

Standard Conditions of Business (Cargo)

ADC Logistics Co. Ltd

1. INTRODUCTION

ADC Logistics Ltd. (ADC) provides services to customers as a customs broker, domestic freight forwarder, domestic property broker, international air carrier and non-vessel operating common carrier. Except as otherwise set forth herein or in a fully executed written agreement between ADC and Customer, these Terms and Conditions govern all such services provided by ADC for Customer; and supersede any conflicting terms and conditions contained in any Documentation, oral agreement, promise, representation or understanding between or among the parties, including those in any bills of lading or waybills. ADC Master Contract for Warehouse and Other Logistics Services Terms and Conditions applies to all warehousing as posted at www.adc-log.com. No agent or employee of the parties may alter these Terms and Conditions, unless in writing and signed by both parties. The signature of any driver or agent of ADC on any Documentation shall be solely for the convenience of the party tendering such shipment and shall not constitute an acceptance by ADC of any terms which vary from these Terms and Conditions.

2. DEFINITIONS

"ADC" shall mean ADC Logistics Co. Ltd

"Customer" shall mean the person or entity to whom ADC is rendering service, as well as their principals, agents and/or representatives, and their shippers, importers, exporters, carriers, secured parties, warehousemen, buyers and/or sellers, shippers agent, insurers and underwriters, break bulk agents and consignees and any party having an interest in the shipment or service. It is the responsibility of Customer to provide notice of these Terms and Conditions to all such principals, agents and/or representatives with an interest in the Shipment.

"WARSAW CONVENTION" means whichever of the following instruments is applicable to the contract of carriage: the Convention for the Unification of Certain Rules Relating to International Carriage by Air, signed at Warsaw, 12 October 1929; that Convention as amended at The Hague on 28 September 1955; that Convention as amended at The Hague 1955 and by Montreal Protocol No. 1, 2, or 4 (1975) as the case may be. "MONTREAL CONVENTION" means the Convention for the Unification of Certain Rules for International Carriage by Air, done at Montreal on 28 May 1999.

"Special Drawing Right" ("SDR") is defined by the International Monetary Fund (IMF) in accordance with prevailing IMF publications. Exchange rate to be based on the actual ship date of the goods.

"Documentation" shall mean all information received from Customer or any Third Party acting for the Customer, or ADC whether in paper or electronic form.

3. ADC AS AGENT

ADC acts as the agent of Customer for the purpose of providing ADC services for Customer, including without limitation, duties in connection with the entry and release of goods, post entry services, the filing of export documents on behalf of the Customer, and all other dealings with government agencies, or for arranging for transportation services or other logistics services in any capacity other than as a carrier. As to all other services, ADC acts as an independent contractor in relation to Customer.

4. QUOTATIONS NOT BINDING

Quotations as to fees, rates of duty, freight charges, insurance premiums, and other charges given by ADC to Customer are for informational purposes only and are subject to change without notice; no quotation shall be binding upon ADC unless ADC in writing agrees to undertake the handling or transportation of the shipment at a specific rate or amount set forth in the quotation and payment arrangements are agreed to between ADC and Customer.

5. REVIEW AND DISCLOSURE

- a) Customer shall review for accuracy all declarations and all other documents that ADC prepares or files with any Third Party for or on behalf of Customer. Customer shall immediately inform ADC in writing of any error, discrepancy, incorrect statement, or omission within any declaration or other document that ADC prepares or files for or on behalf of Customer. Customer is solely responsible for any inaccuracies in the foregoing declarations and other documents.
- b) Customer shall disclose to ADC any and all information required to import, export, or enter any goods that are the subject of services provided by ADC to or for Customer. In preparing and submitting customs entries, export declarations, applications, documents, and export data to any Third Party, ADC may exclusively rely on the contents of the Documentation and on all other information furnished by Customer or by any Third Party acting for or on behalf of the Customer, and ADC shall not be required to verify the accuracy or completeness of such Documentation and other information. Customer warrants and represents to ADC that the information set forth on the face of the ADC waybill, bill of lading(s), or other shipping document, or the information supplied to ADC, or electronically regarding any shipment(s), is complete and accurate; and that each package and/or article in the shipment(s) is properly and completely described including correct weight and measurement, is adequately packaged to protect the enclosed goods from loss or damage with ordinary care in handling, is properly classified, described, packaged, marked and labelled and is in proper condition for transportation according to the applicable regulations, including without limitation all regulations governing the transportation of hazardous materials, regardless of mode of transport based on 49 C.F.R. Parts 171, 172 and 173 or the current edition of the International Air Transport Association (IATA) Dangerous Goods Regulations. Customer's violation of any of these warranties will excuse ADC from any liability whatsoever for damage to any item(s) incurred as a result of such violation, and shall also cause Customer to be liable to ADC for all claims, fines, penalties, damages, costs, or other sums, including reasonable attorneys fees, incurred by ADC as a result of such violation.

