



NNR Global Logistics USA Inc.

Terms & Conditions for Surface Transportation in North America and U.S. Air Transportation



**Two Pierce Place, Suite 1800,
Itasca, IL 60143
Tel: (630) 773-1490 Fax: (630) 773-1442**

**Licensed IATA Cargo Agent
FMC License No. 3292**

www.nnrglobal.com

These terms and conditions of service (the “Terms and Conditions”) will apply solely to services provided by NNR for surface transportation in North America, U.S. air transportation (origin and destination in U.S.) and Auxiliary Services described in this document. The Terms and Conditions are subject to change by NNR upon posting on NNR’s website from time to time. NNR’s terms and conditions for International Air and Ocean Shipments, Warehousing services and services provided by NNR Customs Brokerage, Inc. are provided separately from the Terms and Conditions and are published at <https://www.nnrglobal.com/all-download-documents-2/> .

1. Definitions

- a) “Auxiliary Services” are those services which are performed prior or subsequent to transportation such as local cartage, loading, unloading, crating, uncrating, packing, unpacking and storage which are requested by Customer and arranged by NNR as an additional service. “Auxiliary Services” shall not include warehousing services or services provided by NNR Customs Brokerage Inc., both of which are governed by separate terms and conditions of service.
- b) “Bill of Lading” is the reference to the official shipping document, sometimes completed by Customer or in some cases by the Carrier, NNR, or other authorized person or entity, accepting the Shipment, authorizing NNR to carry the Shipment to said destination, and containing pertinent information about the Shipment such as piece count, weight, quantity, and the like; The Bill of Lading may include, but not be limited to, shipping documents directly referred to and titled as a Bill of Lading, and also other shipping documents commonly used in the industry such as Shippers Letter of Instruction, Air Waybill, etc., which duly authorize NNR to accept the Shipment.
- c) “Bill to Party” is the person or entity to whom the Bill of Lading instructs NNR to issue the invoice to for the Shipment.
- d) “Carrier” is the person or entity actually performing the carriage of the Shipment with its own means of transport as the performing carrier, and subject to carrier liability as a result of an express or implied undertaking to assume such liability from the contracting carrier.
- e) “Consignee” is the person or entity listed as the “ship to” party or to whom the Bill of Lading instructs NNR to deliver the Shipment.
- f) “Customer” or “Shipper” includes the Person with whom NNR has contracted to move the Shipment and any Person whom directly benefits from services performed pursuant to the Terms and Conditions.
- g) “Days” as referenced herein shall mean calendar days.
- h) “Package” or “Packages” are the customary shipping units as listed on the Bill of Lading including, but not limited to, packages, cartons, pallets, tubes, etc.
- i) “Parties” include the Customer, the Consignee, the consignor, NNR, and any other Person having a present or future interest in the Shipment or any Person acting on behalf of any of the above mentioned parties with respect to a Shipment.
- j) “Person” means any individual, corporation, limited liability company, joint venture, trust, partnership or other entity.
- k) “NNR” means NNR Global Logistics USA Inc., NNR’s employees, officers, directors, agents, subcontractors, carriers and independent contractors performing services pursuant to the Terms and Conditions.
- l) “Shipment” is the total of the Packages and their contents listed and described on the Bill of Lading, or as amended in subsequent written documentation provided to NNR.

