

FEDERATION DES ENTREPRISES DE
TRANSPORT ET LOGISTIQUE DE FRANCE

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General Terms of Sale
governing operations performed
by transport and/or logistics operators

Article 1 – PURPOSE AND SCOPE

The purpose of the present text is to define the terms and conditions under which a "Transport and/or Logistics Operator" shall provide, acting in any capacity whatsoever (multimodal transport operator, warehousing agent, authorized agent, cargo handling contractor, logistics contractor –acting as a customs agent or not, international freight forwarder, carrier, etc.), services related to the physical transport of shipments and/or the management of goods flows, packaged or not, of any kind and from any source and for all destinations, in return for a freely agreed to fee that ensures fair remuneration for the services provided – in both domestic and international service.

The customer hereby accepts, without reservation of any kind, the terms and conditions set out hereafter every time it hires or conducts any kind of operation with the "Transport and/or Logistics Operator".

Irrespective of the transport technique used, the present terms and conditions govern the relationship between the customer and the "Transport and/or Logistics Operator".

The "Transport and/or Logistics Operator" shall perform the requested services according to the terms and conditions set out in article 7 below.

No special or other general terms of the customer shall take precedence over the present terms and conditions without prior formal acceptance by the "Transport and/or Logistics Operator".

Article 2 - DEFINITIONS:

For the purposes of the present General Terms of Sale, the terms hereafter are defined as follows:

2-1. CUSTOMER

“Customer” refers to the party that contracts the service with the "Transport and/or Logistics Operator" or the Customs Agent.

2-2. TRANSPORT AND/OR LOGISTICS OPERATOR

“Transport and/or Logistics Operator,” **hereafter designated as the TLO**, refers to the party (multimodal transport operator, authorized agent, logistics contractor, international freight forwarder, primary carrier, etc.) that enters into a contract of carriage with a carrier to whom the party entrusts the performance of all or part of the transport operation and/or that enters into a logistics services contract with an assign (subcontractor), when the party doesn't perform said services itself.

2-2.1. – MULTIMODAL TRANSPORT OPERATOR

“Multimodal Transport Operator” (*organisateur-commissionnaire de transport* in French) refers to any service provider that organizes and provides for the performance of, under its responsibility and in its own name, in accordance with the provisions set out in article L 132-1 of the French Commercial Law (*Code du Commerce*), the transport of goods according to modes and means of its choosing on behalf of a principal.

2-2.2. - LOGISTICS OPERATOR

“Logistics Operator” refers to any service provider that organizes, performs or provides for the performance of, under its responsibility and in its own name, in accordance with the provisions set out in article L 132-1 of the French Commercial Law (*Code du Commerce*), any operation intended to manage physical goods flows as well as the related documentary and/or information flows.

2-2.3. – PRIMARY CARRIER

“Primary Carrier” refers to the carrier hired under the initial contract of carriage entered into with a customer or with a multimodal transport operator, who entrusts all or part of performance, under its responsibility, to another carrier.

2-3. CUSTOMS AGENT

“Customs Agent” refers to the authorized service provider that directly fulfils in the name of and on behalf of a customer (direct representation), or indirectly fulfils in its own name and on behalf of a customer (indirect representation), customs formalities and that intervenes, as required, to resolve any difficulties that may arise.

Direct representation is governed by agency contract rules and indirect representation by commissioning rules.

2-4. PARCEL

“Parcel” refers to one object or several objects comprising one material item, irrespective of the weight, dimensions and volume, constituting a unit load when handed over for transport (bin, cage, crate, carton, container, bundle, pallet strapped or stretch-wrapped by the customer, roll, etc.), and packaged by the consignor before handing over for transport, even if the contents are itemized in the consignment document.

2-5. SHIPMENT

“Shipment” refers to the goods (including packaging and packing materials) actually made available, at one time, to the TLO, whose transport is requested by one customer for one consignee from one loading place to one unloading place and covered by one consignment document.

