLIENT about any change in the addresses presented by him, within five working days previous to the aforementioned address change, or five working days following such change. On the contrary, any notice carried out in the designated address in the present agreement shall be valid. In case that it is physically impossible to deliver the notices in the appointed address, it shall be understood that they shall be made through other means such as facsimile, telex, email or any other given by the CLIENT.

22.9. The CUSTOMS AGENT shall be informed by the CLIENT of any situation regarding its change of tax data, as well as its suspension from the importers registry, embargoes, Administrative Proceedings in Customs Matters which are in force at the moment or before the imports, and any extension or cancellation of Export Development Programs or Sectoral Promotion Programs or preferential tariffs distribution that establish the international trade agreements which "THE CLIENT" has the right to apply through the Origin Certificates.

22.10 The CUSTOMS AGENT shall not have the right of exclusivity, THE CLIENT shall have, at any moment, the right of carrying out activities that are like the ones that are established in this document with any third party.

22.11. The CUSTOMS AGENT is the employer of all the people who, due to the professional provision of services, work or collaborate either directly or not, for all the legal purposes. In no case the CLIENT shall be accountable for the worker-employer's relationships that are established with such persons, and if for any reason, any worker of the CUSTOMS AGENT sues the CLIENT, THE CUSTOMS AGENT is committed.



before him to respond to all the expenses, damage, lawsuits and claims derived from the relationships between him and his personnel and/or third party.

22.11.1. THE CUSTOMS AGENT assumes the complete responsibility for the payments of salaries, compensations, settlements, taxes and any other obligation related to the employment contracts between him and his employees, his subcontractors and the employees of his subcontractors. For this reason, the CLIENT shall not be held accountable for such obligations, the CUSTOMS AGENT shall indemnify and release from every responsibility for lawsuits against THE CLIENT and shall reimburse him for any expense related to this clause.

22.11.2. The hiring parties have no corporative relationship; therefore, the CUSTOMS AGENT shall not present himself as a legal representative, agent, employee or representative of THE CLIENT. In case that any of these agreed behaviors is made in the present clause, this shall be a reason for responding for all the corresponding damage and prejudice.

22.11.3. The CUSTOMS AGENT undertakes to hold the CLIENT harmless and to reimburse all the expenses that were specified to carry out due to the mentioned reasons and causes, including but not limited to, the fees of the lawyers.

22.11.4. The CLIENT undertakes not to offer a job to any employee, collaborator and/or subordinate of the CUSTOMS AGENT who works or has worked for the last 6 (six) months for him, starting the day of the offer.

22.12. For the collect of the services, THE CUSTOMS AGENT shall deliver the CLIENT the expenses account(s) no later than 8 natural days following the date of elaboration of the customs dispatch. The payment shall be made within 30 natural days following the delivery of the invoice duly fulfilled according to the tax provisions in force, and shall be sent electronically to the emails that the CUSTOMS AGENT provided.

22.12.1. In case of holidays and/or non-working days in the invoice reception or payment, THE CLIENT undertakes to inform the CUSTOMS AGENT about the due date for the reception of the expenses account(s) and the approximate date for their payment.

22.12.2. In case of any change in the emails for delivery and reception of electronic invoices, the part shall inform by written notice to the other party with at least 10 days in advance.

22.13. The CUSTOMS AGENT shall not use the CLIENT's trademarks that are related to the rendered services, and shall only use such trademarks with the expressed written consent of the CLIENT.

22.13.1. The CUSTOMS AGENT acknowledges the right, title and interests of THE CLIENT in all his trademarks related to the rendered services and accepts not to participate in activities or commit any act, directly or indirectly that may put at risk such right, title and interest.

22.13.2. The CUSTOMS AGENT shall not acquire, nor claim the rights, titles or interests in or with trademarks contrary to the rights in virtue of this document. On record on this clause is applicable to all the patents, copyrights and any other kind of intellectual or industrial property of THE CLIENT.

22.14. The CUSTOMS AGENT shall request access to secret and confidential information obtained from the CLIENT, subject to a signature of a Confidentiality Agreement that is appropriate for THE CLIENT.

22.14.1. If THE CLIENT does not request such Confidentiality Agreement, this shall not be a waiver of defenses against the non-authorized disclosure of the confidential and secret information mentioned in this agreement.

