

**UPS AIR FREIGHT TERMS AND CONDITIONS OF CONTRACT (“TERMS”)
FOR UPS AIR FREIGHT SERVICES IN THE UNITED STATES, CANADA, AND
INTERNATIONAL**

EFFECTIVE SEPTEMBER 20, 2010

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UPS AIR FREIGHT TERMS AND CONDITIONS OF CONTRACT (“TERMS”) FOR UPS AIR FREIGHT SERVICES IN THE UNITED STATES, CANADA AND INTERNATIONAL

Effective September 20, 2010

I. INTRODUCTION

- A.** The following contains the general terms and conditions of contract under which UPS Air Freight Services are provided. These Terms are effective on the date set forth above, and are subject to change without prior notice. The most current version of the Terms is published on the UPS web site at www.ups.com. In tendering the shipment for delivery, the shipper agrees that the version of these Terms in force at the time of presentation of the shipment for carriage will apply to the shipment and its carriage.
- B.** For purposes of these Terms, “UPS Air Freight Services” means UPS Next Day Air® Freight, UPS 2nd Day Air® Freight, UPS 3 Day FreightSM, UPS Next Day Air® Freight NGS, UPS 2nd Day Air® Freight NGS, UPS 3 Day FreightSM NGS, UPS ExpressSM Freight, UPS Air Freight DirectSM, and UPS Air Freight ConsolidatedSM. UPS Air Freight Services are not available in all locations. Consult the UPS Rate and Service Guide (available at www.ups.com) for service descriptions and availability.
- C.** These Terms shall apply to all UPS Air Freight Services shipments save to the extent otherwise required or mandated by any international, national, federal, state, or local law, rule, convention, or regulation applicable to the shipment.
- D.** Depending upon the region where services are provided by UPS, the shipper’s contract will be with whichever of the following companies is applicable: UPS Supply Chain Solutions, Inc. with respect to the Americas region, UPS Europe SA (“UPS SCS Europe”) with respect to the Europe, Middle East and Africa regions, and UPS SCS (Asia) Limited (“UPS SCS Asia”) with respect to the Asia-Pacific region, each of which shall be referred to as the “Network” as such term is used in this Agreement, but solely with respect to the services provided in their respective regions. Without prejudice to the identity of the contracting UPS party, all services provided in the country of the shipper or the consignee will be provided by the UPS SCS entity located in that country (“SCS Local Entity”) and not by any of the Networks or any other UPS affiliated company. The service provided by UPS under these Terms trades under the brand of “UPS Supply Chain Solutions.” A description of the countries comprising each of the Americas, Europe, Middle East, and Africa, and Asia-Pacific regions is available upon request.
- E.** UPS may engage subcontractors to perform services. UPS contracts on its own behalf and on behalf of its servants, agents and subcontractors, each of whom shall have the benefit of these Terms including, but not limited to, the Limitations of Liability contained in these Terms. Shipper expressly authorizes UPS to subcontract part or all of the services.

F. Definitions. As used in these Terms and in any UPS Air Freight Services shipping documents, including Air Waybills, the following meanings shall apply:

1. “Air Waybill” means the version of the UPS Air Freight Services Air Waybill or the UPS Shipper’s Letter of Instruction current at the time the shipment is presented to UPS for carriage (available at www.ups.com or upon request).
2. “CMR Convention” shall mean the Convention on the Contract for the International Carriage of Goods by Road, signed at Geneva on 19 May 1956.
3. “Delivery” for all purposes shall be deemed to include, but not be limited to, delivery to the consignee’s actual or apparent agent or representative, including a customs broker selected by the shipper or consignee, delivery to the address specified on the Air Waybill or the shipping system used, delivery to any person present at the address or location specified on the Air Waybill or the shipping system used, delivery to a reasonable alternate address or location, or delivery in accordance with trade custom or usage. To the extent permitted by applicable law, UPS does not limit delivery to the person specified as the consignee on the Air Waybill or the shipping system used.
4. “Domestic shipment” is a shipment that moves solely within the borders of a country or its possessions.
5. “International shipment” is a shipment that moves from one country to another. It also refers to any shipment with an origin or destination in Taiwan, the Hong Kong Special Administrative Region, or the Macau Special Administrative Region.
6. “North American air freight” shipment is a shipment with its origin and destination in the United States, Puerto Rico, or Canada.
7. “Piece” means a single pallet or an individual, non-palletized package.
8. “Pounds” refers to the measure of weight and not to a unit of currency.
9. “Shipment” means one or more pieces moving on a single Air Waybill or manifest from an automated shipping application.
10. “Transportation charges” means the amounts assessed for the movement of a shipment and does not include any other fees or charges which may be assessed including, but not limited to, all applicable accessorial charges, special or additional handling fees, customs duties and taxes, Declared Value charges, Check to Shipper (C.T.S.) charges, surcharges, and late payment fees.
11. “UPS” shall refer to UPS Supply Chain Solutions, Inc., UPS SCS Europe, UPS SCS Asia or the SCS Local Entity, as applicable, and their respective employees and agents.

12. "Warsaw Convention" shall mean (a) the Convention for the Unification of Certain Rules Relating to the International Carriage by Air, signed at Warsaw on 12 October, 1929; (b) that convention as amended or supplemented by any protocol or supplementary convention; or (c) the Convention for the Unification of Certain Rules for International Carriage by Air (Montreal, 28 May 1999), whichever is applicable.

13. All references to dollars refer to U.S. dollars.

II. ACCOUNT NUMBERS

A. A valid account number is required for all shipments:

1. For UPS Air Freight Services accessed through UPS Internet Shipping, a valid United Parcel Service, Inc. six-character account number is required for all shipments.
2. For UPS Air Freight Services accessed through a UPS call center or service center, a valid UPS Supply Chain Solutions nine-digit account number or a valid United Parcel Service, Inc. six-character account number is required for all shipments, unless payment is made at the time of shipment.
3. For UPS Air Freight Services accessed through any other means, a valid UPS Supply Chain Solutions nine-digit account number is required for all shipments.

III. ADDRESS CORRECTION

- A.** If a consignee's address or ZIP/postal code is found to be incorrect or incomplete, UPS will attempt to determine the correct or complete address and complete the delivery as expeditiously as possible, but assumes no responsibility for the inability to complete delivery under such circumstances, and if required by applicable law, UPS will at the same time notify the shipper. A special handling fee per correction will be assessed for this service. If the correct or complete address cannot be determined, and if the consignee cannot be reached, the shipper will be contacted for address clarification or instructions for the return of the shipment. (See Section XXVI (Notice and Disposition of Property)).
- B.** UPS does not deliver to P.O. Box addresses, P.O. Box ZIP/postal codes or APO/FPO boxes. Shipments addressed to P.O. Box addresses, P.O. Box ZIP/postal codes or APO/FPO boxes will be considered an incorrect address and handled as outlined in Subsection A, above.

IV. AIR WAYBILL; SHIPPING DOCUMENTATION

- A.** The shipper shall have the duty to prepare and present a current version of the Air Waybill for UPS Air Freight Services for each shipment. If a person other than the shipper prepares the Air Waybill, that person shall be deemed to have done so as agent for the shipper. If other shipping documentation, including without limitation a

prior version of the Air Waybill or customer-provided documentation, is received by UPS and used for the purpose of carriage, it shall be used for convenience purposes only; any terms and conditions on such documentation will not change or supersede these Terms; and the shipments concerned shall be subject to these Terms and the terms on the reverse of the Air Waybill in effect at the time of shipping. The Air Waybill shall be non-negotiable and shall be binding on the shipper. The shipper hereby agrees that it will indemnify and hold harmless UPS against any and all claims, liabilities, losses, expenses (including attorney's fees and expenses), demands, and suits arising out of or attributable to the use of shipping documentation other than the Air Waybill and for any inaccuracy or incompleteness in the particulars entered on the Air Waybill or such other shipping documentation.

- B.** The Air Waybill shall be deemed to be an air waybill within the meaning of the Warsaw Convention. If there is a conflict between these Terms and the terms and conditions on any Air Waybill or other shipping documentation, these Terms shall control, to the extent not in conflict with the rules relating to liability for international carriage established by the Warsaw Convention, or the CMR Convention, or any other applicable convention or treaty.
- C.** If requested and available, UPS will provide the shipper with a copy of the Air Waybill, shipper's manifest or other non-negotiable shipping document on which the shipment was tendered to UPS. A charge per copy will be assessed for this service.
- D.** It is the shipper's sole responsibility to accurately and completely:
 - 1. Specify the contents of all shipments on the Air Waybill;
 - 2. Provide a legible shipper contact name and telephone number on the Air Waybill;
 - 3. Provide a legible consignee contact name, telephone number, address, and ZIP/postal code on the Air Waybill; and
 - 4. Specify on the Air Waybill the accurate number of pieces included in the shipment.
- E.** The shipper shall provide accurate dimensions and weight of the shipment on the Air Waybill. If such information is not provided, or is incorrect, UPS reserves the right to measure and weigh the shipment and apply any applicable charges, including oversize surcharges, or apply a standard "default" piece count and weight estimate to the shipment. The current default values are one piece and 151 pounds.
- F.** If no service level is specified on the Air Waybill, the service level will default to UPS Next Day Air Freight NGS for North American air freight shipments, and to UPS Air Freight Direct for all other shipments.
- G.** If the shipment contains Dangerous Goods, as defined in Section XVI, below, the shipper shall have the sole obligation and responsibility to so state on the Air Waybill, and to comply with all International Air Transport Association ("IATA") regulations

for shipments of Dangerous Goods and any and all other applicable law. UPS reserves the right not to accept shipments containing Dangerous Goods. If the commodity being shipped is not Dangerous Goods, but could be confused as such, the shipper shall place the words "NOT RESTRICTED" on the Air Waybill to indicate that the shipper has reviewed the shipment content against the appropriate regulations and determined that the shipment does not qualify as Dangerous Goods and otherwise complies with all applicable regulations.

- H.** If the shipper does not complete all the documents required for the service, or if the documents submitted are not appropriate for the service or destination requested, UPS may in its discretion, and where permitted by law, complete, correct, or replace the documents for the shipper at the shipper's expense, and at shipper's risk, but is not obligated to do so. The terms of the Air Waybill shall apply regardless of UPS's completion of a substitute form of air waybill to complete the receipt or delivery of the shipment. UPS shall not be liable to the shipper or any other person for its actions under this provision.
- I.** The shipper declares, represents, and warrants that all pieces presented for carriage:
 - 1. Comply with the restrictions set forth in these Terms;
 - 2. Except as prepared for carriage by UPS, have been prepared in secure premises by the shipper (in the case of an individual shipper), or by reliable staff employed by the shipper; and
 - 3. Have been protected against unauthorized interference of all stages during their preparation, storage, and transportation before their presentation to UPS for carriage.
- J.** UPS relies on the foregoing declaration, representation and warranty in accepting any piece for carriage hereunder.

V. APPLICATION OF CHARGES

- A.** The applicable rates and charges for services are those in effect on the date UPS receives the shipment.
- B.** Charges will be assessed on the basis of the service level requested on the Air Waybill at the rates in effect on the day of acceptance of the shipment. Omission of the service level on the Air Waybill will result in rates being charged for UPS Next Day Air Freight NGS service for North American air freight shipments and UPS Air Freight Direct service for all other shipments. If a shipper selects a service to a destination or ZIP/postal code for which the requested service is not available, UPS will attempt to provide the service requested. In such a case, the service will not be guaranteed, and may incur additional charges.
- C.** UPS Next Day Air Freight, UPS 2nd Day Air Freight, UPS 3 Day Freight, UPS Next Day Air Freight NGS, UPS 2nd Day Air Freight NGS, UPS 3 Day Freight NGS, and

UPS Express Freight shipments are subject to a minimum billable weight of the greater of (a) actual weight; (b) dimensional weight (as calculated in accordance with Subsections D and E, below); (c) 151 pounds (70 kilograms); or (d) the product of the number of pieces in a shipment times 20 pounds. UPS Air Freight Direct and UPS Air Freight Consolidated shipments are subject to a minimum charge and rates will be based on shipment characteristics and conditions in effect at the time of shipping. In computing charges, fractions of pounds will be rounded up to the next whole pound. For international shipments, and for domestic, non-North American air freight shipments, “pound(s)” shall be converted to the nearest half (.5) kilogram. Fractions of kilograms will be rounded up to the nearest half (.5) kilogram.