2. **AGREEMENT TO TERMS AND CONDITIONS.** In tendering a Shipment to NNR or otherwise engaging the services of NNR in any other fashion, Customer agrees that the version of the Terms and Conditions in effect at the time the shipment is tendered to NNR will apply to the Shipment, its transportation, and the Auxiliary Services, which no agent or employee of the Parties may alter. To the extent the Terms and Conditions conflict with a Bill of Lading or other shipping document, the Terms and Conditions shall control. If the services provided are for international air, international ocean, warehousing, or customs brokerage, then the separate terms and conditions for each respective service shall govern and control. Further, except to the extent the Terms and Conditions conflict with any written agreement between the Parties, the Terms and Conditions shall supersede any alleged or asserted oral agreement, promise, representation, or understanding between the Parties.
3. **CUSTOMER'S WARRANTY; PROPER PACKAGING.** Customer warrants that each Package and Shipment is properly classified and completely described on the Bill of Lading or other relevant shipping documentation furnished by Customer, that each Package and Shipment is properly marked and addressed, is packaged properly and adequately to protect the contents in the normal course of transportation for each surface and air transport, and except as otherwise noted on the Bill of Lading, is in good order and condition. For purposes of clarity and without limitation, examples of improper packaging of goods such that the goods would not be deemed suitable for the normal course of transportation would include the following: goods packed in bags; ripped and damaged packaging; insufficient crating, boxing, loading in containers; and overall insufficient packing to sustain the goods and insulate from damage in transit. Customer also warrants its compliance with all applicable laws, rules, and regulations including, but not limited to, customs laws, import and export laws. Customer shall furnish such information and attach to the Bill of Lading such documents as are necessary to comply with all laws, rules and regulations.
4. **QUOTATIONS NOT BINDING.** Except as set forth in a written agreement between the Customer and NNR, quotations as to fees, rates of duty, freight charges, insurance premiums or other charges provided by NNR to Customer are for informational purposes only and are subject to change without notice. No quotation shall be binding on NNR unless NNR agrees in writing to undertake the handling and transportation of the Shipment at a specific rate. Customer understands that quotations are provided to Customer in reliance on the information furnished to NNR at the time the quotation is provided, and are subject to change based on actual weights, commodity, contents, mode of transportation, dimensions, and volumes tendered by the Customer, as well as due to unforeseen or unanticipated costs, occurrences or events which are beyond the control of NNR.
5. **RATES AND CHARGES.** Except as provided in any written agreement between the parties, rates and charges for Shipments will be based on actual or dimensional weight, whichever is greater.
6. **Claims.**
 - a. **Notice of Claims.** A timely notice to NNR of a claim in accordance with the requirements set forth in this section is a prerequisite to the institution of a suit pursuant to Section 6 (b) of the Terms and Conditions as follows:
 - i. **Apparent Damage Upon Delivery.** If the loss or damage to a Shipment is apparent at the time of delivery, Consignee must immediately note such loss or damage on the delivery receipt or other documentation, or platform utilized to sign for delivery of a Shipment (i.e. signature on android application, tablet, truck pro, or other shipping documentation utilized as evidence of goods received by Consignee). Apparent loss or damage shall include, without limitation, shortage in the shipment, damage to the package(s), or possible damage to the contents which is ascertainable without inspection of the contents itself. Consignee may not open package(s) and inspect the



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contents of the package(s) until Consignee signs for the shipment on the delivery receipt. NOTE: Notations such as “subject to inspection” and “subject to count” are not valid. Failure to note exceptions of actual product loss or damage at the time of delivery on the delivery receipt is prima facie evidence of delivery in good order and condition and shall be an absolute bar to a claim for apparent damage, or concealed damage claims, as the case may be.

- ii. No Liability for Concealed Damage. NNR shall not be liable for any loss or damage to goods that is not apparent (concealed), at the time of delivery. For purposes of clarity and without limitation, in the case of perishables, NNR also accepts no liability for any types of loss or damage claims that were not apparent at the time of delivery.
 - iii. Timeliness of Notice. Unless otherwise provided in an applicable statute, the failure to give timely notice of any loss or damage in accordance with this Section 6 (a) or the failure to permit or arrange inspection as required herein shall constitute an absolute bar to recovery for any claim for loss or damage. Failure to keep all product and packaging of damaged product, unless otherwise instructed in writing by NNR, may result in non-payment of claim. Further, it is incumbent upon the claimant and all other interested parties to mitigate the damages to the extent that is reasonably possible under the circumstances. Obligations to mitigate damage shall be deemed to include, but not be limited to, the following examples: Sending damaged freight to repair facility(s); having partial damage repaired by on site medic or other technician, as applicable; and, any other measures deemed reasonable and possible in order to repair damages when the commodity is not a total loss.
- b. Claims Process.
- i. Time Limit for All Claims. Unless otherwise provided in an applicable statute, all claims for loss, damage, or overcharges must be received in writing by NNR no later than one hundred and eighty (180) days from the date of delivery for U.S. Air Transportation; and for Surface Transportation, no later than nine (9) months from the date of delivery for damage claims and nine (9) months from the date of shipment for shortage claims, as the case may be. All such claims must include copies of the Bill of Lading, delivery receipt, invoice and any other documents supporting the claim or such claims shall be barred. Further, there shall be no offsetting of claims and any claimed amounts shall not be deducted from transportation charges due to NNR. NNR will not process or consider any claim until all transportation charges have been paid in full.
 - ii. Salvage Right. In the event NNR pays a claim, NNR shall be entitled to possession of the portion of the Shipment for which the claim was made and shall be under no obligation to return any portion of the Shipment to Customer or other Parties. NNR shall be entitled to salvage any such portion of the Shipment and shall be under no obligation to return any salvaged proceeds to Customer or other Parties. The failure to provide the salvage shall be a bar to recovery of such claim. Finally, if NNR pays a claim and Customer or a third party later salvages that portion of the Shipment for which the claim was made, NNR shall be entitled to a refund, up to the amount of the claim paid by NNR.
 - iii. Lawsuits Arising From Denied Claims. Unless otherwise provided in an applicable statute, suit to recover for any loss or damage claims must be instituted within two (2) years from the date the claim has been denied in writing, in whole or in part, by NNR, and must be filed in accordance with Section 10 herein