22.14.2. Each of the parts accept to carry out, by its own means, all the reasonable actions including, without limitation, the legal proceedings to impose the fulfillment of the parties who are informed with such information through written agreements according to the present clause.



22.14.3. Each of the parties shall inform to all its personnel related to the Confidential Information handling, about the confidential nature of such information and the applicable laws on secret communications.

22.14.4. In the same manner, the parties shall limit the access to Confidential Information only to the authorized personnel that requires it.

22.14.5. None of the parties shall copy, publish, reveal such information to others or cause or allow that its personnel or any other person copy, publish, reveal such information or material to third parties without the written notice of the party that has provided the information.

22.14.6. The parties shall use the Confidential Information only under the purpose and terms that may be convened by written between them, unless such material is kept according to the applicable laws.

22.15. THE CUSTOMS AGENT and THE CLIENT agree that the obligations and rights shall not be assigned or transferred by any of the parties, without the previous written consent by the other party.

## 23. SERVICE MODES

23.1 The CUSTOMS AGENT undertakes to employ all the experience, expertise and professionalism, as well as all the necessary mechanisms such as material and human resources and technical support to carry out the provision of services.

23.2. The CUSTOMS AGENT shall carry out all the necessary proceedings before the competent customs authorities with the objective of carrying out the merchandise dispatches filed by the CLIENT, according to the procedures of the CUSTOMS AGENT and with respect to the applicable customs law.

23.3. The CUSTOMS AGENT shall provide the customs clearance service to the CLIENT, as well as the freight traffic, the merchandise dispatch for its correct importation and exportation, nationally and internationally. The merchandise dispatch comprehends the following services:

### 23.3.1. MERCHANDISE TRAFFIC:

- To coordinate with the Logistic Actors and suppliers of the CLIENT, the correct delivery of the merchandise to be imported or exported and dispatched.

### 23.3.2. MERCHANDISE DISPATCH:

- To import or export the merchandise according to the provisions of the Customs Law, its regulations and the applicable provisions. (Article 54 of the Customs Law in force).
- To verify the truthfulness and precision of the data and information provided by THE CLIENT.
- To determine the customs regime of the merchandise in accordance with the instructions of THE CLIENT provided that it is legally possible.
- To determine the correct tariff classification of the merchandise to be imported or exported, according to the provided information by THE CLIENT. To ensure that the importer or exporter has the documents that give credit to the fulfillment of the rest of the obligations that rule for such merchandise in terms of non-tariff regulations and restrictions, according to the Customs Law in force.

23.4. THE CLIENT shall provide data, documents and real and appropriate information for the provision of services to the CUSTOMS AGENT, excluding the latter from any legal responsibility that comes from incorrect data that the CLIENT had provided, such as the following:

23.4.1. Documents that correctly describe the merchandise (catalogs, data sheets, quality certificates, of analysis and others).

23.4.2. Invoice or any document that covers the commercial value of the merchandise.

23.4.3. Document that covers the origin.





23.4.4. Documents that give credit to the fulfillment for the non-tariff regulations and restrictions.

23.4.5. Import Value manifestation.

23.4.6. Instructions letter.

23.5. The CUSTOMS AGENT undertakes to request in written to THE CLIENT all the necessary documents for the dispatch and the funds that are required to carry out the requested exports and imports, the CUSTOMS AGENT shall require this within one working day previous to the corresponding customs clearance.

In case the import or the export required by the CLIENT to the CUSTOMS AGENT is delayed or stopped due to the failure to notify about the funds and/or required documents on the afore mentioned time, the CUSTOMS AGENT shall be held responsible for any damage or prejudice caused to the CLIENT and shall duly indemnify the latter for such damage and prejudice.

23.6. The CUSTOMS AGENT accepts in accordance with the documentation mentioned in the previous clause, at the moment of reviewing the documentation and merchandise and registering in the delivery writing that it is complete and correct.

23.7. In case that the CLIENT fails to provide the data and the real and correct documents for the provision of the service of the CUSTOMS AGENT, this shall be excluded from any responsibility of payment of the taxes by the tax authority as a result of the infractions and sanctions set forth in the customs law and the other correlative laws of international trade, by differences of contributions, countervailing duties, fines and surcharges determined, as well as the non-compliance of the non-tariff regulations and restrictions if these come from forgery or imprecision of the data and documents provided by THE CLIENT.