- D.** For intra-U.S. shipments with overall measurements exceeding 194 cubic inches, dimensional weight charges will be assessed on the basis of one pound per 194 cubic inches or fraction thereof. Cubic measurements will be based on the product of the length times width times height of each piece comprising a shipment.
- E.** For all other shipments not described in Subsection D, above, dimensional weight charges for shipments with overall measurements exceeding 166 cubic inches (2720.24 cubic centimeters) will be assessed on the basis of one pound per 166 cubic inches or fraction thereof. Cubic measurements will be based on the product of the length times width times height of each piece comprising a shipment.
- F.** All rates are determined by the Network responsible for the region where the shipment originates (“Originating Network.”)
- G.** One-day rate quotes apply only to the specific shipment under quote and are valid for 24 hours. Rate and service quotations will be based upon the information provided to UPS, but final rates and service may vary based upon UPS’s final verification of the shipment actually tendered. The shipper shall provide the rate confirmation number on the Air Waybill to obtain the quoted rate.
- H.** UPS reserves the right to bill for all applicable Transportation charges and other charges, including, but not limited to, all accessorial charges, surcharges, and additional handling charges applicable to the shipment or to the services requested. UPS reserves the right to audit all shipments to verify service selection, piece or shipment weight or dimensions, and any other charges, and to make appropriate adjustments.
- I.** UPS reserves the right to institute a currency adjustment fee on some or all shipments without prior notice. The currency adjustment fee may apply to any Transportation or other charges, including, but not limited to, accessorial charges. The currency adjustment fee will be applied to such services and for such periods as UPS, in its sole discretion, may determine necessary.
- J.** UPS reserves the right to institute a fuel surcharge on some or all shipments without prior notice. This surcharge is subject to periodic adjustment and may apply to any Transportation charges or other charges, including, but not limited to, accessorial

charges. The current fuel surcharge is described at www.ups-scs.com. This surcharge will be applied to such services and for such periods as UPS, in its sole discretion, may determine necessary.

- K.** UPS Express Freight, UPS Air Freight Direct, and UPS Air Freight Consolidated shipments originating in the United States are subject to a Regulatory Fee in the amount of \$0.05 per kilogram of billable weight per shipment, with a minimum charge of \$10.00 per shipment. The Regulatory Fee is assessed by UPS and is related to costs associated with enhanced security requirements. The Regulatory Fee is a separate charge in addition to any applicable security surcharge and is subject to change without prior notice.
- L.** UPS Express Freight, UPS Air Freight Direct, and UPS Air Freight Consolidated shipments originating in the United States are subject to an additional Handling Charge – Unknown Shippers charge in the amount of \$0.20 per kilogram of billable weight per shipment, with a minimum charge of \$40.00 per shipment. The Handling Charge applies to shipments received from shippers not qualified as “Known Shippers” under U.S. Transportation Security Administration requirements. The Handling Charge is subject to change without prior notice.
- M.** UPS Express Freight, UPS Air Freight Direct, and UPS Air Freight Consolidated shipments are subject to a Peak Season Surcharge. The current Peak Season Surcharge, including applicable origins and destinations, is described at www.ups-scs.com. This surcharge will be applied to such services and for such periods as UPS, in its sole discretion, may determine necessary. The Peak Season Surcharge is subject to change without prior notice.
- N.** The following shipments (which also may be Shipments Subject To Advance Arrangements, see Section XXXI) will be charged UPS Next Day Air Freight or UPS Express Freight rates plus the following surcharges:
 - 1. Live animals for medical laboratories – Surcharge of 100% of the total Transportation charges. (See Section XXXI, Shipments Subject to Advance Arrangements).
 - 2. Cut Flowers – Surcharge of 50% of the total Transportation charges.
 - 3. Furs — Surcharge of 50% of the total Transportation charges. (See Section XXXI, Shipments Subject to Advance Arrangements).
 - 4. Neon signs — Surcharge of 75% of the total Transportation charges.
 - 5. Self-propelled surface vehicles — Surcharge of 100% of the total Transportation charges.
- O.** UPS reserves the right to increase its rates and charges, and to impose surcharges (including without limitation for fuel, security costs, or costs resulting from

compliance with regulatory changes applicable to the shipment) without prior notice, and to continue such increases for such periods as UPS may determine necessary.

- P.** UPS reserves the right to assess a Capacity Surcharge for UPS Express Freight, UPS Air Freight Direct, and UPS Air Freight Consolidated shipments, and on such other services as UPS may determine necessary. The current Capacity Surcharge is described at www.ups-scs.com. The Capacity Surcharge is subject to change without prior notice.
- Q.** Charges to a payer’s account in a currency other than the default currency designated by UPS will be converted to the payer’s currency, plus an additional exchange fee of 5.00% for conversion between all currencies, except for the following payer account countries and currencies, which have exchange fees as indicated in the chart below:

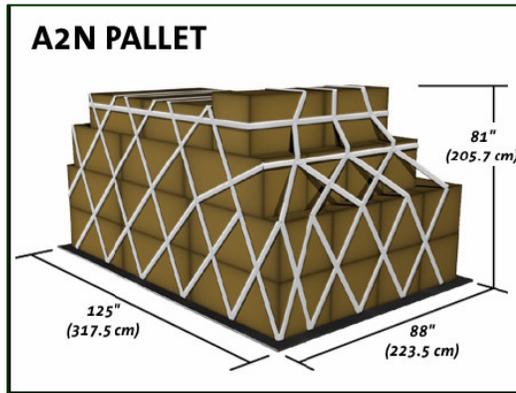
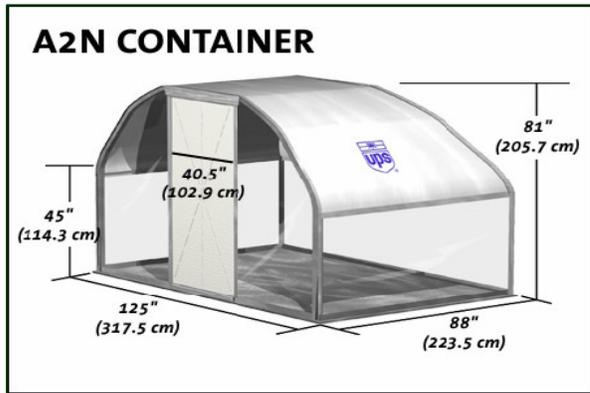
Payer Account Country	Currencies	Exchange Fee
United Arab Emirates	Between USD & AED	1.00%
Hong Kong, Macau	Between HKD & USD	1.00%
Japan, Singapore	Between all currencies	2.50%
Austria, Australia, Brazil, Germany, Spain, United Kingdom, Mexico, Portugal	Between all currencies except where otherwise indicated	6.00%
All Countries	Between SKK and EUR	0.00%
Israel	Between all currencies	0.00%
New Zealand	Between all currencies	7.00%
Pakistan	Between PKR and EUR	8.00%

VI. CHARGES FOR SHIPMENTS CONTAINING OVERSIZED OR NON-CONFORMING CARGO; PREAUTHORIZATION

- A.** North American air freight shipments that have any dimension (length, width, or height) of 60 inches (152.40 centimeters) or greater will be assessed a premium charge in the amount of 30% of the total Transportation charge, in addition to all other applicable charges. A minimum premium charge of \$100.00 will be assessed when any dimension (length, width, or height) exceeds 120 inches (304.80 centimeters).
- B.** North American air freight shipments with special pricing will be charged, in addition to all other applicable charges, whichever is the higher rate of:
 1. A charge equal to 20% of the Transportation charges if the shipment contains any one piece that exceeds a length plus girth of 200 inches (508.00 centimeters), with

length the largest measurement. Girth is defined as the sum of the width plus the height multiplied by two; or

2. A charge equal to 30% of the Transportation charges if the shipment has any dimension (length, width, or height) of 60 inches (152.40 centimeters) or greater. A minimum premium charge of \$100.00 will be assessed when any dimension (length, width, or height) exceeds 120 inches (304.80 centimeters).
- C.** UPS Express Freight, UPS Air Freight Direct, and UPS Air Freight Consolidated rates may not apply on international shipments or domestic non-North American air freight shipments that contain pieces measuring (in any one or more dimensions) in excess of 120 inches (L) × 83 inches (W) × 60 inches (H) (304.80 centimeters × 210.82 centimeters × 152.40 centimeters). For information on oversize international and domestic non-North American air freight shipments, contact 1-800-443-6379, or the local UPS Supply Chain Solutions office.
- D.** Subject to advance arrangements and possible delay (See Sections XXXI & XXXIII), UPS will accept shipments containing oversized pieces, as defined here, that meet the conditions and limitations enumerated below and will base the appropriate charges on rating conditions described in Subsection E, below.
1. Piece Dimensions and Positioning on Aircraft:
 - a. Shipments containing pieces measuring greater than 60 inches in height that cannot be tipped will be moved as UPS Next Day Air Freight, UPS Next Day Air Freight NGS, or UPS Express Freight and rated at the applicable UPS Next Day Air Freight, UPS Next Day Air Freight NGS, or UPS Express Freight rates. Premiums described in Subsections A and B will apply.
 - b. Shipments containing pieces measuring in excess of 120 inches (304.80 centimeters) in length, or 83 inches (210.82 centimeters) in width, or 76 inches in height (193.04 centimeters) or that are otherwise restricted by their height/contour/profile from fitting in a UPS single standard container (shown below) shall be positioned during transportation in accordance with UPS operational practices, taking into consideration constraints and interior volume limits, consistent with safety and weight/balance considerations.



E. Rating Conditions for Oversized Cargo

1. The charges for shipments containing oversized pieces (defined in Subsection D, above, shall be based on the larger of the following calculations:
 - a. The actual weight of the shipments, or
 - b. The weight determined by multiplying 4,100 pounds (1,859.76 kilograms) by the total number of pallets used (fully or partially) in positioning the shipment on the aircraft. See (2) below for pallet dimensions.
2. The dimensions of the containers/ pallets to be used are:

Length: 125 inches (317.50 centimeters)

Width: 88 inches (223.52 centimeters)

Height: 81 inches: (205.74 centimeters)

Pallet thickness: 5/8 inch (1.59 centimeters)
3. Shipments rated in accordance with the terms of this Subsection E will not be assessed the premiums described in Subsections A and B, above.

F. Shipments of excessive weight or size will be subject to the following conditions:

1. Prior arrangements shall be made. Twenty-four hour advance notification is required for more than one container load or its equivalent. (See Section XXXI, Shipments Subject To Advance Arrangements.)
2. Shipments may be delayed or moved by alternate means. (See Section XXXIII, Shipments Subject To Delay.)
3. Contract pricing or discounts may not apply at UPS's sole discretion.

G. Non-conforming Shipments

1. Shipments that are unusually shaped, difficult to handle, uncrated or which require special handling in transit (to prevent damage to the shipment, other shipments, shipment handlers or equipment) will be assessed an additional service charge and/or will be subject to delay.
2. Shipments that cannot be stacked (either by instruction on the Air Waybill or marking or labeling on the shipment) will be assessed an additional service charge and/or will be subject to delay.

H. Preauthorization Required. Advance arrangements shall be made for the following shipments:

1. All UPS Air Freight Services shipments that contain one or more pieces measuring more than 120 inches in length, 83 inches in width, or 76 inches in height (or 304 centimeters in length, 210 centimeters in width, or 193 centimeters in height);
2. All UPS Next Day Air Freight, UPS 2nd Day Air Freight, and UPS Express Freight shipments that have a total actual weight or dimensional weight equal to, or greater than, 3000 pounds (1360 kilos); and
3. All UPS Air Freight Direct and UPS Air Freight Consolidated shipments that have a total actual weight or dimensional weight equal to, or greater than, 10,000 pounds (4536 kilos).