6. THRID PARTY LIABILITY LIMITATIONS AND OTHER THRID PARTY TERMS AND CONDITIONS

Third Parties to whom ADC entrusts Customers goods may impose terms and conditions of their service, including limiting their liability for loss or damage. Absent the Customers written request, ADC is not required to inform Customer regarding any such liability limitations or other terms or conditions of a Third Party. ADC will request coverage from the Third Party exceeding the Third Party limitation and the Third Partys modification or waiver of its other terms and conditions only upon written instructions from the Customer, and Customer shall pay all charges therefore. Absent written instructions from the Customer, ADC may at its discretion tender the Customers goods to a Third Party subject to the Third Partys limitations of liability and subject to all other terms and conditions of the Third Partys service. Customer must give ADC the foregoing written instructions when Customer requests ADCs services for a particular transaction.

7. INSURANCE

The Company is not obliged to procure insurance on Customers behalf absent Customers written request when Customer requests the Companys services for a particular transaction. Customer shall pay all premiums and costs incurred by the Company in connection with procuring requested insurance. In the event insurance is provide by ADC to Customer, any and all deductibles, exclusions, restrictions or exceptions will apply to Customer. The amount of insurance requested is the direct responsibility of the party seeking insurance coverage. ADC is in no manner responsible for any payments due to an incorrect insurance amount requested. The insurance amount (in whole dollars) should be equal to the value of the shipment (less of replacement cost or sales price) plus insurance, incurred duty and the freight charges, plus 10%. Failure to insert at least the full invoice value of the shipment shall reduce any insurance payment proportionately by the applicable percentage that the shipment was so under-insured.

8. LIMITED WARRANTY

- a) Except as otherwise provided herein, ADC warrants to Customer that ADC shall use reasonable care, diligence, and skill to provide ADCs services, and ADC makes no other express or implied warranty in connection with its services or the services of any Third Party.
- b) ADCs recommendation or engagement of a Third Party to render services for or on behalf of Customer shall not constitute ADCs representation or warranty that such Third Party will render adequate services. ADC shall not be liable to Customer for any negligent or intentional act, omission, or inaction of such Third Parties, including without limitation, any delay or loss that occurs while a shipment is in the custody or control of a Third Party. ADC shall not be liable for its negligent selection or entrustment of a Third Party. Customer shall bring all claims involving any negligent or intentional act, omission, or inaction of a Third Party solely against that Third Party, whether or not the Third Party was recommended or engaged by ADC. ADC shall not be liable to Customer for any delay or loss caused by the selection or change of a particular shipping route or shipping procedure, whether or not recommended, selected, or changed by ADC or by any Third Party.
- c) ADC shall be liable only for its own actions and omissions, including ADCs breach of these terms and conditions, the terms of any invoice or bill of lading, and the terms of any other agreement with the Customer, and ADCs liability for which is limited.

9. LIMITS OF LIABILITY

ADC shall not be liable for loss, damage, delay or monetary losses of any type caused by: acts of God; acts of public authorities acting with actual or apparent authority; strikes; labour disputes; weather; mechanical failures; aircraft failures; civil commotions; acts or omissions of customs or quarantine officials; acts of carriers related to security; the nature of the Shipment or any defects thereof; acts of public enemies; hazards incident to a state of war; acts of terrorism; or acts, defaults or omissions of the shipper, including but not limited to, inadequate or improper packaging, marking, addressing or the provision of incomplete or inaccurate shipping instructions, Documentation or related information. ADC shall not be liable for loss, damage or deterioration from delay, consequential loss or damage, damage or destruction of cargo from extremes of temperature, changes of atmospheric pressure, inherent vice or moth, insects, vermin, infestation, wear and tear or deterioration. ADC shall not be liable for loss or damage to shipping containers or any exterior packaging. ADC liability for loss, damage, delay or other monetary losses suffered in connection with services performed by ADC is limited as set forth below unless Customer and ADC agree, prior to ADC rendering services with respect to a Shipment, to greater liability by ADC or to coverage through ADC all risk marine policy, up to the actual or declared value of the Shipment, subject to a fee for such increased liability or coverage:

9.1 Where the claim arises from activities relating to Customs business to include Container Freight Station activities, ADC liability is limited to \$50.00 per entry or the amount of brokerage fees paid to ADC for the entry, whichever is less.

