

GENERAL BUSINESS TERMS AND CONDITIONS

I. Introductory provisions, definition of forwarding services

1. These Business terms and conditions constitute an integral part of the forwarding contract (or order of forwarding services) and regulate the relations between the Forwarder and the Client in terms of provision of transportation of consignments in a binding manner. Conclusion of a forwarding contract (sending and receipt of an order or instruction to provide transportation) shall lead, in accordance with the consenting will of the contracting parties, to agreement on the wording of these Business terms and conditions as specified hereinafter. Before conclusion of a forwarding contract (sending an order), the Client shall have fully familiarised himself with the content and wording of the Business terms and conditions and accepts these Business terms and conditions without reservation. The services of the Forwarder are also provided in compliance with the current terms and conditions which are valid for transportation, handling, storage, and the provisions of the bill of lading/airwaybill issued by sea and air carriers, the General conditions of carriage of Česmad Bohemia road carriers and the regulations of shipowners or port companies hired or contracted by the Forwarder. Contractual relations shall be governed by the Civil Code no. 89/2012 Coll., and the General Conditions of Freight Forwarding of the Association of Forwarding and Logistics of the Czech Republic, all as amended. Pricing offers of the Forwarder are subject to confirmation in accordance with these General business terms and conditions.

2. Provision of transportation of consignments shall in particular be understood to mean the following activity on the part of the Forwarder:

- a) acceptance of the consignment for transportation
- b) provision of transportation of the consignment from the place of its acceptance to the delivery location
- c) delivery of the consignment to the designated recipient

3. Provision of transportation of consignments shall take place from the place of dispatch to the delivery location subject to the conditions agreed in the forwarding contract.

4. The Forwarder shall provide services relating to transportation if ordering of these services is evident from the Client's order placed with the Forwarder.

II. Properties of transported consignments stipulated by the forwarder

1. The Forwarder stipulates that the following items must not under any circumstances constitute the content of consignments: gold, silver, works of art, precious metals, banknotes, coins, live animals and organisms, plants, perishable goods, dairy products, meat and meat products, alcohol (with the exception of beer and wine), tobacco products, weapons, ammunition, explosives, rockets, bombs, grenades and military means of transport. These goods may only be transported with the written consent of the Forwarder with specification of the type of consignment being transported.

2. The Client shall be obliged to declare hazardous goods – goods specified in ADR/RID/IATA-DGR or IMDG to the Forwarder in accordance with the international conventions. If these goods are not duly declared by the Client, the Forwarder shall be entitled to refuse to accept goods for transportation, and if this fact is only discovered during the course of transportation, the carrier may have the consignment destroyed at the cost of the Client or the carrier.

3. The Client is obliged to inform the Forwarder of the value of the consignment when ordering the Forwarder's services. If the Client fails to inform the Forwarder of the value of the consignment, the Forwarder shall then assume that the value of individual consignments does not exceed EUR 1,000.00, that the value of pallet consignments (consignments loaded onto one pallet) does not exceed EUR 10,000.00 and that the value of full truck load consignments does not exceed the value of EUR 100,000.00. The Client, in his capacity as a party knowledgeable about the goods, must ensure all official permits and accompanying documents for transportation of the consignment, if these are required by the regulations of the countries concerned for transportation. The Client may order this service from the Forwarder subject to a fee. The Client shall be liable for meeting of all obligations of the consignor.

4. The Client acknowledges that individual types of transportation may have specific restrictions for the properties of the consignment, such as its weight, shape or the dimensions of the consignment, and the Forwarder shall always in preference provide the required type of transportation according to the details about the consignment communicated by the Client, but the Forwarder may choose a different type of transportation with a view to the properties and nature of the consignment.

5. The Client undertakes to duly pack the consignment in undamaged packaging in such a way as to ensure, with a view to the nature of the consignment:

- a) that protection is ensured for the content of the consignment against damage or loss during regular handling of the consignment or special handling of the consignment stipulated by the Client
- b) that the packaging of the consignment allows for safe and due handling during transportation of the consignment
- c) that the recipient's address is stated on the packaging of the consignment, and if the nature of the consignment so requires, to legibly label it with a handling or warning label for special handling of the consignment stipulated by the Client

III. Conditions for delivery of consignments

1. The Forwarder shall provide delivery of the consignment to the delivery location within a regular delivery term appropriate to the transportation distance or by the deadline agreed with the Forwarder. Regular delivery term shall be understood to mean the period when the Forwarder usually delivers the consignment to the recipient, this being if no special or unexpected situation arises during provision of transportation of the consignment.

2. If the last day of the delivery term were to fall on a holiday or non-working day, it shall end at the same time on the following working day.

3. The provisions of the previous two paragraphs shall not be used for cases when the consignment cannot be delivered at the first attempt. An undeliverable consignment shall then be understood to mean a consignment which cannot be delivered despite exercising of due professional care:

- a) the recipient of the consignment could not be reached at the time of its delivery in the designated location
- b) the recipient of the consignment refused to confirm its receipt in writing
- c) the recipient of the consignment is not to be found at the designated location or has moved

4. The undeliverable consignment shall be stored by the Forwarder and the Client shall instruct the Forwarder how to proceed (e.g. repeat delivery of the consignment or delivery of the consignment back to the loading location). Procedure must be possible in compliance with the legislation. If a consignment is undeliverable, this shall have no effect on the agreed consideration for the Forwarder, but the Client shall also be obliged to provide reimbursement of all costs incurred due to it being impossible to deliver the consignment to the recipient.