VII. PAYMENT OF CHARGES

- A.** Rates, fees, and charges referred to in these Terms are stated in U.S. currency and are payable at UPS's discretion in either the lawful money of the United States or the currency of the country where the shipment is presented, or such other lawful money as specified by UPS. Additional fees may apply when charges are paid in a currency other than the default currency designated by UPS. For rates and charges stated in local currency, contact the local UPS Supply Chain Solutions office.
- B.** For customers that do not have a credit account with UPS, all charges shall be paid in advance of shipment in a manner acceptable to UPS at the time UPS accepts the shipment, and all collect charges are payable at the time of delivery in a manner acceptable to UPS. In the case of a check made payable to a UPS entity, funds are deemed received on the day the check is paid by the bank on which it is drawn and funds are credited to the UPS account. In the case of a wire transfer, funds are deemed received on the day the funds are credited to the UPS account.
- C.** Customers who wish to pay for services via a UPS Supply Chain Solutions nine-digit account number shall apply and qualify for a credit account with UPS. If the application is approved and a credit account is established, then the customer shall make payments in accordance with the UPS Supply Chain Solutions Credit Terms

and Conditions, the effective and current version of which is available at www.ups-scs.com. Unless and until the customer is notified that its application is approved and a credit account is established, which approval may be granted or denied in UPS's sole discretion, or if any such credit account is suspended or terminated, all charges shall be paid in advance of shipment as required by UPS, unless UPS otherwise agrees in writing. For customers paying for services via a United Parcel Service, Inc., six-character account number, all charges shall be paid within ten days of receipt of invoice.

- D.** Customers shall pay all duties, taxes, interest, and other charges due on imported goods to the U.S. either (i) directly to United States Customs and Border Protection ("U.S. CBP"), through a check to U.S. CBP or U.S. CBP's Automated Clearinghouse (ACH), in accordance with applicable U.S. CBP requirements and regulations, or (ii) to the account of UPS. Payment of any required duties, fees, taxes, interest and other charges due on imported goods must be received within ten (10) days of the commencement of the entry process. Customers shall be liable for any penalties, fines, or any other damages that may arise as a result of failure to make timely payment.
- E.** Customers shall pay all duties, taxes, interest, and other charges due on imported goods to destinations other than the United States or on exported goods from origins other than the United States as required by UPS, or by law or regulation of the origin or destination country (as the case may be). Customers shall be liable for any penalties, fines, or any other damages that may arise as a result of failure to make timely payment.
- F.** In the event that customer fails to make any payment when due, all amounts owed by customer to UPS or any other UPS-affiliated entity shall immediately become due and payable. Any payment which is past due shall be subject to an additional charge at the rate of 1.5% per month of the outstanding balance due, or the highest rate permitted by applicable law, whichever is less.
- G.** Cash will not be accepted by UPS employees as a form of payment. UPS may apply payments made on an account, or credits due to an account, to any unpaid invoice at UPS's sole discretion.
- H.** Notwithstanding any billing plan that is in effect or payment or billing option selected at the time of shipment, the shipper is ultimately liable for and agrees to pay all charges, including in the event of insolvency, bankruptcy, non-payment or refusal to pay by the consignee or third party.

VIII. PREPAID, COLLECT OR THIRD PARTY CHARGES

- A.** Shipments will be accepted either with the charges to be paid by the shipper ("bill to shipper") or to be collected from the consignee ("bill to consignee") or, when requested by the shipper or the consignee, to be billed to a third party. (Bill to shipper, bill to consignee, or bill to third party are referred to collectively as "type of

billing”). In all cases, either a valid nine-digit UPS Supply Chain Solutions account number or a valid six-character United Parcel Service, Inc. account number of the paying party shall be provided on the Air Waybill. If a discount or other applicable incentive is not applied to an invoice because the payer’s account number was omitted on the Air Waybill, no adjustment will be allowed. If the consignee or third party should refuse payment for any reason, the shipper shall be liable for payment. When the form of payment is not marked on the Air Waybill, the shipment will be billed to the shipper. In all events, the shipper shall be liable for all unpaid charges payable on account of a shipment.

- B.** Any charges paid by a shipper or consignee to an SCS Local Entity for services relating to either one or more Networks or other SCS Local Entities shall be remitted by that Local Entity to the appropriate Network.
- C.** The type of billing for international shipments cannot be changed once the shipment is tendered to UPS, unless the request for change in type of billing is accompanied by a written guarantee from the new payer. For any other shipments that have not been delivered or have been delivered to the consignee’s broker, shipper-initiated requests for changes in type of billing will be honored at no charge. After delivery, no adjustments will be made for type of billing changes that reduce the rates or charges.
- D.** All requests for changes in type of billing after delivery shall be accompanied by a guarantee of payment by the new payer. An additional charge for this change will be assessed. Changes to type of billing will not be made if the change results in a reduction in original rates.
- E.** The following shipments shall be paid in advance by the shipper before shipment, regardless of the type of billing selected on the Air Waybill:
 - 1. Shipments addressed to United States Government agencies, unless shipped on a Government Bill of Lading, or shipments addressed to an agency of any national government.
 - 2. Shipments addressed to any person or organization in care of another person or organization.
 - 3. Shipments with a commercial value less than the Transportation charges.
 - 4. Shipments of samples.
 - 5. Shipments destined to exhibition grounds, parks, fairs or similar enclosures.
 - 6. Shipments addressed to hotel guests.
 - 7. Shipments addressed to or from political organizations.

IX. ADVANCEMENT OF CHARGES

- A.** Upon request, and restricted to those points beyond the normal pickup and delivery area (“beyond points”), UPS will advance the charges for transportation, cartage, storage, loading, unloading, unpacking, packing, and processing not performed by UPS when a sufficient guarantee is given by either the shipper or consignee that such additional charges will be paid. UPS will not advance any charges within the normal pickup and delivery area. As a convenience to the customer, UPS will rebill “house trucker” charges along with a handling fee.
- B.** UPS will not advance charges on any shipment on which prepayment of charges is required unless the amount of such advances has been deposited with UPS in a manner acceptable to it.

X. CHECK TO SHIPPER (“C.T.S.”) SHIPMENTS

- A.** Check to Shipper (“C.T.S.”) Service will be provided only for North American air freight shipments. These shipments shall be subject to the following conditions:
 1. The amount of the C.T.S. shall be entered by the shipper in whole dollars (CDN or USD) in the space provided on the Air Waybill.
 2. The letters “C.T.S.” shall be legibly and durably marked by the shipper on each piece of a C.T.S. shipment. The markings shall also show the number of pieces in the shipment.
 3. The full amount of the C.T.S. shall be paid by the consignee’s check made payable to the shipper. Cash will not be accepted. UPS’s sole responsibility shall be to accept the consignee’s check and mail it to the shipper. The check will be mailed to the shipper within ten (10) business days after receipt by UPS.
 4. All checks or other negotiable instruments (including cashier’s checks, official bank checks, money orders and other similar instruments) tendered in payment of a C.T.S. shipment will be accepted by UPS based solely upon the shipper assuming all risk relating thereto including, but not limited to, risk of non-payment, insufficient funds, and forgery, and UPS shall not be liable in respect of any such instrument.
 5. Entry of a declaration of value does not provide protection for, and shippers may not declare a value for protection for, damages related to providing or failure to provide C.T.S. service, including, but not limited to: failure to collect the C.T.S. amount; failure to collect the specified form of payment; collection of an instrument in the wrong amount; failure or delay in delivering the collected instrument to the shipper, or collection of forged, insufficient funds; or otherwise invalid instruments.
 6. An additional charge applicable to the shipment in effect at the time of presentation to UPS for carriage will be assessed for each C.T.S. shipment.

7. Transportation charges, the fee for the C.T.S. service, and any other charges payable by the consignee on delivery shall be paid by a separate check payable to UPS and may not be included in the check payable to the shipper for the C.T.S. amount at the time of delivery.
 8. The disposition of refused or unclaimed C.T.S. shipments shall be arranged for by the shipper in the following manner:
 - a. By instructions placed on the Air Waybill at the time of shipment, or
 - b. By written instruction to UPS at origin, which will then transmit such instructions to destination at the expense of the shipper.
 9. C.T.S. shipments refused or unclaimed by the consignee will be held subject to storage charges. If written disposal instructions as prescribed in Subsection 8(b), above, are not received by UPS within thirty (30) calendar days after notice has been given to the shipper that the shipment has been refused or unclaimed by the consignee, such shipments will be returned to the shipper, or otherwise disposed of, without liability to UPS, at the shipper's expense.
- B.** C.T.S. Service is not available through UPS Internet Shipping, or for the following types of shipments:
1. Shipments requiring prepayment in advance by the consignee prior to movement of the shipment.
 2. Shipments having a C.T.S. amount greater than \$50,000.00.
 3. Shipments having a C.T.S. amount less than the total of the Transportation charges and C.T.S. fee.
 4. Shipments of perishable commodities.
 5. Shipments to or from points outside the United States, Canada, or Puerto Rico.

XI. PICKUP AND DELIVERY SERVICE

- A.** Pickup and/or delivery service will be provided during normal business hours on normal business days for the place of pickup or delivery (as the case may be).
- B.** Pickup and/or delivery service will not be provided to or from any address not directly accessible to vehicles or where it is impractical to operate a vehicle.
- C.** At buildings where UPS employees are not permitted access to floors above the ground floor:
 1. Shipments will be picked up only when tendered at the ground floor, and

2. Shipments will be delivered to the person whose duty it is to receive property for the occupants of such buildings, or to the person having authority or apparent authority, which will constitute delivery to consignee.
- D.** Loading and unloading incidental to pickup and delivery service will ordinarily be performed by one person. Pickup and delivery service will not be provided for pieces which cannot be handled by one person unless advance arrangements have been made, including, where necessary, the furnishing of additional people and equipment by the shipper or consignee. The shipper and consignee shall indemnify, defend and hold UPS harmless from and against any and all claims, liabilities, fines, penalties, damages, costs or other sums (including attorneys' fees and costs) related to personal injury (including death) and/or property damage (including damage to the pieces) arising from or related to the acts or omissions of the people or equipment furnished by the shipper or the consignee for the loading or unloading incidental to pickup and delivery service.
- E.** When vehicles are held for loading or unloading in excess of 15 minutes, an additional charge will be assessed. Charges based on time will be computed by multiplying the hourly rate by the length of waiting time.
- F.** If, at the customer's request, a vehicle other than a UPS vehicle does the pickup or delivery within certain pickup and delivery zones, a handling fee will be assessed, and UPS shall have no liability for the shipment during such pickup or delivery. In addition, the actual charges invoiced to UPS by the trucker will be re-billed to the payer of the shipment.
- G.** Any pickup or delivery made outside normal business hours on normal business days for the place of pickup or delivery (as the case may be), will be subject to advance arrangements and additional charges. For shipments tendered to UPS outside normal business hours on normal business days for the place of pickup, "next day," or "next business day" delivery means delivery during normal business hours on the day following the next normal business day for the place of delivery. If an earlier delivery date or time is requested, shipments are subject to advance arrangements and additional charges.
- H.** When mechanical loading or unloading devices, including hydraulic or electric lifting or lowering devices, are required to accomplish pickup or delivery, or are requested by customer, an additional Liftgate Service charge will be assessed, subject to a minimum charge of \$40.00. Liftgate services may not be provided if suitable vehicles equipped with such devices or operators are not available, and will only be provided at locations that are safe and accessible to the vehicle, as determined by UPS in its sole discretion.
- I.** Saturday Pickup and Delivery Service (United States & Canada only):
1. Saturday pickup service is available on request if advance arrangements are made. Shipments delivered on Saturday will be charged the applicable UPS Next Day

Air Freight or UPS Next Day Air Freight NGS rate in addition to a Saturday delivery charge.

2. Saturday pickup and delivery service is available for selected AM Service points, as described at www.ups.com, within the continental United States and Canada only. All shipments requiring Saturday delivery shall be shipped via UPS Next Day Air Freight or UPS Next Day Air Freight NGS service only. Saturday pickup and delivery is not available for UPS 2nd Day Air Freight, UPS 2nd Day Air Freight NGS, UPS 3 Day Freight, or UPS 3 Day Freight NGS shipments.
 3. Shipments requiring a Saturday pickup or delivery service will be assessed an additional charge, in addition to all other applicable charges.
 4. Shipments picked up on Friday will be scheduled to be delivered by 5 PM Saturday if requested. Shipments picked up by UPS on Friday will be available at the destination service center for pickup on Saturday until 12 noon. Saturday charges will apply regardless of whether the shipment is to be delivered to, or picked up from, the service center.
- J.** Residential pickup or deliveries will be assessed an additional charge in addition to all other applicable charges. A residential delivery is defined as delivery to a location that is a home, including a business operating out of a home that does not have an entrance open to the public. If the delivery location could be construed as either residential or commercial, then the rates for residential delivery service will be applied.
- K.** Pickup or delivery to or from a convention or tradeshow site will be assessed an additional charge in addition to all other applicable charges.

