

## ***THE STANDARD CONDITIONS OF THE FORWARDING CONTRACT***

### **1. DEFINITIONS**

**Contract** - the standard conditions of this Forwarding Contract in conjunction with the Order, all the annexes, alterations, and additions.

**Order** - an integral part of the Contract, wherein individual parameters of the carriage are indicated.

**Parties** - the Carrier and the Forwarder.

**The Carrier** - the Party to the Contract, whose requisites are indicated in the Order.

**The Forwarder** - the Party to the Contract, private limited liability companies JSC "Dolvera" and SIA "LV Dolvera", whose requisites are indicated in the Order. The term "Forwarder" shall also apply to employees of the Forwarder.

**The Consignor** - any natural or legal person, indicated by the Forwarder, who delivers the Goods for the carriage.

**The Consignee** - any natural or legal person, indicated by the Forwarder, who accepts the Goods in the place designated for discharge.

**Carriage** - conveyance of the Goods from the loading place to the place designated for delivery in accordance with this Contract, i.e. the period of time during which the Goods are in hand of the Carrier, irrespective of the fact whether the Goods are or are not in a vehicle, station, storage, or any other place.

**Loading place** - the place, indicated in the Order, where the Goods are taken for the Carriage.

**Discharge / destination place** - the place designated for delivery, where the Carriage is completed, the Goods discharged and delivered to the Consignee.

**The Third Person** - any natural or legal person (including the state and municipality), which is not the Party to the Contract, insurance company, auditor or attorney of any Party.

**The Goods** - the goods that are accepted by the Carrier in the indicated loading place from the indicated Consignor to carry to the indicated place designated for discharge and to deliver to the indicated Consignee in accordance with this Contract.

**Value of the Goods** - the value of the Goods assessed at the place and time where the Goods have been accepted for the carriage, including subsidies or grants paid for the Goods by the state institutions. This value shall be established by any available documents and stock prices. If there are not any, then the value shall be established in accordance with market prices. If there are no market prices, then the value shall be set in accordance with the value of goods that are of the same nature and quality. **The term of payment for the carriage** - the term by which according to the Contract the Forwarder is obliged to pay the Carrier for the Carriage.

**The price of the Carriage** - the remuneration for the Carriage that is indicated in the Order and that should be paid to the Carrier.

**The insurance contract** - the insurance contract on civil liability of the Carrier under which the Carrier insures his civil liability for the obligations arising out of the Contract.

**The documents accompanying the Goods** - consignment note of the discharge place and the transit states, certificate of origin (CVO), CMR invoice, TIR Carnet, permits, licenses, and other documents.

**Dangerous Goods** - the Goods that present threat for humans or the property and are treated as being dangerous in one or several national and / or international organizations. Definitions such as „properly“, „necessary“, „immediately“, or similar not precisely determinable definitions are to be construed in every single case taking into consideration the conditions of the Contract and the particular circumstances, when they are designated to determine persons, terms, expenses, conditions, etc. The words in the Contract that are in the singular form may hold the meaning of the plural where this is required by the context, and vice versa.

### **2. OBJECT**

2.1. Under this Contract, the Carrier shall accept the Goods in the place and from the Consignor indicated by the Forwarder, carry them to the place, and deliver to the Consignee indicated by the Forwarder.

2.2 Under this Contract, the Forwarder is obliged to pay the Carrier the price of the Carriage and to remunerate other expenses sustained by the Carrier under the conditions set out in this Contract.

2.3 The place of performance of this Contract is defined as a place where the Forwarder has a registered office.

2.4 The Parties shall endeavour to determine the other mutual rights and duties concerning the Carriage of the Goods.

2.5 The particular information concerning the Parties to the Contract, Goods, loading and discharge, and other special indications shall be recorded in the Order that is an integral part of this Contract.

### **3. RIGHTS AND DUTIES OF THE CONTRACTING PARTIES**

#### **3.1. Duties of the Forwarder:**

3.1.1. The Forwarder is obliged to perform its contractual obligations in due and fair manner, following the principles of economy as well as by collaboration and cooperation with the Carrier.

3.1.2. The Forwarder shall pay the Carrier for the Carriage of the Goods from the loading to the discharge place the price as indicated in the Order.