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and paid an excess valuation charge and then only to such declared higher value, subject to Section 19. In all instances, for purposes of determining liability, dimensional weight (DIM) shall not be used for calculating liability and the actual product weight shall be utilized. In the event that NNR is deemed liable for loss or damage in accordance with the Terms and Conditions, such claims shall be subject to the following maximum monetary recovery(s):

- i. Surface Shipments in the U.S. NNR's liability is limited to the greater of USD\$50.00 per Shipment or USD\$0.50 per pound (actual product weight), per Package whichever is greater.
 - ii. Surface Shipments between the U.S. and Mexico. NNR's liability is limited to a maximum of USD\$50.00 per Shipment or USD\$0.50 per pound (actual product weight), per Package, whichever is greater. In the event that this limit of liability is deemed unenforceable, Customer and Shipper acknowledge that Mexican law limits the liability of a motor carrier to the equivalent of fifteen (15) times the minimum daily wage then in effect in the Federal District of Mexico, per metric ton or the proportional part thereof.
 - iii. Surface Shipments between the U.S. and Canada. NNR's liability is limited to a maximum of \$2.00 Canadian per pound (actual product weight) computed on the total weight of the lost or damaged goods by the Shipper.
- d) Average Declared Value. For purposes of calculating NNR's monetary maximum of liability set forth in Section 8(c) herein, unless each Package in a larger Shipment has a separate declared value stated on the Bill of Lading at the time of shipment and Customer has paid an excess valuation charge to the extent of such declared value, NNR shall be liable, subject to applicable Terms and Conditions in effect at the time of the Shipment, for the average declared value of the Shipment multiplied by the weight of the Packages (or pieces) adversely affected. The average declared value of the Shipment shall be determined by dividing the total declared value of the Shipment by the total weight (actual product weight) of the Shipment. The declared value amount for the entire Shipment must be inserted on the face of the Bill of Lading for this provision to apply.
- e) No Consequential Damages. IN NO EVENT SHALL NNR BE LIABLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS OR LOSS OF MARKET, LOSS OF INCOME, DAMAGES ARISING FROM LOSS, ATTORNEYS' FEES OR PUNITIVE DAMAGES, WRONG DELIVERY, OR DAMAGE TO PROPERTY, DELAYED DELIVERY OR FAILURE TO ATTEMPT DELIVERY, WHETHER OR NOT NNR HAD KNOWLEDGE THAT SUCH DAMAGES OR LOSSES MIGHT OCCUR.
- f) Bill of Lading. NNR reserves the right to rely on the Bill of Lading, as defined herein, as Customer's letter of instruction for all other modes of transportation including LTL or FTL truck brokerage (U.S. and international), rail, and U.S. air.
- Third Parties and Routes. NNR is authorized to select and engage carriers, truckmen, custom brokers, agents, warehousemen and other third parties, as required, and the Shipments may be entrusted to such agents subject to all limitations of liability set forth in the Terms and Conditions. Every NNR party, including without limitation, every employee, agent carrier, or subcontractor of NNR shall be entitled to the same rights, exemptions and/or limitations of liability, defenses and immunities to which NNR is entitled. It is expressly intended that all NNR parties and subcontractors (and subcontractors' subcontractors) shall have the benefit of the Terms and Conditions. Finally, unless express instructions are agreed

upon in a signed writing between the Parties, NNR has complete discretion to select the means, route and procedure to be followed in the handling, transportation and delivery of the Shipment.