XII. UPS INSIDE PRECISIONSM (Formerly K-VAN SERVICE)

- A.** At the request of the shipper, UPS will handle all shipments requiring inside pickup, inside delivery, or related origin and destination services under UPS Inside Precision (formerly K-Van Service), and assess applicable charges. Shipments shall be registered by email at insideprecision@ups.com, facsimile at (913) 469-5660, or by telephone at (800) 455-4858, and approved by UPS prior to tender of the shipment to UPS.
1. Shipments requiring inside delivery, unpacking, and other destination services shall be registered and accepted by UPS prior to tendering shipments to UPS. UPS Next Day Air Freight and UPS Next Day Air Freight NGS shipments shall be registered and approved by UPS by no later than 4:00 PM, local destination time on the day the shipment is tendered to UPS. All other shipments shall be registered and approved by UPS no later than 7:00 PM local destination time, on the day the shipment is tendered to UPS.
 2. Shipments requiring inside pickup or other origin services shall be registered and approved by 4:00 PM, local origin time, the business day prior to the date of pickup.

3. Shipments will be scheduled for delivery by 5:00 PM, Monday through Friday (excluding holidays) based on the service level requested unless otherwise requested and approved by UPS at the time of registration.
- B.** Unless otherwise requested and approved by UPS on or prior to the date of shipment, inside delivery services will include a crew of two workers equipped with material handling tools appropriate for the delivery, based on information provided by the shipper or consignee. Additional charges may apply for:
1. Equipment for ascending/descending stairs, floor coverings, climate control, cranes, rigging tools, fork lifts, and other nonstandard van equipment.
 2. Padded van pickup or delivery to points not identified as local delivery points.
 3. Inside pickup.
 4. Shipment preparation including packing, skidding, and crating.
 5. Assembly, disassembly, or installation.
 6. Shipments requiring more than a crew of two (2).
 7. Shipments requiring an extraordinary amount of time or resources due to the inherent nature of the product or conditions at the delivery site.
 8. Unpacking, uncrating, and similar services.
- C.** The following UPS Inside Precision shipments are subject to advance arrangements, and additional charges may apply:
1. Origin services requiring inside pickup, packing, padded van, and/or air-ride transportation.
 2. Origin or destination services:
 - a. before 8:00 a.m. or after 5:00 p.m.;
 - b. on non-business days or holidays;
 - c. “at” a specific time; or
 - d. during a time interval of less than four (4) hours.
- D.** Freight collect and C.T.S. shipments will not be accepted.
- E.** Shipments will be placed, unpacked, de-skidded, and packing material debris will be removed and disposed of only if specifically requested at the time of registration. Additional charges may apply.

- F.** Liability for cargo damage or loss that occurs during shipment preparation, inside pickup, disassembly, packaging, skidding, crating, storage, inside delivery, unpacking, placement, assembly, installation or other non-transportation services provided by UPS shall be as set forth in Section XXIV(C) (Limitations of Liability).
- G.** UPS reserves the right to treat requests for inside pickup or delivery as requests for UPS Inside Precision, whether registered with UPS Inside Precision or not, and assess applicable charges accordingly.
- H.** UPS reserves the right to treat shipments that cannot be delivered because they require UPS Inside Precision as shipments for which UPS Inside Precision has been requested, and to assess all applicable charges accordingly.

XIII. PROOF OF DELIVERY

Subject to availability, when requested by the shipper or consignee, UPS will furnish as proof of delivery a copy of the delivery record signed by the recipient. An additional charge per copy will be assessed for this service.

XIV. DELIVERY ATTEMPT

A shipment that cannot be delivered to the consignee on the first attempt of delivery will be returned to the UPS SCS Service Center and the consignee (and the shipper, if required under applicable law) will be notified. Subsequent attempts to deliver will be made only upon request of the consignee, and an additional charge will be assessed.

XV. CUSTOMS CLEARANCE

- A.** All shipments that cross international borders shall be cleared through Customs in the destination country prior to delivery to the consignee. Customs clearance is the responsibility of the shipper and/or consignee, and this service can be performed by UPS SCS upon written request.
- B.** UPS will, upon request and automatically for shipments inbound to the United States and cleared at Louisville, Kentucky with a declared Customs value under \$25,000, or cleared elsewhere in the United States with a declared Customs value under \$10,000, submit international shipments inbound to the U.S. to Customs and/or other regulatory agencies for clearance in its capacity as a customs broker, except as provided in Subsections C and F, below, or where the shipper or consignee has specified a broker other than UPS, and subject to certain additional exceptions (available by contacting UPS, and for example, regulations of the FTC or FDA, quota, visa, government contract entries, temporary import bonds, U.S. goods returned). In its capacity as customs broker or if UPS elects to act as importer of record in respect of a shipment, UPS may advance duties and taxes on behalf of the shipper and consignee provided appropriate credit arrangements have been made in advance (an additional fee will apply). In all instances when UPS provides customs brokerage services in the United States or Canada, the services are subject to and provided in accordance with the UPS Supply Chain Solutions, Inc. Terms and Conditions for brokerage services in the United States and Canada in effect at the time of the

services, the terms of which are incorporated herein by this reference, and which are available on request or at www.ups-scs.com.

- C. For UPS Express Freight shipments, UPS will provide routine customs clearance at no additional charge. If the shipper or consignee selects a broker other than UPS SCS, the guarantee for on-schedule delivery does not apply.
- D. When shipments are held by Customs or other government agencies due to incorrect, insufficient, or missing documentation, or other failure to comply with applicable requirements, UPS will attempt first to notify the consignee. If local law requires the correct information or documentation to be submitted by the consignee and consignee fails to do so within a reasonable time as UPS may determine, the shipment will be considered undeliverable. If the consignee fails to supply the required information or documentation and local law allows the shipper to provide the same, UPS will attempt to notify the shipper. If shipper also fails to provide the information or documentation within a reasonable time as UPS may determine, the shipment will be considered undeliverable.
- E. Shipments requiring documentation in addition to the Air Waybill (including, but not limited to a commercial invoice, packing list, certificate of origin, import/export permit and any documents required to perform customs clearance formalities) may require additional transit time. Proper completion of necessary documentation and accurate commodity descriptions are the responsibility of the shipper.
- F. All non-document shipments to Anguilla, Antigua, Martinique, Montserrat, St. Kitts and Nevis, regardless of value, shall be cleared through Customs by the consignee. All non-document shipments to St. Vincent, Uruguay and Grenada valued over \$50; to Argentina valued over \$100; and to Brazil and Chile valued over \$500, shall be cleared through Customs by the consignee. In these cases, Customs paperwork will be delivered to the consignee. In this instance, delivery of paperwork constitutes shipment delivery.
- G. U.S. CBP regulations require the IRS Employer Identification Number (EIN) or, if an individual, the Social Security Number (SSN) of the U.S. consignee for certain shipments being imported into the United States. **THIS INFORMATION SHALL BE INCLUDED ON THE INTERNATIONAL AIR WAYBILL AND COMMERCIAL INVOICE ON ALL INBOUND SHIPMENTS.** The EIN or SSN must be on file with the U.S. CBP. Any changes to a company name, address, or the EIN/SSN should be provided to UPS for system updating.
 - 1. This U.S. CBP requirement applies to shipments with a declared value for Customs of \$2,000 or more, and for the following commodities regardless of value: textiles or textile products; leather or leather products; and goods that are restricted or controlled requiring a formal entry by the U.S. CBP.

2. Shipments scheduled for delivery that do not have the correct EIN or SSN may be detained until that information can be obtained from the consignee or otherwise determined, and UPS shall have no liability arising therefrom.
- H.** For each and every shipment, shipper represents, warrants, and certifies that all statements and information contained in the documentation provided to UPS relating to importation and exportation are true, complete, and correct. In addition, shipper understands that civil and criminal penalties may be imposed for making incorrect, false or fraudulent statements, or for the violation of any laws or regulations on importation or exportation. Shipper is solely responsible for determining any import or export license requirements and for obtaining any export or import license or other official authorization. UPS's liability for negligent acts or omissions is limited as set forth in the Section XXIV, Limitations of Liability.

XVI. DANGEROUS GOODS

- A.** "Dangerous Goods" means those commodities that are imported, exported or otherwise transported in accordance with the provisions set forth in one or more of the following:
1. Title 49 of the U.S. Code of Federal Regulations ("CFR"). The only Dangerous Goods accepted for air transport under 49 CFR are ORM-D (Consumer Commodities), and only for transportation within and between the United States and Puerto Rico.
 2. The "Dangerous Goods Regulations" published by IATA.
 3. The "Technical Instructions for the Safe Transport of Dangerous Goods by Air" published by the International Civil Aviation Organization ("ICAO").
 4. Other mandatory applicable law.
- B.** For North American air freight shipments, Dangerous Goods are accepted only for UPS Next Day Air Freight NGS service, including Saturday delivery service where available. An additional charge for all Dangerous Goods shipments will be assessed, in addition to all other applicable charges.
- C.** For shipments moving from points in the United States, Canada, and Puerto Rico to points in third countries, shipments of Dangerous Goods are only accepted as UPS Air Freight Consolidated. Shipments are rated at the applicable IATA rate plus any applicable airline surcharge for each article having a description that differs from that of another article(s) carried in the same shipment, in addition to the UPS Dangerous Goods charge.
- D.** For all other shipments between points not specified in Subsections B or C, above, charges for handling and transporting Dangerous Goods may vary. For North American air freight shipments, contact 1-800-443-6379 for charges. For all other shipments, contact the local UPS Supply Chain Solutions office.

E. UPS accepts the following Dangerous Goods:

ICAO/IATA HAZARD NAME AND CLASS	NORTH AMERICA*	INTER-NATIONAL
Explosives (1.1,1.2,1.3,1.4F,1.5,1.6)	NO	NO
Explosives 1.4**	YES	YES
Flammable Gas (2.1)	YES	YES
Non-Flammable Gas (2.2)	YES	YES
Poisonous Gas (2.3)	NO	NO
Flammable Liquid (3)	YES	YES
Flammable Solid (4.1)	YES	YES
Spontaneously combustible (4.2)	YES	YES
Dangerous When Wet (4.3)	YES	YES
Oxidizers (5.1)	YES	YES
Organic Peroxides (5.2)	YES	YES
Toxic Substances (Packing Group I, II and III)	YES	YES
Toxic Substances in Packing Group I Based on Vapor Inhalation	NO	NO
Infectious Substance (6.2) (Category A)	NO	NO
Infectious Substances (6.2) (Biological Substances, Category B)	YES	YES
Radioactive I, II, III (7)	YES	YES For Mexico Only
Corrosive (8)	YES	YES
Magnetized Material (9)	YES	YES
Dry Ice (9)	YES	YES
Hazardous Waste	NO	NO

*U.S., Canada, and Puerto Rico

**UPS will only transport explosive articles that are exempted in accordance with 27 C.F.R. 555.141.

F. If the shipment contains Dangerous Goods, as defined in these Terms, the shipper shall have the sole obligation and responsibility to so state on the Air Waybill and to comply with all IATA regulations for shipments of Dangerous Goods, and any and all applicable law. If required by applicable regulations, the shipper shall also submit a signed Shipper's Declaration for Dangerous Goods and all other relevant documents for the shipment of Dangerous Goods.

- G.** If the commodity being shipped is not Dangerous Goods, but could be confused as such, the shipper shall place the words “NOT RESTRICTED” on the Air Waybill to indicate that the shipper has reviewed the shipment against the appropriate regulations and determined that the shipment does not qualify as Dangerous Goods, and otherwise complies with all applicable regulations.
- H.** Dangerous Goods may not be included in the same shipment with non-regulated commodities. Dangerous Goods and non-Dangerous Goods shall be declared on separate Air Waybills.