Article 3 – PRICES OF SERVICES

Prices are calculated based on information supplied by the customer, particularly taking into consideration the services to be performed, the nature, weight and volume of the goods to be transported and the routes. Prices are quoted based on exchange rates in effect at the time they are given. They are also determined on the basis of assigns' (subcontractors') terms and rates, as well as the international laws, regulations and conventions in effect. If one or more of these basic elements are modified after prices have been quoted – including quotations by the TLO's assigns (subcontractors) – in a way that is binding on the TLO and based on evidence provided by the TLO, the original quoted prices will be modified accordingly. The same is true in the event any unforeseen circumstance results in one of the service elements being changed. Prices do not include charges, duties, fees and taxes due in accordance with any legislation, particularly fiscal or customs-related (such as excise duties, import duties, etc.).

Article 4 - GOODS INSURANCE

The TLO shall not take out insurance without **the customer's prior written and repeated order** for each shipment indicating the risks and values to be covered. If such an order is given, the TLO, acting on behalf of the customer, shall subscribe an insurance policy with an insurance company known to be solvent during the period of insurance coverage.

Unless specifically specified otherwise, only ordinary risks (excluding war and strike risks) shall be insured.

Acting, in this specific case, as an agent, the TLO shall in no way be considered as the insurer. The terms and conditions of the insurance policy are deemed to be known and approved by the consignors and consignees, who shall bear the cost. An insurance certificate shall be issued, as required.

Article 5 - PERFORMANCE OF SERVICES

Departure and arrival dates that may be communicated by the TLO are given for information purposes only. The customer is required to communicate in due course to the TLO the necessary and specific instructions so the TLO can perform the transport services as well as related and/or logistical services. The TLO is not required to verify the documents (sales invoice, packing list, etc.) supplied by the customer.

Any special delivery instructions (COD, etc.) must be provided **in writing for each shipment** and subject to the TLO's express approval. In all cases, this type of order is only incidental to the primary transport and/or logistics service being provided.

Article 6 – CUSTOMER OBLIGATIONS

Packaging

Goods must be packaged, wrapped, marked or countermarked in such a way that it can withstand transport and/or storage operations performed under normal conditions, including the successive handling that necessarily occurs during these operations. Goods shall not constitute a danger for driving or handling personnel, the environment, the safety of transport equipment, other goods transported or stored, vehicles or third parties.

In the event the customer entrusts the TLO with goods that contravene the provisions cited above, such goods shall travel entirely at the customer's risk and peril and subject to the complete discharge of any liability on the part of the TLO.

Labeling:

A clear label must be affixed to each parcel, item or packaging material to enable immediate and unequivocal identification of the consignor, consignee, delivery location and nature of goods. The label information must correspond to the information shown on the consignment document.

Declaratory obligations:

The customer shall be liable for the full consequences for any lack, insufficiency or defect in the packing, packaging, marking or labeling as well as any failure to fulfill an information or declaration obligation about the nature and characteristics of the goods (e.g.; regarding hazardous goods).

The customer alone shall bear any and all consequences resulting from erroneous, incomplete, inapplicable or late declarations or documents.

Exceptions:

In the event of any losses, spoilage or any other damage of the goods or in the case of a delay, the consignee or the receiving party shall be responsible for drawing up a regular and sufficient factual report, noting the concretely reasoned exceptions and in general carrying out all required procedures to preserve the consignee's right of legal recourse and confirm said exceptions in due form and within the prescribed legal deadlines. Failing that, the consignee shall waive its right to pursue legal recourse against the TLO or its assigns (subcontractors).

Refusal or default of the consignee:

In the event the consignee refuses goods or in the event it defaults for any reason whatsoever, the customer shall remain liable for all initial and additional expenses due and owing for the account of the goods.

Customs formalities:

In the event customs formalities need to be performed, the customer shall hold the customs agent harmless against any financial consequences resulting from erroneous instructions, inapplicable documents, etc., which may, in a general manner, entail payment of additional duties and/or taxes, penalties, etc., to the government service concerned.

Article 7 – LIABILITY**7.1. – Liability due to assigns (subcontractors):**

The TLO's liability is limited strictly to its assigns' (subcontractors') liability for the operation assigned to the TLO. When intermediaries' or subcontractors' indemnity limits are unknown or are not stipulated by mandatory or legal provisions, they are deemed to be identical to the TLO's indemnity limits.

7.2. – The TLO’s personal liability:

The indemnity limits set out below provide consideration for the liability assumed by the TLO.