3.1.3. The Forwarder shall provide the Carrier with all information, which concerns the Goods and care thereof, the documents accompanying the Goods, as well as shall provide the Carrier with all available information that may be required to complete the Customs entry or other formalities. The Forwarder may indicate to the Carrier wherefrom the latter should take the documents accompanying the Goods or what else it has to do with the abovementioned documents. If the information provided by the Forwarder is inaccurate and insufficient, the Carrier is obliged to ascertain all the necessary and special conditions of the Carriage of the Goods, or otherwise the Carrier will be responsible for the Carriage of the Goods in undue manner and it will also be liable for reduced, due to that fact, quality and value of the Goods and / or loss of the Goods or the part thereof.

3.1.4. The Forwarder is not liable for filling in the documents accompanying the Goods.

3.1.5. The Goods are loaded by the Consignor in the absence of the agreement to the contrary. The Carrier shall take care of the proper loading of the Goods. In case of negligence and omission of the Carrier the loading of the Goods is improper and the Goods must be reloaded, the Carrier covers the expenses of the reloading. The Carrier may not request the idle time expenses to be covered.

3.1.6. The Forwarder does not bear the costs of packing, loading or discharging.

#### **3.2. Rights of the Forwarder:**

3.2.1. Until the second copy of the consignment note or CMR invoice is handed to the Consignee, the Forwarder shall have a right to dispose of the Goods. The Carrier shall carry out the instructions of the Forwarder.

3.2.2. The Forwarder has a right to request the termination of the Carriage of the Goods, to change the place of destination of the Goods, or to hand the Goods over to the Consignee different than one indicated in a consignment note or in the Order. This right shall cease to exist when the second copy of the consignment note is handed to the Consignee. From the time onwards, the Carrier shall carry out the instructions of the Consignee. Should the Consignee refuse to accept the Goods, the Forwarder shall reserve a right to dispose of the Goods without handing the first copy of the consignment note.

3.2.3. The Forwarder has a right to postpone the order before 24 hours to the planned time of loading.

3.2.4. A request to terminate the Carriage of the Goods, to change the place of destination or the Consignee or other data indicated in the consignment note or in the Order by the Forwarder shall be made in writing, by fax, or by e-mail.

3.2.5. If several copies of the consignment note are issued in respect of different parts of the Goods, the Forwarder shall be entitled to demand the Carrier to divide the Goods and to deliver them to different Consignees.

3.2.6. The Forwarder is entitled to request the Carrier to check the quantity and the number of places designated for the Goods. The Carrier shall check the external condition of the Goods, marking and numbering thereof. If the Carrier does not enter any reservations regarding the external condition of

the Goods, marking and numbering thereof, or any other data indicated in the consignment note, it shall be deemed that all data are correct and coincide with the ones indicated in the consignment note. These checks shall be performed at the Carrier's expense. The checks shall by no means justify delay in delivery of the Goods to the discharge place.

3.2.7. The Forwarder shall be entitled to make offsets from the freights.

### **3.3. Rights of the Carrier:**

3.3.1. In the absence of an agreement or instructions to the contrary, the Carrier shall freely choose the carriage route. Such instructions may be given orally, as well. The Carrier chooses the route at its own risk and shall cover at its own expense all additional costs incurred by it due to its decisions.

3.3.2. Upon a written consent by the Forwarder, the Carrier shall have a right to subcontract any third party for the performance of the Contract; however, even in this case, the Carrier shall remain liable for due and full performance of its contractual obligations.

3.3.3. Provided there is an agreement on additional services, the Carrier shall render such additional services.

3.3.4. The Carrier shall have a right to refuse to divide the Goods into parts and to deliver them to different Consignees, provided that they are carried accompanied only by one consignment note.

3.3.5. The Carrier shall be entitled to recover additional costs related to performance of additional instructions changing the data indicated in the Order. The additional expenses related to increased mileage from the loading place to the discharge place shall be calculated in proportion to the original mileage and the price of Carriage. If the instructions are rational and practically necessary to ensure due fulfilment of the Contract, the Carrier shall be liable for such additional expenses incurred. The expenses mentioned in this paragraph shall not be compensated, if they are incurred due to wrongful acts or negligence of the Carrier.