XVII. GUARANTEED SERVICE

- A.** UPS guarantees on-schedule delivery of shipments shipped via UPS Next Day Air Freight, UPS 2nd Day Air Freight, UPS 3 Day Freight, and UPS Express Freight services where such services are available (“Guaranteed Service”). Guaranteed Service does not apply to UPS Next Day Air Freight NGS, UPS 2nd Day Air Freight NGS, UPS 3 Day Freight NGS, UPS Air Freight Direct, or UPS Air Freight Consolidated. Guaranteed Service is not available to or from some beyond points. Information on availability and description of Guaranteed Service delivery times, designation of pickup and delivery locations, and applicable rates and charges, can be found at www.ups.com, is available upon request, and is subject to change without prior notice. Guaranteed Service may be suspended or revoked without prior notice. “On-time” or “on-schedule” means, subject to the terms of this Section XVII, delivery is attempted within the UPS guaranteed delivery schedule.
- B.** When providing UPS Express Freight service, for shipments originating in countries that are subject to export Customs clearance before departure, the guarantee and the transit time shall take effect only after the shipment has cleared through the relevant export clearance process or after the receipt of the shipment by UPS, whichever is later.
- C.** The guaranteed delivery time for all shipments will be extended during holiday periods as specified by the destination country, details of which can be obtained by contacting the local UPS Supply Chain Solutions office, or www.ups-scs.com.
- D.** The following shipments are not eligible for Guaranteed Service:
 - 1. Residential pickup or delivery.
 - 2. Shipments containing Dangerous Goods.
 - 3. Shipments Subject to Delay (as defined in Section XXXIII).
- E.** Unless otherwise provided in these Terms, the following shipments shall be shipped only via UPS Next Day Air Freight Guaranteed Service:
 - 1. Live animals.

2. Perishable or temperature-controlled commodities.
 3. Jewelry, furs, and any Item of Extraordinary Value (as defined in Section XXIV, Limitations of Liability).
- F.** In the event UPS fails to attempt delivery within the time published on the UPS website, or as provided when 1-800-443-6379, or the local UPS Supply Chain Solutions office is called, UPS at its option will either credit or refund the Transportation charges for each such shipment to the payer only, upon request and subject to the conditions set forth in this Section XVII. This is the sole remedy available under the Guaranteed Service and Guaranteed Service does not constitute any form of undertaking or representation for any other purpose that the shipment will arrive by any particular time.
- G.** Under no circumstances shall UPS be liable for loss of merchantability or any special, incidental or consequential damages, including, but not limited to, damages arising from delayed delivery or failure to attempt delivery in accordance with Guaranteed Service, loss of profits or loss of income, whether or not UPS had knowledge that such damages might be incurred. UPS shall not be liable for any damages whatsoever for delayed delivery, except as specifically provided for shipments made under Guaranteed Service.
- H.** Only one refund or credit is permitted per shipment. In the case of multiple-piece Guaranteed Service shipments, the guarantee will apply to every piece in the shipment. If a piece within a multi-piece international shipment (other than multi-piece North American air freight shipments or multi-piece domestic, non-North American air freight shipment) is delayed, a refund or credit will be given only for the portion of the Transportation charges applicable to that piece. If a piece within a multi-piece North American air freight shipment is delayed, a refund or credit will be given for the Transportation charges applicable to the entire shipment. Credits for Transportation charges will be applied to the payer's account only, and refunds will be made payable to the payer only.
- I.** The guarantee does not apply to shipments that are delayed due in whole or in part to:
1. The act, default or omission of the shipper, consignee or any other party claiming an interest in the shipment, including delivery instructions from the shipper or consignee with which UPS attempted to, or did, comply.
 2. The nature of the shipment, defect, or inherent vice of the contents.
 3. Failure of the shipper or consignee to observe any term contained in these Terms, including, but not limited to, improper or insufficient packaging, securing, addressing or marking of any shipment, omission of, or provision of, an incorrect consignee address or ZIP/postal code on the Air Waybill, or providing insufficient information.

4. Acts of God, weather conditions, environmental or dangerous goods incidents, perils of the air, public enemies, public authorities acting with actual or apparent authority, application of security regulations imposed by a government or otherwise applicable to the shipment, acts or omissions of customs officials, authority of law, quarantine, riots, strikes, work stoppages or slowdowns, or other labor disputes or disturbances, civil commotions or hazards incident to a state of war, local or national disruptions in ground or air transportation networks or systems due to events beyond UPS's control, disruption or failure of communication and information systems, disruption or failure of utilities, or any circumstances beyond UPS's control.
5. Mechanical delay of aircraft or other equipment failures on all international shipments other than shipments between the continental United States, Canada, and Puerto Rico.
6. Acts or omissions of any person other than UPS.
7. Compliance with laws, government regulations or requirements, or any cause beyond UPS's control.

J. Guaranteed Service Claim Requirements

1. All Guaranteed Service claims shall be made in writing and submitted to ensure receipt by UPS within 30 calendar days after the date of acceptance of the Guaranteed Service shipment by UPS. For Guaranteed Service shipments within the United States, or between the United States and Canada or Puerto Rico, contact UPS at 1-800-443-6379, or the local UPS Supply Chain Solutions office for information regarding where to file a claim. For all other shipments, contact the local UPS Supply Chain Solutions office.
2. All Guaranteed Service claims must include (1) reference to the UPS invoice number to which the claim pertains; (2) check number and name of payor on the check, if payment was made by check; (3) a copy of the Air Waybill, bill of lading, or shipping manifest; and (4) description of, and amount of, the refund requested.
3. No action arising under the guarantee for domestic Guaranteed Service shipments may be maintained against UPS unless (1) claimant strictly complies with all requirements of this Subsection J; and (2) claimant commences the action within one (1) year from the date of acceptance of the Guaranteed Service shipment by UPS, unless otherwise required by federal, state, or other applicable law, rule or regulation applicable to the Guaranteed Service shipment.
4. No action arising under the guarantee for international Guaranteed Service shipments may be maintained against UPS unless (1) claimant strictly complies with all requirements of this Subsection J; and (2) claimant commences the action within two (2) years from date of arrival of the Guaranteed Service shipment at destination or from the date the Guaranteed Service shipment should have arrived

or from the date on which carriage stopped, unless otherwise provided by any mandatory applicable law.

XVIII. CONVENTION RULES AND OTHER MANDATORY LAW

- A.** Where carriage by air involves an ultimate destination or stop outside the country of origin, the Warsaw Convention may apply. The Warsaw Convention governs and in most cases limits the liability of carriers in respect of loss of or damage or delay to cargo.
- B.** Notwithstanding any clause to the contrary contained in these Terms, international carriage by road may be subject to the CMR Convention.
- C.** Where the Warsaw or CMR Conventions or any national laws implementing or adopting these conventions apply (for convenience referred to as Convention Rules) or where (and to the extent that) other mandatory law applies, the liability of UPS is governed by and will be limited according to the applicable rules, and the provisions of these Terms shall apply only to the extent not inconsistent with such rules.
- D.** Where Convention Rules or other mandatory laws do not apply, UPS's liability will be governed exclusively by these Terms.

XIX. LIABILITY OF UPS

- A.** UPS MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AND EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES.
- B.** Except for failure to attempt delivery in accordance with Section XVII (Guaranteed Service), and then only in respect of the remedy afforded by Section XVII, Subsection F, UPS will not be liable for misdelivery, incomplete or otherwise inadequate delivery (including, but not limited to, failure to follow shipper or consignee instructions or failure to collect or properly deliver a payment instrument), non-delivery, missed pickup, delay, loss or damage or in respect of any fines, penalties or other expenses, unless caused by UPS's sole negligence and UPS's liability shall be limited in any event pursuant to Section XXIV (Limitations of Liability). UPS will not be liable for any loss of or damage or delay to any shipment that occurs before UPS has accepted and taken possession of the shipment, or after delivery.
- C.** Without limiting the generality of Subsection B, UPS shall not be liable for any loss or damage, misdelivery, incomplete or otherwise inadequate delivery (including, but not limited to, failure to follow shipper or consignee instructions or failure to collect or properly deliver a payment instrument), non-delivery, missed pickup, penalties, expenses, or delay, caused in whole or in part by:
 - 1. The act, default or omission of the shipper, consignee or any other party claiming an interest in the shipment;

2. The nature of the shipment, defect, or inherent vice of the product, including but not limited to loss or damage to perishable or temperature controlled items, to the extent the loss or damage results from exposure to heat or cold or the perishable nature of the product;
 3. Failure of the shipper or consignee to observe any requirements or obligations contained in these Terms, including, but not limited to, improper or insufficient packaging, securing, addressing or marking of any shipment;
 4. Acts of God, weather conditions, environmental or dangerous goods incidents, perils of the air, public enemies, public authorities acting with actual or apparent authority, acts or omissions of custom officials, authority of law, quarantine, riots, strikes, work stoppages or slowdowns, or other labor disputes or disturbances, local or national disruptions in ground or air transportation networks or systems due to events beyond UPS's control, disruption or failure of communication and information systems, disruption or failure of utilities, civil commotions or hazards incident to a state of war, mechanical delay of aircraft or other equipment failures on all international shipments other than shipments between the United States, Canada, and Puerto Rico, and any circumstances beyond UPS's control.
 5. Acts or omissions of any person other than UPS, including delivery instructions from the shipper or consignee with which UPS attempted to, or did, comply;
 6. Compliance with laws, governmental regulations or requirements, or any cause beyond UPS's control.
- D.** UPS shall not be liable for any loss or damage, misdelivery, incomplete or otherwise inadequate delivery (including, but not limited to, failure to follow shipper or consignee instructions or failure to collect or properly deliver a payment instrument), non-delivery, missed pickup, penalties, expenses, or delay of any shipment containing any articles that shippers are prohibited from shipping, that UPS does not or is not authorized to accept for transportation, that UPS states it will not accept, or that UPS has a right to refuse.
- E.** Except for eligible Guaranteed Service shipments, and then only for the purpose of any credit or refund of the Transportation Charges (see Section XVII), UPS does not guarantee that delivery will be attempted by any specific time or date and shall not be liable for delay or any other failure to meet an agreed-upon delivery deadline. In no event shall UPS be liable for loss of merchantability or any special, incidental or consequential damages due to misdelivery, incomplete or otherwise inadequate delivery (including, but not limited to, failure to follow shipper or consignee instructions or failure to collect or properly deliver a payment instrument), non-delivery, missed pickup, delay, loss or damage whether or not UPS had knowledge that such damages might be incurred.
- F.** Shipper and consignee are responsible for, and warrant their compliance with, all applicable laws, rules and regulations, including, but not limited to, customs laws,

import and export laws, and government regulations of any country to, from, through or over which its shipment may be carried. Shipper and/or consignee agree to furnish such information and complete and attach to the Air Waybill such documents as are necessary to comply with such laws, rules and regulations. UPS assumes no liability to shipper, consignee or any other person for any loss or expense due to shipper's or consignee's failure to comply with this provision.

G. UPS's liability for damages including, but not limited to, those damages arising from or related to misdelivery, incomplete or otherwise inadequate delivery (including, but not limited to, failure to follow shipper or consignee instructions or failure to collect or properly deliver a payment instrument), non-delivery, missed pickup, delay, loss or damage, shall in no event exceed that set forth in the Limitations of Liability (see Section XXIV) provisions contained in these Terms.

H. IN NO EVENT SHALL UPS BE LIABLE FOR LOSS OF MERCHANTABILITY OR ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS OR INCOME, WHETHER OR NOT UPS HAD KNOWLEDGE THAT SUCH DAMAGES MIGHT BE INCURRED, AND WHETHER PLEADED UNDER TORT, CONTRACT OR ANY OTHER LEGAL THEORY. To the extent not prohibited by law, this exclusion applies to damages of any kind, including, but not limited to, property damage, whether or not related to the goods being transported.

XX. CLAIMS PROCEDURE

A. Except to the extent that Convention Rules or other applicable mandatory laws apply and provide otherwise, all claims against UPS arising from or related to the provision of UPS Air Freight Services, including, but not limited to, demands for damages, refunds, credits, and any legal or equitable relief whatsoever, shall be extinguished unless the shipper or claimant (1) timely and completely complies with all applicable notice and claims requirements and periods set forth in these Terms, including as to claims for loss or damage to property, Guaranteed Service claims or claims for invoice adjustments; and (2) pleads on the face of any complaint filed against UPS satisfaction and compliance with those notice and claims requirements and periods as a contractual condition precedent to recovery. To the extent that Convention Rules or other applicable mandatory law apply and impose notice or claims requirements or periods which are either not addressed in or are inconsistent with these Terms, those requirements and periods shall apply.