- Refused, Returned Shipments. NNR will immediately notify Customer of any refused shipment. Disposition to NNR is required within 5 Days from date the shipment was refused. Customer shall be responsible for all costs associated with any return shipments, including any transportation charges and fees, together with the original transportation charges and fees, unless such shipment is deemed undeliverable solely due to damage attributable to NNR in which case NNR shall be responsible for the return transportation, if any. Shipments may be disposed of where so requested by the Customer and Customer shall be liable for disposal fees of \$0.02 per pound with a \$35 minimum charge. If no disposition is received from Customer within 5 Days from date shipment was refused, then NNR's liability will become that of a Warehouseman and shall be governed by the most current version of the Terms and Conditions for Warehousing Services published at www.nnrusa.com/resources/termsandconditions including without limitation the limits of liability and lien rights therein. Minimum fees for warehousing shall be assessed at the rate of \$35.00 per skid position per Day. If after 30 Days from date the shipment was refused, NNR still has not received disposition or instruction from Customer, NNR reserves the right to dispose of or offer shipment up for auction and to use any proceeds realized to offset the costs associated with the storage and other lawful charges due to NNR. Any shipment refused that includes dangerous goods or hazardous materials may be immediately disposed of by NNR. Any shipment refused that includes perishable commodities shall require disposition from Customer within no more than 48 hours; In the event disposition is not received from Customer within 48 hours, NNR reserves the right to dispose of the perishable goods in its sole discretion, using reasonable judgment. Any disposal fees or costs associated with removal of or disposition of any refused shipment under this section 8(h) shall be the responsibility of Customer.
9. LTL SHIPMENTS. Notwithstanding anything herein to the contrary, all shipments handled via Less Than a Truck Load ("LTL") truck brokerage are arranged by NNR acting as a broker, and not as a freight forwarder. As such, NNR accepts no cargo liability, and all reports correspondence, claim filing and settlement issues are to be pursued with the carrier whom the LTL shipment has been brokered, and are subject to the terms and conditions of that carrier.
 10. GOVERNING LAW, VENUE, JURISDICTION. The Terms and Conditions, and any action or contract to which they apply, shall be governed, and interpreted by the laws of the State of Illinois, U.S., without reference to its choice of law provisions. All suits to recover a claim must be exclusively submitted to the jurisdiction of a state or federal court located in Cook County, Illinois to which the Parties irrevocably consent to personal jurisdiction and waive all objections thereto. Where claims are not filed or suits are not instituted in accordance with the foregoing provisions, such claims shall be deemed waived and will not be paid.
 11. SEVERABILITY. If any provision of the Terms and Conditions may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning which renders it valid and enforceable. The language of all provisions of the Terms and Conditions shall be construed

according to fair meaning and not strictly construed against any party. The provisions of the Terms and Conditions are severable and shall be interpreted and enforced as if all completely invalid or unenforceable provisions are not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable.

12. **PROHIBITED CARGO.** There are certain types of articles that are either on the list of prohibited items which will never be accepted for transport by NNR, or which will not be accepted for carriage without the prior knowledge and written approval from NNR. The following is a list of such prohibited cargo(s) any Shipment prohibited by law; firearms; certain types of dangerous goods; original works of art, antiques; bonds; coins of any kind; currency; currency equivalents; furs; fur clothing; gems or stones (cut or uncut); industrial diamonds; gold or silver; coined concentrates; jewelry (other than costume jewelry); pearls; precious metals; securities (negotiable); time sensitive written material (e.g. bids, contract proposals, etc. when the declared value exceeds USD\$0.50 per pound); one-of-a-kind articles or models; prototypes; valuable rugs (i.e. Oriental rugs, Persian rugs) and prints or lithographs and household goods and/or personal effects when the total declared value of the Shipment exceeds USD\$500 or when the declared value exceeds USD\$0.50 per pound, per piece. NNR shall not be liable for any loss, damage, delay, liabilities, penalties or fines resulting from the transportation of any of the foregoing articles, however described or mis-described in the Bill of Lading (including unacceptable descriptions such as “FAK”), and no employee or agent of NNR has any authority to waive the limitations herein contained. NNR retains the right to refuse any such Shipment prior to acceptance. In the event NNR discovers, after acceptance of a Shipment, that the Shipment contains any of the herein mentioned articles, it reserves the right to refuse the Shipment, or if already in transit, to refuse to deliver the Shipment to the Consignee. Customer agrees to pay all expenses, freight charges, fines and penalties for said Shipment. Customer further agrees to indemnify and hold harmless NNR from any and all loss, damage, delay, liabilities, penalties or fines arising out of or related in any way to Shipments containing any of the items described in this Section.
13. **COMPLIANCE WITH LAWS.** NNR conducts its business ethically and in compliance with all laws in the countries where NNR does business. Shipments are subject to all applicable international, federal, state and local laws and regulations, including all anti-corruption laws such as the U.S. Foreign Corrupt Practices Act of 1977, as amended and the UK Bribery Act, as amended (collectively, the “Laws”). Customer shall not send any Shipment in any manner that violates any Law or is in violation of NNR’s Anti-Corruption and Foreign Corrupt Practices Act Policy which can be found at: www.nnrusa.com Exporting Shipments to companies, organizations, or persons listed on the Specially Designated Nationals List, the U.S Debarred List, the U.S. Entity List, and other governmental lists are prohibited, including those on other lists of denied parties. Customer agrees not to use NNR’s services to transport cargo in any manner that violates any embargoes of countries or persons, including U.S. embargoes against Burma, Cuba, Iran, Libya, North Korea, Sudan, South Sudan, and Syria.
14. **C.O.D. SHIPMENTS.** Collect on Delivery (C.O.D.) service is provided under the following conditions: (a) Customer must identify the shipment as a C.O.D. Shipment by entering the amount to be collected on the front of the Bill of Lading or other shipping document, (b) Customer must specify the type of payment to be received (e.g. check, money order or cashier’s check) on the front of the Bill of Lading or other shipping document, and (c) NNR and Customer agree that NNR does not guarantee nor verify that a check, money order, cashier’s check or other such financial instrument is valid or negotiable. All payments are collected at Customer’s risk. Unless otherwise stated on the Bill of Lading or other shipping document, the C.O.D. amount of the Shipment shall be deemed to be the declared value of the Shipment. A declared value amount in excess of USD\$0.50 per pound, per