5. International transportation of consignments is subject to the regime of international conventions on transportation of goods which limit the obligation of the carrier to provide compensation, and which may also determine the obligation of consignors to provide compensation for damage to other consignors (e.g. a joint accident). If a check is made on the consignment by administrative authorities during the course of transportation, the legislation may then impose the obligation on the consignor or owner of the consignment to settle costs relating to inspection of the consignment (e.g. loading, unloading of the consignment etc.). Such costs shall always be borne by the Client.

6. The carrier shall deliver consignments to recipients in accordance with the respective international conventions and legislation. If handover of a consignment is subject to presentation of a consignment note or bill of lading by the recipient, then it shall not be possible to issue the consignment without this being presented by the recipient and it must be stored by the carrier at the cost of the Client or the consignor. The level of costs shall depend on the price list of the carrier, the port or the warehouse.

IV. Provision of transportation

1. The Forwarder shall provide transportation subject to conditions usual for the given type of transportation.

2. The Forwarder shall only ensure the safety of consignments in cases when the Client explicitly so requests and when the Client provides the Forwarder a reasonable deposit for provision of such exclusive services. Transportation shall otherwise take place subject to usual transportation conditions in the given field, e.g. road transportation in accordance with the General conditions of carriage of Česmad Bohemia and the CMR convention (11/1975 Coll.), sea transportation – conditions of the bill of lading, air transportation – conditions.

3. The Forwarder shall notify the Client of provision of transportation no later than the moment of loading, when the Client is notified during loading of the name of the carrier. The Client shall be entitled to reject a carrier if the consignor ascertained any discrepancies during inspection of the carrier's documents during loading and has any justified doubts as to the quality and existence of the carrier.

V. Liability of the forwarder and the client

1. The Forwarder shall be liable to the Client for damage to the consignment which arises during provision of transportation, if the Forwarder has the consignment on his premises. The Forwarder shall however be released from liability for damage if he can prove that he was unable to avert this whilst exercising due professional care or that breach of obligation was caused by circumstances precluding liability.

2. Liability of the Forwarder in his legal standing as the carrier is given:

- a) in the event of the Forwarder acting as the carrier (Section 2474 Civil Code)
- b) as the operator - operator of multi-modal transportation
- c) if he issues his own carriage document, bill of lading in which he acts as the carrier
- d) if he has not communicated the identity of the carrier to the Client during loading (not specified on the carriage document)
- e) subject to agreement with the Client, when the Forwarder undertakes to contractually assume liability for performance of transportation

The Forwarder shall always provide the Client compensation for actual damage, i.e. such an amount by which the value of the consignment which the consignment had at the moment of acceptance of the consignment for provision of transportation has decreased. The Forwarder's obligation to provide compensation does not include loss of profit and similar financial damages, unless specified in the contract.

3. The Forwarder shall be released from liability for damage to the accepted consignment if:

- a) he was unable to prevent the creation of damage even through exercising of due professional care usual in the commercial field of forwarding services
- b) the damage was created as a result of breach of obligation on the part of the Client determined in the legislation, the forwarding contract and these Business terms and conditions
- c) if damage was caused by a defect or the natural character of the content of the consignment, or due to defective or unsuitable packaging. The Forwarder or the consignor shall be liable for the packaging of the consignment corresponding to the type, character of the consignment and protection against risks of the requested transportation.
- d) the damage was not claimed for with the Forwarder by the Client within the deadline specified in art. V., para. 3 of the Business terms and conditions, or without presentation of due documents for the claims proceedings, which the Forwarder is authorised by the Client to manage and which he manages on behalf and on account of the Client
- e) the damage was created during handling, loading, storage or unloading of the consignment by the consignor, the recipient or parties acting on behalf of the consignor or the recipient
- f) the goods are of a natural character, which are subject to complete or partial loss or damage, in particular due to breakage, rust, internal spoilage, drying out, leakage, normal wastage or the effects of insects or rodents

4. If the Forwarder duly arranged a transportation deadline, the carrier shall be liable for it being exceeded. Liability on the part of the carrier in the event of the arranged delivery term being exceeded, when the Client proves that the damage arose due to this fact, is limited in the case international road transportation to the obligation of the carrier to provide compensation in accordance with the CMR convention no. 11/1975 Coll. i.e., only to the level of the carriage charge. In the case of international air transportation, the obligation of the carrier to provide compensation shall be limited in accordance with the Convention on Unification of Certain Rules for International Carriage by Air no. 123/2003 Coll. international conventions, i.e. only up to the level of the value of the consignment. In the case of sea transportation, transportation deadlines are not guaranteed by the sea carrier and cannot be regarded as legally binding.