7.2.1. – Losses and damages:

In the event the TLO’s personal liability is established, for any reason and in any capacity whatsoever, it shall be strictly limited:

a) – for all damages to goods attributable to losses and damages during the transport operation and any consequences resulting thereof, to the indemnity ceilings established by the legal or regulatory provisions applicable to the transport concerned.

b) – in all cases where the damages to the goods or any consequences resulting thereof are not due to the transport operation, to 14 euros per kilogram of the missing or damaged goods’ gross weight, provided it does not exceed, irrespective of the weight, volume, dimensions, nature or value of the goods concerned, the product of the goods’ gross weight expressed in metric tons multiplied by 2,300 euros up to a maximum of 50,000 euros per claim.

7.2.2. – Other damages:

For all damages and especially those caused by late delivery duly confirmed in accordance with the above-mentioned provisions, the TLO’s compensation as part of its personal liability shall be strictly limited to the cost of transporting the goods (excluding duties, taxes and miscellaneous expenses) covered by the contract. In no case shall this compensation exceed the amount due in case of loss or damage of the goods.

For all damages caused by a failure to perform the logistics service covered by the contract, the TLO’s personal liability shall be strictly limited to the price of the service that led to the damage, which shall not exceed a maximum of 50,000 euros per claim.

7.3. - Quotations:

All price quotations, one-time price proposals and general rates are determined and/or published in view of the above-mentioned limits of liability (7.1 and 7.2).

7.4 –Declared value or insurance:

The customer may always state a declared value, established by him and accepted by the TLO, that has the effect of substituting the declared value amount for the above-mentioned indemnity ceilings (Articles 7.1 and 7.2). Stating declared value will lead to a surcharge.

The customer may also instruct the TLO, pursuant to article 4, to take out insurance on his behalf, subject to his payment of the corresponding premium, by specifying the risks and values to insure.

The instructions (declared value statement or insurance) must be renewed for each operation.

7.5 – Special interest in delivery:

The customer may always make a declaration of special interest in delivery, established by him and accepted by the TLO, that has the effect of substituting the declared amount for the above-mentioned indemnity ceilings (Articles 7.1 and 7.2). This declaration will lead to a surcharge. The instructions must be renewed for each operation.

Article 8 – SPECIAL TRANSPORT

For special transport (in tankers, non-divisible items, perishable goods in temperature-controlled vehicles, live animals, vehicles, goods subject to special regulations, especially hazardous goods, etc.), the TLO will provide the consignor with equipment that is appropriate for the conditions previously defined by the customer.

Article 9 – PAYMENT TERMS

Services are payable **cash upon receipt of invoice, without discount**, at the location where the invoice is issued. The customer is always liable for their payment.

Unilaterally deducting the amount of alleged damages from the price of services is prohibited.

In exceptional cases, when payment terms are granted, any partial payments will be credited first to the unsecured part of the debt. The non-payment of a single installment will automatically trigger the end of the payment term and the outstanding balance will become due immediately, even in case of payment by acceptance bills. Penalties will be charged automatically in the event any amount due is paid after the payment date shown on the invoice.

These penalties shall be equal to a rate one and a half times the legal interest rate pursuant to article L 441-6 of the French Commercial Law (*Code du Commerce*).

Article 10 - CONTRACTUAL POSSESSARY LIEN

Irrespective of the capacity the TLO may be acting in, the customer expressly acknowledges that the TLO has a contractual possessory lien providing a general, permanent preferential and retention right on all goods, values and titles held by the TLO. This lien serves as a guarantee for the total amount of debt (invoices, interest, incurred expenses, etc.) owed to the TLO, including debt prior to or outside the operations being carried out with regard to the said goods, values and documents held by the TLO.

The customs agent enjoys the same contractual possessory lien as the TLO.

Article 11 – LAPSE OF TIME FOR RECOURSE

The right to institute any legal proceedings pursuant to the contract entered into between the parties shall lapse one year after the said contract is executed.

Article 12 – VOIDANCE - SEVERABILITY

If any provision of the present General Terms of Sale is determined to be void or illegal, all other provisions shall continue to have full force and effect.

Article 13 – APPLICABLE JURISDICTION

In case of litigation or dispute, only the Commercial Courts in the TLO's head office locality shall have jurisdiction, even in the event of several defendants or several proceedings against guarantors.

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The present General Terms of Sale of "*Fédération des Entreprises de Transport et Logistique de France (T.L.F.)*" take effect as of **October 1, 2001**.