9.2 Where the claim arises from activities relating to the domestic warehousing or transportation of new goods within PR China or originating in PR China, ADC liability is limited to the lesser of:

- a) \$50.00 per Shipment or \$0.50 per pound per piece of cargo lost, damaged, mis-delivered or otherwise adversely affected, whichever is greater.

9.3 Where the claim arises from activities relating to the domestic warehousing or transportation of used goods within PR China or originating in PR China, ADC liability is limited to the lesser of:

- a) \$10.00 per Shipment or \$0.10 per pound per piece of cargo lost, damaged, mis-delivered or otherwise adversely affected, whichever is greater.

9.5 Where the claim arises from activities relating to the transportation of goods moving by international air, ADC liability is limited under the Warsaw convention as amended by the Montreal Protocol No. 4 to 19 special drawing rights (SDR) per kilogram of the affected article or articles lost, damaged mis-delivered or otherwise adversely affected.

9.6 Where the claim arises from activities relating to the transport of goods moving by sea, ADC liability is limited to \$100.00 per shipping unit of the affected article or articles lost, damaged mis-delivered or otherwise adversely affected. Refer to the ADC Ocean HB terms and conditions for details. In the event cargo

incurs water damage due to a damaged ocean container, Customer shall document container damage with photos to include the container number, container damage and cargo damage. Failure to provide photos may result in declination of claim.

At the time of delivery, the consignee must note on the delivery receipt any exceptions to the count or condition of the shipment or the shipping containers. ADC shall not be liable for concealed loss or damage not noted on the delivery receipt and/or not consistent with visible signs of damage to the outside shipping container(s), unless Customer provides written notice to ADC within 48 hours of delivery and is able to prove that such loss or damage occurred while the shipment was in ADC or ADC agent possession. A clear delivery receipt shall bear evidence of ordinary care in handling and receipt of the shipment(s) in full and in good condition. Notations such as "subject to inspection or count" will not be considered evidence of damage or shortage. In no event shall ADC be liable for any special, incidental, consequential or punitive damages, including but not limited to, loss of profits or loss of market, whether or not ADC had knowledge that such damages or losses might occur. In no event shall ADC liability for aggregate losses at any one time at any one place exceed \$5,000 unless mutually agreed upon in writing by both parties prior to tender of the shipment(s). Where Customer seeks to declare a value for a shipment consisting of more than one piece, it shall be Customer's responsibility to have a numbered label affixed to each such piece and then to declare a value correlating to each such number in the space provided on the face of the shipping document(s). Failing compliance with this requirement, ADC liability for loss or damage to any part of such shipment shall be limited to the average declared value of the shipment times the number of the piece(s) lost or damaged.

10. CLAIMS

ADC shall not entertain any claims unless filed in writing within the allotted time period as noted herein. Customer shall submit the ADC formal claim form along with any required documents to the local ADC office handling the shipment/warehousing/clearance of goods. Upon receipt of completed formal claim form and all required documents, a claim number will be assigned and an acknowledgement of claim will be sent to claimant within 30 days in writing. ADC will investigate the claim and will notify claimant within 120 days after receipt of claim of the conclusion. If a claim cannot be closed within 120 days, ADC will notify claimant every 60 days of disposition of claim. Claims that are submitted with partial documents, or missing items required to conclude a claim, will result in denial of claim. All costs incurred with ADC to transport, handle or warehouse goods must be paid in full prior to any claim payment being made. Claim payments may be in the form of a credit note.

10.1 At time of delivery, the consignee shall sign a delivery receipt acknowledging receipt of the Shipment and any apparent exceptions to the good order, count and condition of the Shipment. Any additional exceptions discovered during a further inspection in the driver's presence shall be noted on the delivery receipt. If no exceptions to good order, count or condition are noted on the delivery receipt, the Shipment is presumed to have been delivered in the same good order, count and condition as when initially received by ADC. Notations such as "subject to inspection" and "subject to count" do not constitute exceptions to the good order, count and condition of the Shipment.