B. Loss and Damage Claim Requirements.

1. Claims for loss or damage shall be delivered to the following addresses:

For United States and Canada:
UPS Supply Chain Solutions
12380 Morris Road
Alpharetta, GA 30005
Attn: Claims

For all other locations:

UPS Supply Chain Solutions Cargo Claims (Contact the UPS local office address)

2. All claims for loss or damage shall be made in writing and received by UPS within 60 calendar days of the date of acceptance of the shipment by UPS. For purposes of this Section XX(B), pursuant to 49 U.S.C. § 14101(b), shipper expressly waives its rights under 49 U.S.C. § 14706(e).
3. All claims shall include:
 - a. copy of the Air Waybill, bill of lading or shipping manifest;
 - b. copy of the commercial invoice and packing list;
 - c. a description of the goods;
 - d. a description and details of the nature/extent of the damage or loss; and
 - e. the amount of the claim.
4. All liability under the claims procedures set forth in these Terms (including Guaranteed Service) shall be the responsibility of the Originating Network.
5. No loss or damage claim will be processed until all Transportation charges have been paid. Claimants may not deduct the amounts of pending claims from any charges owed to UPS, and the shipper waives any and all rights, including any statutory or common law rights, to set off the amount of any claim against charges owed to UPS.
6. If a claim is made for damage to a shipment, all contents and packaging materials shall be retained in the original shipping container, in the same condition as when the loss or damage was discovered, until inspected by UPS.
7. Notice Requirement for Concealed Loss or Damage Claims
 - a. For shipments within the United States or Canada, or shipments between the United States and Canada, claims for loss or damage to contents of a shipping container that could not have been noted at time of delivery shall be reported to UPS by calling 1-800-443-6379 within 14 calendar days from date of delivery. A request for inspection must be made at that time. All contents shall be retained in the original shipping container, in the same condition it was in when loss or damage was discovered, until inspected by UPS.
 - b. For shipments other than those described in Subsection 7(a), above, loss or damage to contents of a shipping container that could not have been noted at time of delivery shall be reported to the local UPS Supply Chain Solutions office within 14 calendar days from date of delivery. A request for inspection must be made at that time. All contents and packaging materials shall be

retained in the original shipping container, in the same condition as when the loss or damage was discovered, until inspected by UPS.

8. No action for loss or damage arising from a shipment may be maintained against UPS unless (1) claimant strictly complies with all requirements of this Subsection B; and (2) claimant commences the action within one (1) year from the date of acceptance of the shipment by UPS.
9. When UPS pays the actual cost, the purchase price, or the replacement cost of the property, all rights, title to, and interest in the property shall thereupon pass to UPS, and UPS reserves the right to obtain the property for salvage and it will be picked up at UPS's sole discretion.
10. For information on claim procedures for shipments within the United States or within Canada, or between the United States and Canada, contact 1-800-443-6379, or <http://forwarding.ups-scs.com/documentcenter/CargoClaimsForm.asp>. For all other shipments, contact the local UPS Supply Chain Solutions office.
11. All claims for loss or damage are subject to proof of value. UPS's liability, if any, for loss or damage, is limited in accordance with the provisions of Section XXIV (Limitations of Liability).
12. Receipt of shipment by the consignee or the consignee's agent without written notification of damage or loss on the delivery receipt and/or delivery manifest will be prima facie evidence that the shipment was delivered in good condition.

C. Cargo Insurance Claim Requirements. For claims filed pursuant to Cargo Insurance, see Section XXV (Cargo Insurance).

D. Invoice Adjustments Claim Requirements

1. For purposes of this Subsection XX(D), pursuant to 49 U.S.C. §14101(b), shipper expressly waives its rights under 49 U.S.C. §§ 13710(a)(3)(B) and 14705(b).
2. Claims for invoice adjustments (e.g., adjustment of charges based on incorrect rate, billable weight, overcharges, type of service, etc.) shall be made in writing and delivered within 60 calendar days of date of shipment to the following addresses:

For United States and Canada:

Quality Assurance Department
UPS Supply Chain Solutions
Keystone Industrial Park, Box 7
Scranton, PA 18577

For all other locations: (Contact the UPS local office).

3. No action for overcharges or invoice adjustments may be maintained against UPS unless (1) claimant strictly complies with all requirements of this Subsection D;

and (2) claimant commences the action within one (1) year from the date of acceptance of the shipment by UPS unless otherwise required by federal, state or applicable law, rule or regulation applicable to the shipment.

E. Guaranteed Service Claims. For claims filed pursuant to UPS's Guaranteed Service, see Section XVII.

XXI. LIABILITY FOR CHARGES

The shipper and consignee shall be liable, jointly and severally, for all charges payable on account of any shipment, including, but not limited to, Transportation charges and all duties, customs assessments, governmental penalties and fines, taxes and UPS's attorneys' fees and legal costs related to the shipment, and such other sums advanced or disbursed by UPS on account of such shipment.

XXII. INDEMNIFICATION

The shipper and consignee shall be liable, jointly and severally, to pay or indemnify, protect, defend and hold UPS harmless from and against any and all claims, liabilities, fines, penalties, damages, costs or other sums (including attorneys' fees and costs) that may be incurred, suffered or disbursed for any violation of any of these Terms or any other default of the shipper, consignee or such other party with respect to a shipment.

XXIII. LIENS ON SHIPMENTS

UPS shall have a general and continuing lien on any and all property coming into the actual or constructive possession of UPS for monies owed to UPS with regard to the shipment for which the lien is claimed, a prior shipment, or both, for all sums due and payable. In the event of non-payment of any sum payable to UPS, the shipment may be held by UPS and disposed of at public or private sale, in satisfaction of all sums due and payable, including storage charges, and with no further liability to UPS. If the proceeds of the sale are not sufficient to satisfy UPS's lien for all sums due and payable, the shipper and consignee remain liable for the balance of any unpaid charges payable on account of the shipment. The rights provided by this section shall be in addition to all other rights allowed by law to UPS to recover unpaid amounts.

XXIV. LIMITATIONS OF LIABILITY

- A.** All limitations of liability shall be calculated using actual weight of the shipment. UPS's liability shall at no time exceed the actual value of the goods lost or damaged, and it is the shipper's responsibility to prove actual damages. The limitations of liability contained in these Terms apply to all services, and limit UPS's liability for damages, including, but not limited to, damages arising from or related to loss of, or damage to cargo, misdelivery, incomplete or otherwise inadequate delivery (including, but not limited to, failure to follow shipper or consignee instructions, or failure to collect or properly deliver a payment instrument), non-delivery, or missed pickup.
- B.** No employee, agent, subcontractor, or representative of UPS, other than an officer of UPS may waive or alter any of the limitations set forth in these Terms and any such waiver or alteration shall be in writing and signed by an officer of UPS.

- C. Except as otherwise provided in these Terms, UPS's liability for all damages (including, but not limited to, loss or damage to cargo occurring during motor carriage within the United States) shall be limited to the higher of \$50.00 per shipment or \$0.50 per pound (\$1.10 per kilogram) of that part of the cargo adversely affected thereby, plus Transportation charges applicable to that part of the shipment adversely affected thereby, unless at the time of shipment the shipper makes a declaration of value for carriage in the space designated on the Air Waybill and pays the appropriate valuation charge, in which event UPS's liability shall not exceed such higher declared value. (Declared value is subject to maximum allowable limits and applicable local law restrictions (see Section XXIV(G)). For shipments with an origin or destination outside the United States, Canada, Mexico, or Puerto Rico, only Cargo Insurance (and not declared value) is available. (See Section XXV, Cargo Insurance).
- D. UPS's liability for loss or damage to international shipments transported by air shall be limited to 19 Special Drawing Rights ("SDR") per kilogram of that part of the cargo adversely affected thereby, plus Transportation charges applicable to that part of the shipment adversely affected thereby, unless at the time of shipment the shipper makes a declaration of value for carriage in the space designated on the Air Waybill and pays the appropriate valuation charge, in which event UPS's liability shall not exceed such higher declared value. For current SDR valuation, see <http://www.imf.org>. (Declared value is subject to maximum allowable limits and applicable local law restrictions (see Section XXIV(G)). For shipments with an origin or destination outside the United States, Canada, Mexico, or Puerto Rico, only Cargo Insurance (and not declared value) is available. (See Section XXV, Cargo Insurance).
- E. For losses occurring in Mexico to shipments transported by ground, UPS's liability for damages on shipments shall not exceed ten cents (\$0.10) per pound (\$0.22 cents per kilogram) of that part of the cargo adversely affected thereby plus Transportation charges applicable to that part of the shipment adversely affected thereby unless, at the time of shipment, the shipper makes a declaration of value for carriage in the space designated on the Air Waybill and pays the appropriate valuation charge in which event UPS's liability shall not exceed such higher declared value. (Declared value is subject to maximum allowable limits and applicable local law restrictions (see Section XXIV(G)). For shipments with an origin or destination outside the United States, Canada, Mexico, or Puerto Rico, only Cargo Insurance (and not declared value) is available. (See Section XXV, Cargo Insurance).

F. Declared Value; Declared Value Charges

1. The shipper acknowledges that he or she has been given the opportunity to declare a value in excess of the applicable liability limits where permitted by applicable law. When a declaration of value for carriage is made, the value per pound or per kilogram for calculating declared value liability shall be determined by dividing the shipper's declared value for carriage by the actual weight of the shipment. Liability shall in no event exceed the lesser of the declared value of the

shipment, plus applicable Transportation charges, or the actual amount of loss or damage to that part of the shipment adversely affected. For shipments with an origin or destination outside the United States, Canada, Mexico, or Puerto Rico, only Cargo Insurance (and not declared value) is available. See Section XXV, Cargo Insurance – International Shipments).

2. When the declared value exceeds the greater of \$0.50 per pound or \$50.00 per shipment, an additional amount will be charged for each \$100 (or fraction thereof) of additional declared value as follows: (i) For shipments transported between and within the U.S., Canada and Puerto Rico, \$0.70 for each \$100.00 (or fraction thereof), with a minimum charge of \$3.75 per shipment; (ii) For shipments transported to and from Mexico, \$0.85 for each \$100.00 (or fraction thereof) with a minimum charge of \$3.75 per shipment.
- G.** Notwithstanding the above liability limitations, shipments containing the following commodities are subject to the following maximum declared values (or maximum insured values if Cargo Insurance applies), and UPS's liability (or the insurer's liability if Cargo Insurance applies) shall not exceed such maximum declared values:
1. Items of Extraordinary Value are limited to a maximum declared value of \$500.00. Items of Extraordinary value include:
 - a. Artworks and objects of art, including without limitation original paintings, drawings, etchings, water colors, tapestries or sculpture. Shipper shall pack these items in accordance with the packing and marking provisions contained in these Terms. UPS shall not be liable for any damage to a commodity containing glass facings when damage to the commodity is created by the breakage of the glass.
 - b. Clocks, watches, jewelry (including costume jewelry), furs, and fur-trimmed clothing.
 - c. Inherently fragile or unique items, including prototypes.
 2. The maximum declared value for any shipment containing glass is \$50.00, and UPS's liability for damage to shipments containing glass shall be limited to \$50.00. Shipments containing glass with a declared value exceeding \$50.00 will not be accepted. Shipments containing glass include but are not limited to windshields, plate glass, ceramics, chinaware, light bulbs, televisions, monitors, glass, and glassware.
 3. The maximum declared value for any envelope is \$100.00.
 4. The maximum declared value for any live animal shipment is \$100.00.
- H.** An item with a declared or insured value of \$25,000.00 or greater shall not be included in the same shipment with any other article, and shall be preapproved (see Section XXXI, Shipments Subject to Advance Arrangements).

- I. Any declared value in excess of the maximums allowed in these Terms is null and void, and the acceptance for carriage of any shipment with a declared value in excess of the allowed maximums does not constitute a waiver of these maximums. If a shipment with a declared value in excess of the maximum allowable value is inadvertently accepted, UPS liability shall not exceed the maximum allowable value set forth in this Section.
- J. Shipper, consignee and any other party with an interest in the shipment hereby waives any and all rights of subrogation, recovery, claim, action or cause of action in subrogation, against UPS for any misdelivery, incomplete or otherwise inadequate delivery (including, but not limited to, failure to follow shipper or consignee instructions or failure to collect or properly deliver a payment instrument), non-delivery, missed pickup, delay, loss or damage to or arising from shipments hereunder, regardless of cause. Shipper, consignee and any other party with an interest in the shipment (or anyone claiming by, through or on behalf of such parties) represents and warrants that their respective insurers have agreed to said waiver, and agree to hold harmless, protect, defend, and indemnify UPS against such insurers or other holders of interest for failing to secure said agreement.