### **3.4. Duties of the Carrier:**

3.4.1. The Carrier shall provide in time a proper and suitable vehicle for loading the Goods and shall take the Goods entrusted to it at the discharge place, indicated in the Order and the consignment note as well as shall deliver the Goods to the indicated Consignee.

3.4.2. The Carrier shall act carefully and fairly as well as in accordance with the professional standards and it shall take all possible steps in order the Goods would retain their condition, which existed during the loading.

3.4.3. After it receives information regarding the Goods, the Carrier being a professional agent in the market must ascertain any additional information that may be necessary for the adequate Carriage of the Goods: weight, volume, characteristics, dates, technical requirements raised for a vehicle, additional equipment required, procedures, prohibition regarding reload, etc. If the information provided by the Forwarder is inaccurate and insufficient, the Carrier shall ascertain all the inaccuracies and missing necessary information. The Carrier shall ascertain all the necessary and special conditions of the Carriage of the Goods, or otherwise the Carrier shall be responsible for the Carriage of the Goods in undue manner as well as for reduced, due to that fact, quality and value of the Goods, and / or for the loss of the Goods or the part thereof.

3.4.4. The Carrier shall be obliged to have all the necessary documents accompanying the Goods. In case the customs procedure is delayed or the carriage is suspended due to missing documents or inaccuracy in filling them in, the Carrier shall be liable for the expenses incurred by the Forwarder due to this.

3.4.5. The Carrier must make sure that the consignment note contains the following data:

3.4.5.1. The name and address of the Consignor;

3.4.5.2. The name and address of the Carrier;

3.4.5.3. The place and date of loading the Goods;

3.4.5.4. The place and date of delivery / discharge of the Goods;

3.4.5.5. The name, address, and phone number of the Consignee;

3.4.5.6. Data concerning the Goods: weight / quantity, marking, the method of packaging, way of placing and numbers, value;

3.4.5.7. The price of the Carriage;

3.4.5.8. Instructions for the performance of the procedures at customs and other formalities;

3.4.5.9. Documents that are handed over to the Carrier;

3.4.5.10. All other important information.

3.4.6. On the moment the documents accompanying the Goods are handed to the Carrier, the Carrier shall make sure that it has all necessary documents. In case the Carrier makes no remarks it is deemed the Carrier agrees that it has all necessary documents and they are duly filled in. If the Carrier indicates lacking of some documents, it may at its own expenses ask the Consignor to deliver them to the Customs that are being crossed or to suspend the Carriage until the mentioned documents are received. In this case the Carrier is liable for possible delay and the losses sustained by the Forwarder.

3.4.7. The Forwarder shall be liable for idle time of a vehicle only if the delay is due to the direct fault of the Forwarder.

3.4.8. By accepting the Goods, the Carrier shall check correctness of the number of places of the Goods indicated in the consignment note, marking and numbering of the Goods, as well as the condition thereof. If the Carrier fails to fulfil this obligation and does not enter respective reservations in the consignment note, it shall be deemed that any damage to the Goods and / or other losses occurred during the Carriage. Remarks regarding the condition of the Goods and / or packing thereof shall be motivated and stated briefly. All reservations shall be entered until loading of the Goods is completed. The Carrier shall load the Goods so that during the carriage quality of the Goods would not be reduced.

3.4.9. Upon a request by the Forwarder, the Carrier shall immediately provide readings of devices that record the temperature mode of a vehicle.

3.4.10. If there is no written agreement to the contrary, upon a request by the Consignor or the Consignee for an assistance in loading or unloading the Goods in order to load or unload the Goods more expediently, the Carrier's duties shall cover obligations to render assistance without any additional pay in loading or unloading the Goods, to give loading or unloading equipment, and packing, including pallets. The change of the pallets shall be indicated in the Order or during the order of vehicle. The change of the pallets of the Goods is one of the services of the Carriage and its price is included in the price of the Carriage.

3.4.11. Should the Forwarder provide the Goods for the Carriage on pallets, obligations of the Carrier under the Carriage Contract shall be deemed as fully performed after transfer of the Goods to the Consignee with the pallets, unless the Parties agree in writing to the contrary.