10.2 Where claims arise from activities relating to the domestic warehousing or transportation of goods within the PR China, if any loss or damage not ascertainable at time of delivery is later discovered, written notice must be provided to ADC no later than 14 days after the date of delivery, after which time, with no notice having been given, the Shipment is presumed to have been delivered in the same good order, count and condition as when initially received by ADC.

10.3 Where claims arise from activities relating to the transport of goods moving by sea, unless notice of loss and the general nature of such loss be given in writing to ADC at the port of discharge or place of delivery before or at the time of delivery of the Goods or if the loss is not apparent, within three (3) consecutive days after that delivery, the Goods shall be presumed to have been delivered in the same good order, count and condition as when initially received by ADC.

10.4 Unless otherwise specified, if a Shipment is delayed, lost or otherwise not delivered, written notice must be provided to ADC no later than 14 days after the date on which the Shipment should have been delivered, after which time, with no notice having been given, the Shipment is presumed to have been delivered in the same good order, count and condition as when initially received by ADC.

10.5 ADC is entitled to inspect the Shipment and all materials used to package or protect the Shipment at the place of delivery in the same condition as at delivery. Failure to maintain the shipment at the place of delivery may result in declination of claim. Failure to supply packing material for inspection may result in declination of claim.

10.6 It is incumbent upon the claimant and any other interested party to mitigate the damages to the extent that is reasonably possible.

10.7 Unless subject to a specific statute or international convention establishing a longer period, all claims for loss, damage or delay must be submitted in writing by submitting a ADC formal claim form within 14 days to the ADC office, or sent via email to contact@adc-log.com. Such claims must include copies of all shipping documents, delivery receipts, invoices, photos and any other documents supporting the claim. The failure to provide timely notice shall be a complete defence to any suit or action commenced by Customer for the loss, damage or delay. Unless a written complaint is made within the time limits specified herein no action may be brought against ADC. Annotations of damage and/or loss on the delivery receipt DOES NOT qualify as notice.

10.8 Unless subject to a specific statute or international convention establishing a longer period, suit to recover for any loss, damage or delay must be instituted within the following time periods:

10.8.1 For claims arising out of ocean transportation, one year from the date the claim has been denied in writing, in whole or in part, by ADC.

10.8.2 For claims arising out of air or ground transportation, two years from the date the claim has been denied in writing, in whole or in part, by ADC.

10.8.3 For claims arising out of the preparation and/or submission of an import entry, 60 days from the date of liquidation of the entry.

10.9 No claim will be considered until all current and past due transportation, storage, warehousing, demurrage or other charges owed by Customer to ADC have been paid in full. The amount of freight claims may not be deducted from transportation charges.

10.10 If ADC pays a claim for loss of or damage to a Shipment, ADC shall be entitled to possession of the portion of the Shipment for which the claim was made or the salvage value thereof.

10.11 Claims for overcharges or duplicate payments must be received in writing by ADC no later than 180 days of Customer's receipt of the original invoice from ADC; and, provided that such claim has been timely filed, any action or proceeding by Customer against ADC to recover such charges shall be commenced not more than 18 months after Customer's receipt of ADC applicable invoice.

10.12 Claims for damage to Customers, a shippers and/or a consignees premises incurred during performance of service(s) by ADC will be deemed untimely unless such damage is noted on the bill of lading or delivery receipt, or unless reported to ADC in writing or contact@adc-log.com within 24 hours of service at that location. ADC shall be entitled to make inspection of any property damage prior to any repairs. Failure of Customer, the shipper and/or the consignee to notify ADC of any such damage in a timely manner will be grounds for declination of any such claim and shall serve as a bar to any recovery in a court of law or otherwise.

10.13 Except as provided by any statute, treaty, or international convention, Customer must commence all lawsuits and all other proceedings against ADC within 90 days from the date on which the matter, fact, thing, occurrence, nonoccurrence, loss, or damage that is the subject of the lawsuit or other proceeding first occurred or failed to occur unless otherwise outlined in this document. The foregoing limitations shall:

- a) apply to counterclaims and actions for recoupment or setoff, regardless of the date on which ADC commences its action against Customer
- b) inure to the benefit of ADCs subsidiaries, affiliates, shareholders, directors, officers, employees, and contractors if any of them are named in such lawsuit or other proceeding.