23.8. The CUSTOMS AGENT shall respond for the damages and prejudices generated due to negligence, malpractice, or omissions in the acting of the provided services to THE CLIENT up to 100% of the fees charged for the operation, provided that:

23.8.1. The CLIENT informs in written that there has been a damage and/or prejudice; and that effectively it is evidenced.

23.8.2. It is proved through an investigation performed by the CUSTOMS AGENT and by THE CLIENT, in order to prove that it was incurred in negligence, malpractice or omission in the hired provision of services.

23.8.3. It is not about damage or prejudice, caused by the rest of the actors that intervene in the merchandise handling, logistics, transportation and traffic to the importation or exportation, quoting as an example, including but not limited to those incurred by delays, warehousing, losses caused by the Port Operators, Shipping Companies, Cargo Agencies, Custom Authorities, Federal, State or Municipal, Warehousing, Railway Companies, etc.

23.8.4. It is not about the sanctions payment derived from infractions to the applicable custom legislation where other custom agents different from the custom agent are incurred at the moment of the merchandise dispatch.

23.8.5. It is not about correspondences where the omission or negligence of the entrusted correspondent is confirmed.

23.9. When any tax credit is determined to the CLIENT due to causes attributable to the CUSTOMS AGENT, the latter undertakes to carry out the necessary corrections to standardize the required imports in accordance with the provisions of the Customs Law and its Regulation and any other applicable regulations. In the same manner, it shall indemnify and hold THE CLIENT harmless of any accountability derived from the previous and shall reimburse any expense made by such tax credit, including the reimbursement of fines, updates, surcharges and lawyer's fees, as well as paying the damages and prejudices caused by this concept without any limitation.

23.10. In case there is an error, omission or delay in the payment of taxes and customs proceedings rights due to reasons attributable to the CUSTOMS AGENT, as a result of the articles specified in the Customs.



Law in force, the latter shall solve the problem at its own cost and cover before the competent authority, the payment of the omission, surcharges, interests, updates and/or fines cause, and hold THE CLIENT harmless of any authority act filed against him for this reason, including the payment of the lawyers' fees, as well as the compensation for damage and prejudice caused in virtue of this fact.

23.11. In case of such error, omission or delay due to reasons attributable to the CLIENT, he undertakes to indemnify and release the CUSTOMS AGENT from all accountabilities, that in its case, may result due to such error, omission or delay or failure in the timely payment of any amount related thereon.

23.12. The CUSTOMS AGENT shall be excluded from the damages and prejudices that are generated due to delays or failures in the execution of the service rendering, when they are caused by force majeure which makes impossible the fulfillment of the service rendering.

23.13. The CLIENT shall have the right to end the provision of services immediately and without any responsibility if there are justified reasons to consider that the CUSTOMS AGENT or any of its employees or representatives have fulfilled with the provisions of this document.

## CHAPTER VII.

### ELECTRONIC COMMUNICATIONS.

24. THE CLIENT accepts that all quotation and service request shall be in written by facsimile or email in all cases, for which both parties express and accept as main contact the email addresses provided respectively by the CLIENT, the FREIGHT FORWARDER and the CUSTOMS AGENT.

25. In case of any change, the parties shall notify in written by facsimile or email of such change. Failing to give the corresponding notice, all the communications and services acceptance shall be considered valid and in force.

26. In case of any change of addresses or emails of the client, he shall notify to the email provided by the FREIGHT FORWARDER and the CUSTOMS AGENT.

27. In case of any change of addresses or emails of the FREIGHT FORWARDER or the CUSTOMS AGENT, they shall notify to the email provided by the CLIENT.

28. In the same manner, both parties manifest their acceptance that all service and/or contact among the employees, managers, directors and/or partners that have an email from the electronic domain of each of the parties herein acknowledged, shall have legal efficacy concerning the present request and acceptance. Likewise, the domains provided by the FREIGHT FORWARDER, CUSTOMS AGENT and the CLIENT shall be acknowledged.

## CHAPTER VIII.

### HANDLING OF DANGEROUS AND SPECIAL GOODS.

29. The CLIENT shall comply with the local and international rules that regulate the transportation of dangerous merchandise and, in all cases, shall give written notice to the FREIGHT FORWARDER about the exact nature of the potential danger.