Package, shall be subject to an excess valuation charge. Unless prior arrangements are made, payment of freight charges and/or C.O.D. amounts must be remitted by cashier's check, certified check, money order, or Consignee's check as authorized by the Customer in writing.

15. **INSPECTION & SECURITY.** All Shipments are subject to inspection by NNR, including by NNR's performing carriers and by any duly authorized government entities, including but not limited to the U.S. Transportation Security Administration, U.S. Customs and Border Protection, and like entities. Notwithstanding the foregoing right to inspect shipments, NNR is not obligated to perform such inspection except as mandated by law. Further, NNR reserves the right to unilaterally reject any Shipment that it deems unfit for transport after inspection.
16. **INDEMNITY.** Customer, Consignor, and Consignee shall be jointly and severally liable for all unpaid charges payable on account of the Shipment pursuant to the Terms and Conditions and shall pay or indemnify NNR for claims, fines, penalties, damages, costs (storage, handling, re-consignment, return of freight to shipper, etc.) or other sums which may be incurred by NNR by reason of any violation of the Terms and Conditions, any other default of Customer, Consignor, Consignee or claims arising in connection with or related to the selection of service providers for Auxiliary Services.
17. **GENERAL LIEN.** NNR or its agents, as herein defined, shall have a general lien on any and all property (and documents relating thereto) within its care, custody or control for all charges and expenses advanced by NNR, including any charges due for prior unrelated shipments, invoices or services performed by NNR. NNR may refuse to surrender possession of the goods until all such charges are paid in full. If such amounts remain unpaid for 30 days after NNR's demand for payment, NNR may sell such property at public auction or private sale. The proceeds of such sale shall be applied to the amounts owed to NNR, and any surplus shall be paid to the Customer. Customer shall remain responsible for any deficiency.
18. **PAYMENT TERMS.** Customer shall pay NNR within 15 days of the invoice date unless otherwise agreed by the Parties in writing. All invoices not paid within 15 days of invoice date will be subject to a late fee charge of 1.5% per month, or the maximum rate then allowable pursuant to applicable law.
19. **COLLECTION EXPENSES.** If it becomes necessary for NNR to utilize a collection agency and/or attorneys to collect any unpaid amount owed, then the Customer shall be obligated to pay the actual collection agency fees, attorneys' fees, litigation fees and other expenses, including but not limited to court costs, incurred by NNR, regardless of whether litigation is actually filed.
20. **INSURANCE.** Insurance is available to Customer upon request only. The amount and type of available coverage is based on NNR's open cargo insurance policy in effect on the date the Shipment is tendered to NNR. In order to obtain coverage under that policy, Customer must request additional insurance in writing and pay an additional charge.