11. PROHIBITED CARGO

The following articles shall not be tendered to ADC for transportation: any Shipment prohibited by law, aircrafts, aircraft parts, animals (live), asbestos tiles, bank notes, blood/blood products, currency, Dangerous Goods Red label, eggs in the shell, explosives/fireworks, fertilizer, firearms & ammunition, fishmeal, furs & hides (processed & unprocessed), gems and precious stones, gold & bullion, jewellery (non-costume), meats/seafood (fresh, not frozen), nuclear fuels, one-of-a-kind articles or prototypes, perfume products, plants/flowers (live), precious metals, securities, monies, silver items, stamps, unprotected or unpackaged goods, valuable papers (to include but not limited to bonds, deeds, documents, manuscripts, plans, securities, stamps, treasury notes), watches, yachts, X-ray or similar tubes. This list is not exhaustive, please contact ADC to determine if there are any exclusions based on specific commodities. Exclusions may apply to general merchandise such as used goods, automobiles and/or vehicles, bagged goods, ceramic and porcelain products including tile, personal effects, household goods, granite slabs and tile.

ADC shall not be liable for any loss, damage, delay, liabilities, penalties or fines resulting from the transportation of any of the foregoing articles, however described or mis-described in the shipping Documentation, and no employee or agent of ADC has any authority to accept for transportation such articles or to waive the limitations herein contained. ADC retains the right to refuse any such Shipment prior to acceptance. In the event ADC discovers after acceptance of a Shipment that the Shipment contains any of the herein mentioned articles, it reserves the right to refuse the Shipment, or, if already in transit, to refuse to deliver the Shipment to the consignee. Customer agrees to pay all expenses, freight charges, fines and penalties for said Shipment. Customer further agrees to indemnify and hold harmless ADC from any and all loss, damage, delay, liabilities, penalties or fines of whatsoever nature arising out of or related in any way to said Shipment.

12. ADVANCING MONEY

All charges must be paid by Customer in advance unless ADC agrees in writing to extend credit to Customer pursuant to a signed Credit Application. ADC's extension of credit to Customer in connection with a particular transaction shall not constitute ADC's consent to grant future credit.

13. INDEMNIFICATION

The Customer shall forever indemnify, defend, refrain from suing, and hold harmless ADC and ADCs subsidiaries, affiliates, shareholders, directors, officers, employees, agents, contractors, representatives, and Third Parties engaged by ADC, of and from all claims, damages, losses, lawsuits, administrative proceedings, all other proceedings, liabilities, costs, and expenses, wherever and whenever brought or occurring, wholly or partially caused by or involving:

- a) any latent or patent condition, any quality, or any part of Customer's goods
- b) any conduct, omission, or misstatement, by Customer or of any Third Party acting for or on behalf of Customer, whether or not intended, unintended, negligent, or knowingly or unknowingly in violation of any law, treaty, convention, agreement, Documentation, or industry practice
- c) any Documentation, information, or instruction, or the lack thereof, given or not given to ADC or any Third Party by the Customer or any Third Party acting for or on behalf of Customer
- d) any release of Customer's goods by ADC contrary to any Third Party instruction.

By way of example and not limitation, the foregoing shall include claims for property damage, personal injuries and death; fines and penalties; the expenses of domestic and international travel; storage and demurrage charges; lodging, meals; and the fees of consultants, experts, and attorneys.

14. ACCEPTANCE AND PAYMENT FOR SHIPMENTS

ADC shall have no responsibility or liability if any bank, consignee, or other Third Party:

- a) accepts or refuses to accept any shipment, letter of credit, bill of lading, or other documents
- b) pays or refuses to pay for any shipment, regardless of the provisions of a letter of credit, bill of lading, or the provisions of other documents or instructions.

Customer shall be responsible for all charges and expenses incurred or assessed by ADC in connection with a shipment and/or its transportation and/or storage. Amounts due shall be paid without deduction or offset upon issuance of invoice by ADC for such services unless otherwise agreed to by both parties in a written contract. ADC may in its sole discretion increase, decrease, suspend or revoke credit at any time for any reason and without advance notice.