XXV. CARGO INSURANCE — INTERNATIONAL SHIPMENTS

- A. At the shipper's option, where permitted under applicable law, and subject to the following requirements, a shipper may arrange for and pay for Cargo Insurance for shipments with an origin or destination outside the United States, Canada, Mexico, or Puerto Rico, if an amount of insurance is entered in the insured value section of the Air Waybill. UPS accepts no responsibility for or liability to, and the shipper and consignee waive, release, and discharge UPS from, shipper's or consignee's failure to comply with the terms and conditions of the Cargo Insurance policy. Policy terms and conditions apply and are available upon request, which terms and conditions include without limitation, the limits and conditions described in Subsections B-F, below.
- B. The insurance covers the shipment against all risks of physical loss or damage from most external causes, subject to certain exclusions. (See exclusions listed below.) Coverage begins when the Air Waybill is issued and the shipment has been tendered to UPS, its agent or forwarder and continues until the shipment has been delivered to the final destination point named in the Air Waybill, or when the consignee or consignee's agent has taken possession.
- C. The amount of insurance requested (in whole dollars) should be equal to the value of the shipment (lesser of replacement cost or sales price) plus insurance, incurred duty, and the freight charges, plus 10%. A premium per \$100.00 of insurance requested will be charged and billed. Advance arrangements shall be made for requested insurance greater than \$25,000 (see Section XXXI, Shipments Subject To Advance Arrangements), and in no event shall the amount of insurance requested exceed \$500,000 without written approval. Any amount of insurance requested in excess of the maximum allowed in these Terms is null and void, and the acceptance by UPS for

carriage of any shipment with an insurance amount in excess of the allowed maximum does not constitute a waiver of this maximum. Cargo Insurance is not available for shipments involving those commodities defined in Section XXXII (Shipments Not Acceptable).

D. All claims shall be made in accordance with the following:

1. Claims for physical loss or damage covered by Cargo Insurance shall be received at the following addresses:

For United States and Canada:

UPS Supply Chain Solutions
12380 Morris Road
Alpharetta, GA 30005

For all other locations:

UPS Supply Chain Solutions
Cargo Claims
(Contact the UPS local office)

2. For information regarding filing a claim and claim limits under Cargo Insurance, see <http://forwarding.ups-scs.com/documentcenter/CargoClaimsForm.asp>
3. No Cargo Insurance claims will be processed until the premium for such insurance has been paid. Claimants may not deduct the amounts of pending claims from any charges owed to UPS, and the shipper waives any and all rights, including any statutory or common law rights, to set off the amount of any claim against charges owed to UPS.
4. When salvage becomes the property of the Cargo Insurance insurer due to claim settlement (such as when the insurer pays the invoice price, the actual or replacement cost of the property), it will be picked up at the insurer's sole discretion.
5. All claims for loss or damage are subject to proof of value. All claims for loss or damage are subject to definitive proof of value based on invoice value (less profit) of any cargo which is the subject of such claim.

E. Shipper, for itself and on behalf of the consignee, agrees and acknowledges that UPS makes the Cargo Insurance option available simply as an accommodation to Shipper who may or may not elect to obtain such coverage, and that by doing so, UPS is not and shall not be deemed to be an insurance company and shall have no liability as such.

F. EXCLUSIONS: Loss or damage caused by or resulting from delay, mold, vermin, moth, wear and tear and gradual deterioration, inherent vice, rust, seizure or confiscation by authorities, loss or damage by climatic conditions or extremes of temperature, changes of market, nuclear reaction, radiation, radioactive contamination,

improper packing, or improper or unsuitable packaging is not covered under the Cargo Insurance Policy.

- G.** Cargo Insurance is not available for shipments with an origin and destination within the United States, Canada, Mexico, and Puerto Rico.

XXVI. NOTICE AND DISPOSITION OF PROPERTY

- A.** When shipments arrive at destination, UPS will notify the consignee and/or the designated customs broker if UPS is not arranging for delivery.
- B.** If at the expiration of free storage time provided in Section XXXV (Storage) a shipment is unclaimed or delivery cannot be accomplished, or the shipment is undeliverable for any other reason, UPS will notify the shipper and consignee by telephone, email, facsimile or mail at the address shown on the Air Waybill. Upon written instructions from the shipper, unless prohibited by applicable customs regulations or other regulations, UPS will return the shipment, forward, or re-consign it, or otherwise dispose of it at the shipper's expense, which expense may include without limitation substantial Dangerous Goods or Hazardous Waste disposal fees where applicable. If no written instructions are received by UPS within 30 calendar days from the date of receipt of the shipment at destination, to the extent permitted by applicable law, UPS will dispose of the shipment at public or private sale without further notice to the shipper and consignee and with no further liability to UPS.
- C.** No sale or disposal pursuant to this provision shall discharge any liability of the shipper or consignee or any lien to any greater extent than the proceeds thereof, less selling expenses, if any, and the shipper and consignee shall remain liable, jointly and severally, for any deficiency.

XXVII. PACKING AND MARKING REQUIREMENTS

- A.** Save in cases where UPS undertakes the preparation of a shipment for carriage as part of UPS Inside Precision, shipments shall be prepared or packed by the shipper or its agents, in accordance with the provisions of this Section and all legal requirements, to ensure safe transportation with ordinary care in handling.
- B.** Any article susceptible to damage by ordinary handling shall be adequately protected by proper packing and shall be marked or bear appropriate labels.
- C.** Any article susceptible to damage as a result of any condition which may be encountered in transportation, such as high vibration, variations in temperature or atmospheric pressure, shall be adequately protected by proper packing and any other measures necessary to protect the article from the customary conditions of transportation.
- D.** Each piece shall be legibly and durably marked with the name and address, including correct Zip/postal code of the shipper and consignee. When a container is used

repetitively by the shipper, shipper shall remove all old labels, tags, or markings, and shipper shall ensure that the container retains adequate strength for transportation.

- E.** Pieces with a floor bearing weight in excess of 100 pounds (45.36 kilograms) per square foot shall be provided with a skid or base which will reduce the floor bearing weight to 100 pounds (45.36 kilograms) or less per square foot. Such skid or base shall be furnished by the shipper and included in the gross weight of the piece.
- F.** Shipments with a declared value for carriage of \$100.00 or more shall be packed within outside containers with measurements of at least one cubic foot in volume or more.
- G.** Shipments of artwork, original paintings, drawings, etchings, water colors, and sculptures of any kind, shall be packed in wood crates of at least 1/4 inch (.64 centimeters) thickness that completely surround the article being shipped and shall be clearly marked to identify the contents. The shipper shall not include glass facings in the same shipping container. If a glass facing is included, UPS will not be responsible for any damage to the commodity therein.
- H.** Dangerous Goods shall be packaged, marked and labeled by the shipper in accordance with applicable regulations and these Terms.

XXVIII. PERISHABLE COMMODITIES

- A.** Except for shipments shipped in accordance with Section XVI.B. of these Terms, all North American air freight shipments containing perishable or temperature-controlled commodities may be shipped only via UPS Next Day Air Freight Guaranteed Service.
- B.** Shipments of perishable commodities that are picked up on Friday must be destined to an AM Service point, include a Saturday delivery request, and will be subject to additional charges.
- C.** United States and Canadian shipments containing perishable commodities shall be packed to travel without spoilage for 72 hours from the time of pickup.
- D.** International shipments of perishable commodities are subject to advance arrangements. International shipments may be transported via UPS Air Freight Direct or UPS Air Freight Consolidated Services. All international shipments containing perishable commodities shall be packed to travel without spoilage for 24 hours beyond the scheduled delivery date.
- E.** UPS reserves the right in its discretion to embargo regions of the world based on conditions in such regions that may cause damage to perishable commodities.
- F.** UPS provides Temperature True Service only as a contractual service, in accordance with these Terms and the terms of the agreement for Temperature True services. Temperature True Service is subject to the restrictions and limitations of liability set forth in Section XIX (Liability of UPS) and Section XXIV (Limitations of Liability).

XXIX. ROUTING

UPS will determine the routing, method, and modes of transportation of all shipments. UPS reserves the right to route a shipment in any way it deems appropriate and to divert any shipment (including use of other carriers) for any reason to facilitate delivery. Shipper and/or consignee agree that there are no stopping places which are agreed at the time of the tender of the shipment, and that UPS may, without notice, substitute alternate carrier or aircraft, deviate from any route, or cause the shipment to be transported by any mode it deems appropriate. UPS shall not be liable for any damages arising from UPS's inability, failure, or refusal to comply with a request to stop, return, or re-route a shipment after tender to UPS. UPS may not perform for each shipment inbound and outbound controls to monitor a shipment's route at each and every handling station within the UPS system, and such monitoring is not part of the services included.

XXX. SHIPMENTS ACCEPTABLE

Shipments are acceptable for transportation only when the rules and regulations set forth in these Terms and all laws, ordinances, and other governmental rules and regulations governing the transportation have been complied with by the shipper and/or consignee. UPS reserves the right to refuse in its sole discretion to provide service, among other reasons, for any shipment that by reason of the dangerous or other character of its contents may, in the sole judgment of UPS, soil, taint or otherwise damage other shipments or equipment, or that is improperly packed, or if UPS deems that it is unsafe or economically or operationally impracticable to provide service.

XXXI. SHIPMENTS SUBJECT TO ADVANCE ARRANGEMENTS

- A. The following commodities will be accepted only upon advance arrangements being made by contacting UPS at 1-800-443-6379, or the local UPS Supply Chain Solutions office, and only when any required advance arrangements have been satisfactorily completed.
 1. Shipments of live animals containing mice, rats, toads, frogs, and leeches destined to, or originating from, medical laboratories in the United States or Canada will be accepted for transportation subject to the following provisions and only when such animals are harmless, inoffensive, odorless, and require no attention in transit.
 - a. The shipments shall be boxed or crated so as to prevent escape, ensure safe transportation with ordinary care in handling, and assure protection to any person handling the shipment.
 - b. The animals shall not be included in the same shipment with any other article.
 - c. The shipper shall comply with all laws, ordinances, and government rules and regulations governing the transportation of live animals.
 - d. UPS assumes no liability for the conduct or acts of the animals to themselves or to each other (such as biting, kicking, goring or smothering), or for loss or damage arising from delay, the condition of the animals themselves or any condition resulting from the carriage, or resulting from their nature or propensities.

2. Any shipments having a declared or insured value of \$25,000.00 or greater.
 3. Perishable commodities, including, but not limited to, fruits, vegetables, or other perishable foods, or cut flowers.
 4. Furs.
 5. Neon Signs.
 6. Self-propelled surface vehicles.
 7. Shipments requiring pickup or delivery that cannot be handled by one individual.
 8. Transportation Protective Services shipments (See Section XXXVII, Transportation Protective Services.)
 9. Shipments requiring special devices for safe handling. Shipments requiring special devices for safe handling will be accepted only when such special devices are provided and operated by and at the expense of the shipper or consignee.
 10. Multi-piece or unusually-sized Dangerous Goods.
 11. Saturday pickups.
 12. Gold Priority Service shipments.
 13. UPS Inside Precision shipments (see Section XII, UPS Inside Precision).
 14. Oversized or Non-Conforming Cargo:
 - a. UPS Air Freight Services shipments that contain one or more pieces measuring more than 120 inches (304.80 centimeters) in length, 83 inches (210.82 centimeters) in width, or 76 inches (193.04 centimeters) in height, or that are otherwise restricted by their height/contour/profile from fitting in a UPS single standard container (as described in Section VI(D)(2), Charges for Shipments Containing Oversized or Non-Conforming Cargo; Preauthorization, above);
 - b. North American air freight shipments and UPS Express Freight shipments that have a total actual weight or dimensional weight equal to, or greater than, 3000 pounds (1360 kilograms); and
 - c. All UPS Air Freight Direct and UPS Air Freight Consolidated shipments that have a total actual weight or dimensional weight equal to, or greater than, 10,000 pounds (4536 kilograms).
- B.** The following shipments also are subject to UPS's prior written approval, and shall satisfy the following requirements:

1. Shipments containing alcoholic beverages may only be shipped from a licensed dealer or distributor to another licensed dealer or distributor and will only be accepted on an airport to airport basis.
2. Shipments containing firearms may only be shipped within the contiguous United States and from, or consigned to, a licensed manufacturer, licensed importer, licensed dealer, or licensed collector, and only when such shipment complies with all federal, state, or local law applicable to the shipper, consignee, and package. Firearms must be sent via UPS Constant Surveillance Service. The shipper is required to comply with all applicable laws and regulations, including regulatory compliance by the consignee. The local Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Divisional Office or local equivalent agency may be able to supply the shipper with needed assistance. Upon presenting the package for shipment, the shipper is required to inform UPS personnel in writing that the package contains firearms or ammunition. UPS does not accept international shipments containing: (a) firearms; or (b) firearm parts or components (i) that if assembled create a fully operational firearm, or (ii) which on visual inspection appear to be an assembled firearm, or (iii) which are defined as a firearm under applicable law, including without limitation Title 18, Chapter 44, and Title 25, Chapter 53 of the United States Code.