5. The Client shall be obliged to inform the Forwarder of all information known to him for provision of transportation and shall be liable to the Forwarder for the accuracy of the details and instructions for provision of transportation. The Client shall be obliged to provide the Forwarder due and timely cooperation, in particular to provide the required documents, instructions, assurance of settlement of costs relating to transportation, which the Forwarder shall ask the Client for during provision or performance of transportation.

6. The Forwarder shall provide transportation of the consignment on his own behalf on account of the Client and the Client shall be held liable to the carrier or the Forwarder for meeting of the obligations determined by the legislation or bill of lading for the consignor.

VI. Claims proceedings, deadlines

1. The Client shall be obliged to ensure drawing up of a record of damage to the consignment immediately on receipt of the consignment by the recipient from the carrier if the delivered consignment is obviously damaged and this is ascertainable at first glance. Incompleteness of the consignment or other obvious flaws shall also be regarded as damage. The Forwarder must subsequently be given the opportunity to satisfy himself in person of the scope of the damage and further handling of the damaged consignment must be performed in line with the instructions of the Forwarder. The Client must allow the Forwarder or the carrier to check the damage to the consignment which is being claimed, this also being by a third party (e.g. by a claims officer or expert witness).

2. The Forwarder shall not be liable for the actions and negligence of the carrier and any possible claims of the Client towards the carrier shall be made by the Forwarder on his own behalf and on account of the Client. Whilst exercising these claims towards the carrier, the Client shall be obliged to provide cooperation, in particular to provide documents relating to the consignment and its value etc. as a basis for making claims against the carrier.

3. The Forwarder shall make claims against the carrier for compensation for damage on his own behalf on account of the Client in accordance with the international conventions valid for the given type of transportation. In the case of sea transportation, the Haag – Visby rules adopted in 1971 and amended in 1981 and in 1995 shall apply for the obligation to provide compensation, unless the bill of lading refers to the Hamburg rules of 1978 in the matter of obligation to provide compensation.

4. If damage to the consignment was not ascertained in the manner specified in point 1., deadlines for written notification of and claiming for damage and the maximum level of compensation for damage in individual fields of transportation shall be as follows in accordance with the international transportation conventions:

Valid provisions on liability	Claim period – damage which was not obviously ascertainable on receipt	Time limit for legal action	Limitation of liability
1. Sea transportation Provisions of the Haag – Visby rules	3 days	1 year	666.7 SDR per unit or 2 SDR per kg
Hamburg rules	15 days	2 years	835 SDR per unit or 2 SDR per kg
2. Air transportation Montreal Convention	14 days (21 days in the event of delay)	2 years	17 SDR per kilogram
3. Road transportation CMR – international transportation	7 days (21 days in the event of delay) ✳	1 year	8.33 SDR per kilogram
4. Road transportation domestic transportation	3 days	1 year	actual damage

5. Deadlines pursuant to the international CMR convention (see table above) start on the date of handover of goods and Sundays and nationally recognised holidays are not counted in them.

6. The Forwarder is obliged to exercise the right to compensation for damage created from transportation jobs provided within 1 year of handover of the consignment to the recipient.

7. Whilst exercising the right to compensation for damage with the Forwarder, the Client shall be obliged to prove the scope of damage caused in a clear manner which does not give rise to any doubts by means of credible written evidence.

VII. Insurance of consignments

- 1. The Forwarder declares that in accordance with the valid legislation of the Czech Republic, he has all necessary permits, licences and valid insurance for his liability for damage caused in relation to performance of his activity in his capacity as a forwarder or carrier (in accordance with the valid CMR Convention) and any other permits which may be required entitling him to operate activities in accordance with this contract. The Forwarder shall be obliged to provide documents certifying these facts to the Client for viewing at his request.*
- 2. The Forwarder shall only be obliged to provide insurance of the consignment for the planned duration of transportation (so-called cargo insurance) on the basis of written instruction to do so by the Client and at his cost. Instruction by the Client must determine the insured value of the goods, the type of goods, insured risks and period over which insurance for the goods should be ensured. Mere details about the price of the goods and delivery condition cannot be regarded as instruction to provide insurance.*
- 3. Cargo insurance rates for individual types of transportation are dependent on the type of goods and individual territories.*
- 4. Additional insurance of consignments (cargo insurance) does not relate to defective packaging of goods, just in time transportation, fraud, a false recipient, risk of war and political risk and any other possible exclusions determined in the insurance contract.*

VIII. Final provisions

- 1. Relations between the Client and the Forwarder not regulated for in these Business terms and conditions and in the provisions of the forwarding contract shall be governed by the respective provisions of the international and Czech legislation. Unless determined otherwise in the contract or these terms and conditions, the contractual relationship between the Forwarder and the Client shall be governed by the General Conditions of Freight Forwarding of Forwarding and Logistics of the Czech Republic.*
- 2. In the event of any dispute, the contracting parties shall attempt to reach mutual agreement. If no such agreement is reached over the course of such negotiations, the dispute shall be passed on for resolution to the court with local jurisdiction or, subject to mutual agreement, to the Arbitration Court Attached to the Economic Chamber of the Czech Republic and the Agricultural Chamber of the Czech Republic.*

In Prague, on 01. 03. 2015