15. COSTS OF COLLECTIONS; INTEREST

The Customer shall upon demand pay to ADC all expenses and costs incurred or paid by ADC, including the fees of consultants, experts, and attorneys, in any dispute to enforce these Terms and Conditions, ADCs invoices, or ADCs bills of lading, including but not limited to the collection of payments owed by the Customer to ADC. All past due amounts owed by the Customer to ADC under any invoice or any bill of lading, or under these terms and conditions, shall earn simple interest at the rate 1.5% per month.

16. GENERAL LIEN AND SECURITY INTEREST

These terms and conditions constitute a security agreement. To secure Customers performance of its obligations under these terms and conditions, any ADC bill of lading, or any invoice, ADC shall have a general and continuing lien on and security interest in any and all goods and other property of Customer of which ADC has actual or constructive custody, possession, or control, whether or not the unpaid amount or unperformed obligation is related to the property for which ADC imposes its lien. ADC may on ten days notice to Customer sell such goods and other property at a public or private sale, or ADC may retain such goods and other property in storage. Whether ADC sells or stores such goods and other property, the Customer shall pay on demand all the costs and expenses of the sale or storage, including the fees of experts, consultants, attorneys, auctioneers, and all transportation expenses and any net proceeds remaining thereafter shall be refunded to Customer. All payments by Customer and the proceeds from all sales of Customers goods and other property shall be applied in the following order of priority: first, to accrued interest; next, to ADCs costs and expenses that Customer is obliged to pay under these terms and conditions; last, to unpaid principal.

17. NO DUTY TO MAINTAIN RECORDS FOR CUSTOMER

Customer acknowledges that pursuant to EU GDPR it has the sole duty and is solely liable for maintaining all records required thereunder. ADC shall only keep such records that it is required to maintain by any applicable law, but in so doing ADC shall not act as a "record-keeper" or "recordkeeping agent" for Customer.

18. OBTAINING BINDING RULINGS, FILING PROTESTS

ADC shall not be obliged to undertake any customs release action, including, but not limited to, obtaining binding rulings, advising of liquidations, filing of petitions or protests, or determining or declaring the value of goods or shipments absent Customers timely written declaration delivered to ADC. In addition, ADC shall not be obliged to collect funds for Customer from any Third Party.

19. PREPARATION AND ISSUANCE OF BILLS OF LADING

Whenever ADC prepares or issues a bill of lading, ADC shall be under no obligation to specify thereon the number of pieces, packages or cartons unless specifically requested to do so in writing by Customer or its agent, and Customer shall pay for same at ADCs then prevailing rate. In so doing, ADC may rely on and use the cargo weight and all other information or Documentation supplied by Customer or the Customers agent without verifying the accuracy thereof.

20. EXLUSIVE MODIFICATIONS

For each shipment, these terms and conditions and ADCs invoices and bills of lading pertaining to that shipment set forth the entire agreement of the parties with respect to that shipment. Without notice to Customer, from time to time ADC may modify these terms and conditions by posting the change on ADCs website at www.adc-log.com, and such changed terms and conditions shall apply to all future shipments. Therefore, Customer should review these terms and conditions before placing an order with ADC for ADCs services.

21. COMPENSATION OF ADC

The compensation of ADC for its services shall be included with and is in addition to the rates and charges of Third Parties who transport, handle, and otherwise deal with the Customers goods, and such compensation to ADC shall be without regard to any brokerage, commissions, dividends, or other revenue received by ADC from Third Parties. Customers performance of these terms and conditions and the provisions of ADCs invoices, including the Customers payment obligations to ADC, shall not be subject to any claim, counterclaim, setoff, or recoupment, including without limitation, claims that ADC materially breached any of its obligations to the Customer.

22. FUEL AND SECURITY SURCHARGE

Due to extreme fluctuations and changes in the industry, ADC reserves the right to assess a fuel or security surcharge on applicable shipments and warehouse locations. A current schedule of Fuel Surcharges is available upon request.

23. SEVERABILITY

If a court determines that any of these terms and conditions or any provision of any ADC invoice or bill of lading is invalid or unenforceable, the remainder thereof shall remain in full force and effect, and Customer consents to a modification of these terms and conditions, the invoice, and the bill of lading to make them enforceable while remaining as similar as possible to the original.