#### 30. DANGEROUS GOODS:

30.1. In the absence of the afore mentioned notification, if the FREIGHT FORWARDER, the carrier, an authority and/or a duly entitled third party believes that the merchandise might constitute a potential threat to either health or property, the merchandise may be unloaded, destroyed or transformed, depending on the circumstances and without any risk of compensation. All expenses and damages incurred shall be covered by the CLIENT.



- 30.2. If any non-dangerous merchandise loaded with the FREIGHT FORWARDER'S knowledge about its nature becomes dangerous while under its responsibility, it may likewise be unloaded, destroyed or disposed of, without any accountability for the FREIGHT FORWARDER.
- 30.3. The CLIENT commits to avoid handing over for transportation any goods that are dangerous, flammable, radioactive, risk-inducing or harmful in nature without properly explaining the characteristics of the goods to the FREIGHT FORWARDER. The CLIENT commits to mark the goods and the exterior of the packaging or the containers as per required by any laws or regulations applicable during transportation or request the FREIGHT FORWARDER for it through written instructions.
- 30.4. The CLIENT shall indemnify the FREIGHT FORWARDER for any loss, deterioration, cost or expense incurred as a consequence of an omission of this obligation, failure in compliance or late execution.

31. Without prior written agreement from a representative authorized by the FREIGHT FORWARDER, the same shall not accept nor negotiate with goods or merchandise that require a special handling regarding its transport, care or security, either because of its natural attraction of thieves or for any other reason, including, but not limited to, silver or gold bars, coins, precious stones, jewelry, valuable objects, antiques, paintings, human remains, cattle, pets and plants. If, notwithstanding, the CLIENT hands over such goods to the FREIGHT FORWARDER or causes the FREIGHT FORWARDER to handle or care for such goods, unless a previous agreement exists, the FREIGHT FORWARDER is not held accountable for the goods or anything related to them or caused by them.

Unless specified in special previous written instructions, the FREIGHT FORWARDER shall not accept or deal with merchandise rated as dangerous, nor with ingots, precious metals, coins, precious stones, jewelry, valuables, antiques, paintings, plants, cattle, human remains, among others. If the CLIENT, however, in the absence of prior agreement, remits such goods in any manner other than a written agreement, the FREIGHT FORWARDER shall take no accountability for the same. THE TRANSPORTATION OF MERCHANDISE CONSIDERED ILLEGAL IN EITHER THE COUNTRY OF ORIGIN OR DESTINATION IS STRICT RESPONSIBILITY OF THE CLIENT.

#### 32. SPECIAL GOODS:

- 32.1. When dealing with merchandise classified as "perishable" the CLIENT shall take the necessary precautions that the nature of the goods requires for its safe delivery. The FREIGHT FORWARDER shall not take any responsibility for the deterioration or loss caused by delays due to government inspections, lack of capacity in carrier lines, delays during connections and in general, for any causes that cannot be attributed to the conduct and traffic or transportation time of the merchandise.
- 32.2. Works of art and other high-value goods described herein are included but not limited to, assets whose proportion between volume and weight is unbalanced, such as bicycles, used cars, relocations, pens, bamboo furniture or hollow glass, shall be accepted according to the rates made available upon request to the FREIGHT FORWARDER. Customs tariffs, taxes and local charges, extra expenses for cargo and local delivery expenses are charged in addition to the transportation rate, unless otherwise specified.

#### CHAPTER IX.

#### INSURANCE CONDITIONS.

33. The insurance of the goods shall solely be hired by the FREIGHT FORWARDER upon request from the CLIENT if this has been established by written, so by the latter for every service or individual shipping request,



being the FREIGHT FORWARDER permitted to provide the insurance on its own, or through the hiring of a third party (Insurance Company).

33.1. All hired merchandise insurance is subject to the usual exceptions and conditions established in the policies of the insurance companies or other stakeholders involved.

34. When the merchandise insurance is neither contracted nor provided by the FREIGHT FORWARDER, the latter may recommend to the CLIENT an insurance agent capable of suitably processing an insurance policy according to the CLIENT's needs. After making this recommendation, the FREIGHT FORWARDER has no further obligation regarding the insurance and shall not be held responsible for any loss or damage to the goods during their transportation or storage that might have been covered by an appropriate insurance.

35. In the event that no goods insurance is to be hired, the CLIENT shall be aware that the FREIGHT FORWARDER's responsibility through its acting as Principal shall not exceed the maximum established in aerial matters, by the Warsaw Convention; in maritime and multimodal matters, by the UN Convention, article 18; in terrestrial, by the Law of Federal Roads, Bridges and Motor Carrier, article 66, section 5, and in rule 6 of the International Chamber of Commerce (ICC) and of the UNCTAD or agreement between the parties.