XXXII. SHIPMENTS NOT ACCEPTABLE

- A. The following items are not accepted for transportation:
1. Corpses or cremated or disinterred remains.
 2. Live animals (including birds, fish, reptiles, or insects), except mice, rats, toads, frogs or leeches destined to or originating from medical laboratories within the United States or Canada.
 3. Shipments of gold or other precious metals including, but not limited to, silver, bronze, copper, gold or silver coins, coin collections, gems, precious stones, and bullion.
 4. Postage, trading or revenue stamps, and stamp collections.
 5. Money, currency, bonds, bills of exchange, deeds, promissory notes, negotiable securities, stock certificates, lottery tickets, and other documents of inherent value.
 6. Antiques.
 7. Electronic data.
 8. Stringed instruments including, but not limited to, violins, violas, cellos, bass violins, guitars, mandolins, or banjos. (Note: UPS accepts such instruments if strings are removed prior to shipment).

9. Unwrapped or otherwise improperly packaged goods.
10. Shipments consigned “To Order of,” “To Order Notify,” or other similar designations.
11. Shipments requiring special care or attention between origin and destination, other than as provided in Sections XII (UPS Inside Precision), and XXXVI (Transportation Protective Services).
12. Shipments requiring a DOT “Inhalation Hazard” label or marking.
13. Waste materials.
14. Shipments requiring a DOT or IATA Explosives 1.1, 1.2, 1.3, 1.4F, 1.5 or 1.6 label.
15. Shipments classified as “Infectious Substance, Category A,” including, without limitation, UN2900 and UN2814.
16. Fissile radioactive materials.
17. Shipments not accompanied by proper documentation required by a treaty, convention, statute, or regulation applicable to such shipments.
18. Shipments of an inherent nature for which transportation could not be furnished without sustaining loss or damage, including, but not limited to, the following shipments if they have a glass facing in the same shipping container: used plasma televisions, artwork, original paintings, drawings, etchings, water colors, and sculptures of any kind.
19. Shipments requiring a federal, state, or local license for transportation that UPS has elected not to obtain.
20. Shipments that could cause damage to other shipments, equipment or crew.
21. Shipments that are improperly packaged. Acceptance of any shipment shall not create a presumption that the shipment was properly packaged for carriage, and shipper remains ultimately responsible to ensure proper packaging.
22. Nursery stock or plants.
23. COD (Collect On Delivery) shipments.
24. Fireworks.
25. Fish meal.
26. Shipments prohibited by law.

27. Shipments of personal effects (including but not limited to wearing apparel, cosmetics, toilet articles, and articles worn by an individual, used, not for resale) and household effects (including but not limited to furniture, kitchenware, linens, and similar household furnishings, used, not for resale).
28. The following commodities are not accepted for service via UPS 2nd Day Air Freight, UPS 2nd Day Air Freight NGS, UPS 3 Day Freight, or UPS 3 Day Freight NGS:
 - a. Mice, rats, toads, frogs, or leeches destined to, or originating from, medical laboratories within the United States or Canada.
 - b. Perishable items or temperature-controlled commodities.
 - c. Jewelry.
 - d. Furs.
 - e. Firearms; firearm parts or components that if assembled create a fully operational firearm, or which on visual inspection appear to be an assembled firearm, or which are defined as a firearm under applicable law, including without limitation Title 18, Chapter 44, and Title 25, Chapter 53 of the United States Code. See additional restrictions in Section XXXI(B)(2) (Shipments Subject to Advance Arrangements).
 - f. Dangerous Goods.
 - g. Any Item of Extraordinary Value.
 - h. Shipments having a declared or insured value exceeding \$50,000.
29. The following commodities are not accepted for service via UPS Express Freight service:
 - a. Mice, rats, toads, frogs, or leeches destined to or originating from medical laboratories within the United States or Canada.
 - b. Perishable items.
 - c. Feed, foodstuffs, or other edible material intended for consumption by humans or animals.
 - d. Dangerous Goods.
 - e. Drugs (prescription and non prescription).
 - f. Firearms; firearm parts or components that if assembled create a fully operational firearm, or which on visual inspection appear to be an assembled firearm, or which are defined as a firearm under applicable law, including

without limitation Title 18, Chapter 44, and Title 25, Chapter 53 of the United States Code. See additional restrictions in Section XXXI(B)(2) (Shipments Subject to Advance Arrangements).

- g. "In bond" shipments.
- h. Cosmetics.
- i. Gambling devices.
- j. Liquor.
- k. Tobacco.
- l. Pornography.

XXXIII. SHIPMENTS SUBJECT TO DELAY

The following conditions may delay delivery of the shipment to the consignee and shipments subject to such conditions are not eligible for Guaranteed Service:

- A.** Shipments that have dimensions too large for available aircraft (as described in Section VI, Charges For Shipments Containing Oversized or Non-Conforming Cargo; Preauthorization).
- B.** Shipments that are improperly or inadequately packaged, labeled, or marked or that lack proper documentation.
- C.** Shipments tendered by another carrier or by the shipper that do not enter the UPS system in time to meet UPS departure times or critical processing requirements.
- D.** Shipments for which the consignee address or Zip/postal code is missing, incorrect, or incomplete.
- E.** Shipments requiring government approvals, licenses, permits or processes prior to export or import.
- F.** Transportation Protective Services shipments (See Section XXXVII).
- G.** Shipments difficult to handle, including oversized or unwieldy shipments.
- H.** Shipments for which UPS is instructed (either by instruction on the Air Waybill or marking or labeling on the shipment) to refrain from breaking down a palletized shipment.
- I.** Dangerous Goods.
- J.** Shipments requiring customs clearance and shipments subject to government agency requirements other than customs clearance, such as inspection of commodities.

K. C.T.S. shipments.

L. Shipments subject to security requirements of a carrier or government agency, or other authority.

XXXIV. INSPECTION

UPS may, but shall not be obligated to, inspect any shipment. Cargo items tendered for air transportation may be subject to aviation security controls by air carriers, and to other government regulations.

XXXV. PRIVACY ACT NOTICE

The information a shipper provides, such as name, address and telephone number, will be used to qualify shipper or verify the shipper's status as a possible "known shipper." 49 U.S.C. 114 authorizes the collection of this information. Providing this information is voluntary, however, failure to provide the information will prevent the shipper from qualifying as a "known shipper." This information will be disclosed to TSA personnel and contractors or other agents including indirect air carriers in the maintenance and operation of the known shipper program. TSA may share the information with airport operators, foreign air carriers, indirect air carriers, law enforcement agencies, and others in accordance with the Privacy Act, 5 U.S.C. 552a. For additional details, see the systems of records notice for Transportation Security Threat Assessment System (DHS/TSA 002) published in the Federal Register.

XXXVI. STORAGE

- A.** Shipments will be held by UPS at destination without charge for three (3) calendar days (excluding non-business days, and legal holidays), computed from the first 8:00 a.m. following notification to the consignee of the arrival of the shipment ("free time"). Storage charges will not be assessed on shipments lacking proper documentation when advance arrangements have been made with UPS in writing by the shipper or the shipper's agent.
- B.** After the expiration of such free time, UPS will continue to hold such shipments, subject to an additional charge per shipment, per calendar week, or pro-rated portion thereof. A "calendar week" means a period of seven (7) successive calendar days, including non-business days, and legal holidays. If such continued holding is not practical, the shipment will be placed in a public warehouse at the expense of the shipper and consignee, subject to a lien for all Transportation, storage, delivery, warehousing, and other charges, including additional handling charges.
- C.** When the shipment is held by UPS after the expiration of such free time while awaiting delivery instructions, UPS's liability for loss or damage to the shipment shall not exceed \$0.50 (fifty cents) per pound of goods lost or damaged.
- D.** Except as otherwise agreed in writing, shipments will be held for a period of time not to exceed thirty (30) calendar days from the first 8:00 a.m. following the receipt of the shipment. At the expiration of thirty (30) calendar days, the shipment or part of the shipment will be returned to the shipper at the shipper's expense, subject to a lien

for all charges applicable to the shipment or part thereof, or will be disposed of pursuant to Section XXVI (Notice and Disposition of Property) if it is not feasible to return it to the shipper.

- E. UPS's lien rights shall apply to all shipments which are stored pursuant to these Terms.

XXXVII. TRANSPORTATION PROTECTIVE SERVICES ("T.P.S.")

- A. At the request of the shipper, UPS will handle shipments under Transportation Protective Services ("T.P.S.") from the time of acceptance from shipper at origin to the time of delivery to consignee at destination. T.P.S. is only available from and to selected United States and Canadian locations. T.P.S. is not available via UPS Internet Shipping. T.P.S. consists of two services: Signature Security Service and Constant Surveillance Service. The shipper shall specifically request the service desired on the Air Waybill. T.P.S. is not a guaranteed service and does not constitute a separate contract for services. T.P.S. is subject to the restrictions and limitations of liability set forth in Section XIX (Liability of UPS) Section XXIV (Limitations of Liability).
- B. Signature Security Service shall mean that each employee or agent of UPS shall execute a signed receipt upon accepting custody of the shipment and shall obtain a signed receipt upon relinquishing custody of such shipment to another employee or agent of UPS. On shipments tendered on behalf of the Department of Defense requesting Signature Security Service, UPS will use the DD Form 1907 issued by the shipper as a signature and tally record.
 - 1. Air Waybills, Government Bills of Lading, or other shipping documents presented to UPS shall have the statement "Signature Security Service Requested" entered by the shipper.
 - 2. For Signature Security Service, a handling charge will be assessed in addition to all other applicable charges.
- C. Constant Surveillance Service shall mean that an employee or authorized agent shall keep the shipment in constant view and stay within 25 feet of the vehicle containing the shipment at all times when the shipment is being transferred from one mode of transportation to another.
 - 1. All Constant Surveillance Service shipments shall be prearranged by contacting UPS at 1-800-682-4566. Constant Surveillance Service is available only in the contiguous United States and to selected locations in Canada.
 - 2. Constant Surveillance Service shipments awaiting transportation at an UPS facility will be locked in a secure room or storage facility.

3. Each employee or agent shall execute a signed receipt upon accepting custody of the shipment and shall obtain a signed receipt upon relinquishing custody of the shipment.
4. Air Waybills, Government Bills of Lading or shipping documents presented to UPS shall have the statement "Constant Surveillance Requested" and the pre-approved authorization number entered by the shipper.
5. Firearms shall be sent via Constant Surveillance Service. (See additional restrictions in Section XXXI(B)(2) (Shipments Subject to Advance Arrangements)).
6. For Constant Surveillance Service, a handling charge will be assessed in addition to all other applicable charges.

XXXVIII. MODIFICATION; WAIVER

- A. Any failure to enforce or apply a term or provision of the Air Waybill, or of these Terms, shall not constitute a waiver of that term or provision by UPS, and shall not diminish or impair UPS's right to enforce such term or provision in the future.
- B. No subcontractor, agent, or contracting carrier, or other provider has the authority to waive or vary any of these Terms. Only an officer of UPS is authorized to change or modify these terms and any change or modification shall be in writing.

XXXIX. SEVERABILITY; CONTROLLING LAW

- A. If one or more provisions of these Terms shall be held to be invalid, illegal or unenforceable, that provision(s) shall be enforced to the maximum extent possible, and the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby.
- B. Except where law or treaty mandate governing law, these Terms, and the performance, rights and obligations of the parties under these Terms, shall be governed by, and construed in accordance with the laws of the United States and the State of Georgia.