24. GOVERNING LAW, JURISDICTION, VENUE

All matters between the Company and the Customer, including but not limited disputes between Customer and Company, these terms and conditions, the provisions of any Company invoice, and the provisions of the Companys bills of lading, shall be governed by the laws of PR China without applying conflicts of law principles that would result in applying the law of any other jurisdiction. In all disputes between the Company and the Customer, the Customer hereby submits to the exclusive jurisdiction and the exclusive venue of the state courts located in Shanghai, PR China. The Customer hereby waves all claims that such jurisdiction is improper. The Customer hereby waives all claims that such venue is inconvenient. Notwithstanding the foregoing jurisdiction and venue restrictions, the Company may enforce a judgment against Customer in any jurisdiction and in any venue.

25. POWER OF ATTORNEY

This provision constitutes Customers power of attorney to ADC, so that whenever necessary or desirable to provide any services, at ADCs discretion, on Customers behalf, and at Customers expense, ADC may, but is not required to:

- a) sign instruments,
- b) perform acts,
- c) provide assistance,
- d) comply with, enter into agreements with, or pay Third Parties, under Third Parties terms or rules, whether customary or otherwise,

including shipping fees, storage charges, detention charges, duties, and taxes. All of the foregoing shall be binding on Customer, for which Customer may owe ADC additional fees at ADCs then current rates.

26. DEMURRAGE

Customer shall pay ADC all the demurrage and other fees charged or incurred by ADC to warehouse or store Customers cargo. Customer shall be responsible for additional costs incurred due to government delays such as customs.

27. CUSTOMERS REPRESENTATIONS AND WARRANTIES

Customer represents and warrants the following to ADC and to all of ADCs vendors, for which Customer shall be entirely and strictly liable, and on which ADC and its vendors may rely regardless of their knowledge or notice to the contrary:

- a) At the time of initial receipt by ADC or its initial vendor, the Customers cargo shall be in a condition entirely satisfactory to Customer and all Third Parties having any interest or concern regarding the Goods.
- b) The Customers cargo shall be of a type and shall be in a condition that conforms to all laws, excluding changes to the cargo negligently or intentionally caused by ADC any ADC vendor.
- c) The coding, crating, description, labelling, marking, and packaging of the Customers cargo by anyone other than ADC or any ADC vendor is entirely correct, entirely suitable to transport the cargo by any mode selected by ADC, and does not violate any law.
- d) The crating and packaging supplied by anyone other than ADC or any ADC vendor is not infested or hazardous and is otherwise in good condition.
- e) All the Documentation, instructions, declarations, weight designations, and other information furnished to ADC or any ADC vendor by or for Customer or any Customer agent in connection with the Customers cargo are entirely accurate and complete, and include all the information concerning the cargo that ADC or any ADC vendor might require to properly and lawfully perform ADCs services.
- f) Immediately upon receipt by Customer or Customers agent of any document or communication from ADC or any ADC vendor, Customer shall completely inspect all such documents and communications and immediately inform ADC of every inaccuracy therein.
- g) The use or dissemination by Customer or any Customer agents of gratuitous advice that ADC or any ADC vendor gives to Customer or Customers agents shall be at Customers sole risk.
- h) Customer agrees to allow ADC to endorse or counter-sign weight certifications or tickets to meet the requirements of SOLAS in the event weight verifications are not included supplied by Customer.

28. NO MODIFICATION

Except as otherwise provided above, these terms and conditions, ADCs invoices and ADCs bills of lading shall not be modified except by a writing signed or acknowledged by ADC and Customer, and shall not be modified by the conduct of ADC or any Third Party. ADCs failure or forbearance to require Customers strict compliance with these terms and conditions in their then current content, ADCs invoices and ADCs bills of lading, whether or not occurring on multiple

occasions, shall not thereby modify them, shall not excuse Customers future compliance, and shall apply only to the specific instance of ADCs failure or forbearance.

29. SUCCESSORS AND ASSIGNS

These terms and conditions and the provisions of all ADC invoices and bills of lading shall be binding on and shall inure to the benefit of the parties respective successors and assigns.

30. TRANSPORTATION SECURITY RESTRICTIONS

All cargo tender for air transportation is subject to screening/search by the forwarder, air carrier or port authorities; and requires that ADC refuse to offer air transportation of any cargo where the shipper/customer does not consent to screening of the cargo. ADC, its hired carriers and port authorities may conduct screening of cargo. By tendering shipments to ADC, Customer is deemed to consent to such screening. ADC shall not be liable for loss, damage or delay due to opening of cargo, resulting physical inspection or repackaging arising out of any such screening.