36. The CLIENT shall be held accountable at all times for expenses that may be generated due to civil responsibility relevant to damages and prejudice of any nature, in general breakdown in maritime transport, among others.

## CHAPTER X.

### PAYMENT RATES AND CONDITIONS.

37. Unless otherwise agreed, the payment for the provision of services shall be covered according to the following manner and terms:

37.1. The CLIENT shall pay the FREIGHT FORWARDER, at the moment it requests for the service, the full value of such and any other sum it may incur, according to the accepted payment rate.

37.2. The CLIENT shall pay any expenses that the FREIGHT FORWARDER might incur during the rendering of the service, either in the form of a down payment requested by the FREIGHT FORWARDER, or upon presentation of the corresponding payment receipts.

37.3. Only if payment was agreed, by both parties, to be at the destination place, the CLIENT shall pay at the moment of verifying that the delivery is at the agreed destination.

37.4. When through mutual agreement both parties accept that it shall be the consignee who pays for the service, the same will pay at the agreed upon time. However, if the consignee does not pay, the CLIENT shall continue to be held responsible for the services.

37.5. In the eventuality that the CLIENT ends up owing some amount to the FREIGHT FORWARDER, the same must pay it within the five days following the express or unspoken endorsement of the owed accounts. If the total amount of said obligations were in a foreign currency, the same will be paid in the legal tender (Mexican peso) at the exchange rates published on the date of payment by the Bank of Mexico, except as otherwise agreed, in foreign currency.

### 38. THE FREIGHT FORWARDER.

38.1. Is required to settle accounts to the CLIENT about its activities, expenses, charter fees, taxes and other proven expenditures, as well as amounts received, within 15 natural days following the termination of the service rendering, to determine the total amount and obligations each party is responsible for.



38.2. Has the choice to charge in relation to value, weight or dimensions.



- 38.3. Additional expenses that may be generated through events or circumstances subsequent to the contracting date shall be charged to the CLIENT, as long as they are duly justified. The additional expenses that may be produced due to facts of circumstances after the hiring date shall be on behalf of the CLIENT, as long as they are duly justified.
- 38.4. Unless otherwise agreed upon, when dealing with a service paid upon reaching its destination, neither shall merchandise nor documents be turned over until the payment for such has been verified. If the consignee of the merchandise rejects, abandons, or for any other reason fails to complete the payment, the CLIENT shall be liable for the payment of the services and expenditures that might originate because of this, the FREIGHT FORWARDER shall not assume any responsibility for the reshipping of that merchandise to the point origin or any other destination.
- 38.5. A credit grant in the CLIENT's favor is not presumable; therefore, it must be stated in writing, along with the stipulated terms of payment and interest, and the securities that might also be required.
- 38.6. The CLIENT shall reimburse the FREIGHT FORWARDER for any expenses derived from deviation, delay and any other increase in expenditure, caused by strikes, acts of war, government measures or force majeure.
39. The Payment Rate is considered as the compensation for the services rendered by the FREIGHT FORWARDER and is accepted by the CLIENT. It shall be understood that a payment rate is accepted when:
- 39.1. If it has been expressly declared or signed by the CLIENT, either by email or facsimile.
- 39.2. Upon execution of a Service Request by the CLIENT.
- 39.3. The validity of the payment rates is subject to change without prior notice and are subject to correction or rejection, after approval, including but not limited to variations in the exchange rate, cargo taxes, carrier's surcharges, or any other charge considered in the payment rate. The CLIENT shall be responsible to cover any increase in the rate, charter fees, premiums or any other expenses that might be generated once the traffic is initiated.
40. Payments made by the CLIENT to the FREIGHT FORWARDER shall be:
- 40.1. In cash through the payment means that the Freight Forwarder provides, either cash or electronic funds transfer, or in any other accepted manner. The sum must be delivered in full and before the due date, no discounts or postponements shall be given due to complaints, counterclaims or compensations, manifesting under oath that the payments are legally obtained resources.
- 40.2. The CLIENT relinquishes the right to compensation, if applicable, against what is owed to the FREIGHT FORWARDER.
- 40.3. An untimely payment shall generate interests on all sums owed, calculated from the moment the due date expired until the completion of the payment, at a current legal interest rate. This condition shall be applicable to perishable and dangerous merchandise.

#### CHAPTER XI. WAREHOUSING CONDITIONS.

41. The FREIGHT FORWARDER shall advise the CLIENT in issues pertaining to the storage of the merchandise before and/or after transportation or during the execution of the proceedings or compliance with the formalities needed for the issuing, reception and import of this merchandise. During the development of this obligation, the FREIGHT FORWARDER shall, as per the CLIENT's instructions, select the warehouse in which the merchandise is to be stored at the shipping point, destination or intermediary sites.



42. Whether the storage of the merchandise be entrusted to a third party or be carried out directly by the FREIGHT FORWARDER, the CLIENT must, aside from the information indicated in the service request, include the following data:

- 42.1. Full name of the recipient of the goods.
- 42.2. Name of the carrier, multimodal carrier operator or carrier commission agent, in each case, whenever the transportation is not undertaken by the FREIGHT FORWARDER.
- 42.3. A detailed and explicit description of the goods, including their type and nature, number of packages, technical data, dimensions, weight, quality and, in general, any information that may be regarded as necessary for suitable warehousing.

43. In case the case the warehousing takes place in a General Deposit Warehouse, the FREIGHT FORWARDER may appear as owner of the goods for the sake of the issuing of the respective Certificate of Deposit and security bond, when applicable. In these cases, the FREIGHT FORWARDER may endorse such security in favor of the CLIENT, the Recipient of the goods, their legitimate owners or any of their representatives, in which case the order shall be understood as completed and the obligations terminated.

44. Special Cases:

- 44.1. In case the goods being transported require warehousing due to unforeseeable circumstances and unrelated to the FREIGHT FORWARDER (for example: the non-submission, loss or substitution of documents, embargoes by competent authorities, etc.), the warehousing costs generated with respect to timing, volume, weight and value agreed upon the site shall be covered by the CLIENT, with the knowledge that the CLIENT has previously been informed of which goods need to be stored.
- 44.2. If the CLIENT, Consignee or legitimate Owner of the goods fails to pick up the shipment at the time and place previously established, when and where the FREIGHT FORWARDER is authorized to deliver them, the FREIGHT FORWARDER may store the goods, at the risk of the CLIENT, consignee or legitimate owner, situation in which the FREIGHT FORWARDER's responsibility with respect to the goods, or part of them, would end completely. All the expenses generated by such warehousing shall be covered by the CLIENT, as a result of its failure to receive the shipment. The CLIENT grants the FREIGHT FORWARDER the authority to, at its expense, dispose of, or sell off (through the sale of or through any other reasonable method under any circumstances), those goods that have been stored for more than 45 days and which have not been delivered as agreed, after having warned the CLIENT in writing at least 5 calendar days in advance, or without prior notice if unable to locate the CLIENT and a reasonable effort has been made to contact him.

## CHAPTER XII.

### RESPONSIBILITIES, FINES AND COMPENSATIONS.

45. The FREIGHT FORWARDER and the CLIENT assume their respective responsibility for the non-compliance of any of the provisions agreed or specified in the present contract.

46. Regarding the CLIENT:

46.1. The CLIENT shall indemnify the FREIGHT FORWARDER for any loss, damages, deterioration, and expenses, as well as for any responsibilities the latter may have assumed before third parties, derived from the fulfillment of the CLIENT's instructions, or that may come up due to negligence or non-compliance.

47. Regarding the FREIGHT FORWARDER:

- 47.1. Shall be held accountable for losses or damage caused to the goods, from the moment it becomes entrusted with them until their delivery. Such responsibility includes acts or



FREIGHT FORWARDER, if the user shall not obtain, nor is able to obtain compensation from an insurance company or another third party.

47.2. The amount requested in any complaint lodged to the FREIGHT FORWARDER shall not exceed in any case an amount of \$666.67 SDR (Special Drawing Rights) or the freight cost. Only if the CLIENT requests it in writing, the Freight Forwarder shall accept a responsibility that exceeds these limits, provided that the CLIENT pays the FREIGHT FORWARDER all the additional charges for the increase in responsibility.

47.3. The FREIGHT FORWARDER shall be exempt of all responsibility in case of:

47.3.1. Actions or omissions made by the CLIENT.

47.3.2. Inadequacy or defective conditions in the packaging, marking or numbering.

47.3.3. Having the cargo, loading or unloading manipulated by either the user or a third party acting on its behalf.

47.3.4. Inherent defects in the nature of the merchandise.

47.3.5. Strikes, protests or any other obstruction to the job, whose consequences may not be avoided by the agent.

47.3.6. Failure to comply with instructions received from the CLIENT after issuing the service request document.

47.3.7. Embargo of the merchandise or any other action of an authority.

47.3.8. If for any reason, beyond the FREIGHT FORWARDER's control, the transportation is not able to be completed, there shall be no responsibility for the latter.

47.3.9. Due to any cause considered as force majeure.

47.3.10. Damages caused due to the delay of the delivery of the merchandise.

48. The CLIENT shall give written notice to the Freight Forwarder of any complaint within a period of, no later than, 30 calendar days following the specified date for the delivery of the goods. Failure to do this, the complaint shall be legally inadmissible, and no action may be taken against the FREIGHT FORWARDER in order to validate the complaint.

49. If the goods reach the destination, the consignee or a duly noted representative, and these are not collected prior to expiration of the term set forth in to be considered as abandoned, the FREIGHT FORWARDER shall not assume any responsibility for delays, warehousing, fines or any other charges derived from private individuals as well as from government authorities. The FREIGHT FORWARDER shall not be required to carry out any legal and/or administrative transaction related to such abandonment.

50. The FREIGHT FORWARDER reserves the right of detaining all goods and documents related to the merchandise within its power, custody or control while waiting for the adequate sum to be paid by the CLIENT. Expenses generated due to storage of the withheld goods shall continue to be accumulated as per the said right of detaining.

51. The FREIGHT FORWARDER reserves the right to the preventative embargo of the goods and all the documents regarding present and future debts of the CLIENT, including storage and recovering costs. In the same way, it may execute the embargo in a manner it deems fit.

## CHAPTER XIII.

### APPLICATION AND COMPETENCE.

52. Any service or activity provided by the FREIGHT FORWARDER, either free of charge or not, is subject to these clauses, which are considered part of any agreement between the FREIGHT FORWARDER and the CLIENT, and as such shall prevail over any agreement condition signed by the CLIENT.

53. If any legislation, including rules and directives, applies compulsorily to any business, it shall be assumed that these clauses are subject to such legislation related to the aforementioned business, and nothing in these clauses should be interpreted as a relinquishment on behalf of the FREIGHT FORWARDER of any of its rights or prerogatives, or as an increase of any of its obligations and responsibilities in accordance to such





legislation, and, if any part of these clauses is in opposition to such legislation in any way, that part shall, regarding such business, be invalidated up to that point, and no further.

54. When issuing a “bill of lading” or a “waybill” to or on behalf of the FREIGHT FORWARDER that specifies that it enters into the agreement as a transporter, the provisions specified in such document shall have prevalence to the extent that these do not come into conflict with these Clauses.

55. These clauses shall be applied over any complaint or dispute that may result from or in relation to the services rendered by the FREIGHT FORWARDER, and shall be applied to all burdensome or free business carried out by the FREIGHT FORWARDER in benefit of the CLIENT.

56. These conditions, their clauses and any act or agreement they applied to shall remain under the jurisdiction and the application of Mexican Laws and the Federal Court of United Mexican States, relinquishing the parts of any present or future residence that resides beyond such jurisdiction.

#### CHAPTER XIV.

#### FINAL PROVISIONS.

57. BOTH PARTIES may end the contractual relationship they execute, by means of a written document sent to their counterpart, with a written notice within 30 days in advance.

58. The CLIENT shall entrust its procedures to another person. In the same way, the CLIENT shall settle any debts owed to the FREIGHT FORWARDER.

59. The services that are being provided, unless stated otherwise, shall be concluded by the FREIGHT FORWARDER, on the terms described in this document. Otherwise, the CLIENT undertakes to cover all expenses generated due to the change and cancellation of the requested services.

60. The contractual relationship shall also be regarded as terminated when either party becomes unable to carry out its established objectives, either on one side, or on both.

THE PRESENT CONDITIONS ARE ISSUED IN MEXICO CITY. YEAR 2016.

The clauses and content of the present document are property of the **MEXICAN FREIGHT FORWARDERS ASSOCIATION, A.C.**

AMACARGA

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