3.4.12. The Carrier shall duly carry out instructions of the Forwarder indicated in the Order. In case, due to any reason, the Carrier cannot carry out the instructions, it must immediately take all available steps and make best efforts in order to notify the Forwarder about inability to carry out the instructions. The Forwarder shall be notified in writing about any idle time by a dully filled in an idle time sheet, which contains information on precise place where a vehicle and / or the Goods are present.

3.4.13. The Carrier shall immediately notify the Forwarder on its inability to perform the Forwarding Contract in accordance with conditions specified herein and shall ask the Forwarder for further instructions. In case the circumstances enable the Carrier to carry the Goods by derogating from the conditions specified in the Contract and in the consignment note, the Carrier shall act in the best interest of the Forwarder. In any case, the Carrier shall make best efforts in order to get the Forwarder's instructions and shall wait for them at least 3 (three) workdays during which total safety of the Goods shall be ensured.

3.4.14. In case the Carrier does not receive any instructions of the Forwarder within the set time, the Carrier shall have a right to sell the Goods if they are quickly deteriorating. Even in the abovementioned cases, the Carrier shall not be entitled to sell the Goods if the sale thereof is prohibited by the Forwarder's instruction. The Carrier selling the Goods shall try to get the highest

but not lower than the market price for the Goods. The price for sale of the Goods shall be transferred to the Forwarder.

3.4.15. In case the Carrier is not able to continue the carriage under the conditions specified in the Carriage Contract and the consignment note due to reasons, which could not be foreseen or controlled by it, the Carrier shall take all available measures to preserve the Goods, including storage thereof by the third parties. In such a case, the Carrier shall be liable for due choice of such third party.

3.4.16. Should the Consignee refuse to accept the Goods, the Carrier must immediately notify the Forwarder and obtain its instructions for further actions regarding the Goods. The Forwarder shall be entitled to indicate other Consignee, to give order to take the Goods back to the Forwarder, or to order to act in accordance with other instructions.

3.4.17. Should the Order and the consignment note not indicate the exact discharge place of the Goods, the Carrier must obtain additional instructions of the Forwarder regarding the exact discharged place. In case the Carrier does not receive such instructions within reasonable term, which shall not be shorter than 5 (five) business days, it shall have a right to entrust the Goods for storage to any third party. In such a case, the Carrier shall be liable for the choice of such third party.

3.4.18. The Carrier shall be liable for loss or improper use of documents referred in the consignment note or actually handed to it.

### **3.5. Carriage of the Dangerous Goods**

3.5.1. The Forwarder on the moment of conclusion of the Carriage Contract shall provide in writing all information concerning the nature of the danger, class, number, and safety measures, as well as other relevant information. The Carrier shall obtain any other information that might be required as well as during the Carriage it shall take all available safety measures. The Carrier from the moment of taking the Goods over is liable for safe and due Carriage of the Goods.

3.5.2. The Carrier shall ensure that it has and / or will obtain all the necessary permits, consents, and other documents required for the Carriage of the Dangerous Goods.

3.5.3. If due to insufficient information the Carriage is suspended, the Carrier shall be liable for the resulting losses incurred by the Forwarder. Upon possibility to hand the abovementioned information the Forwarder shall immediately hand it to the Carrier, however, it shall not reduce or relieve liability of the Carrier.

3.5.4. The Carrier shall compensate all losses incurred by the Forwarder and by third persons due to the improper carriage of the dangerous Goods.

### **3.6. Loading / Discharge of the Goods**

3.6.1. The Carrier must provide the loading and discharge means, equipment, workforce, environment ensuring secure conditions of loading and discharge of the Goods.

3.6.2. In case during usage of improper loading and / or discharge equipment or other means given by the Carrier the damage is done to persons and / or property, the Carrier shall compensate such damage. The Carrier shall also be liable for damage or losses, incurred due to negligence of the Carrier while loading and / or unloading the Goods.

3.6.3. After having loaded the Goods, the Carrier shall check and inspect the Goods. It shall be presumed that the condition, weight, or nature of the Goods, indicated in the consignment note correspond the parameters of the Goods actually transferred.

3.6.4. If the Carrier noticed apparent damage in condition of the loaded Goods or package, apparent deviations of marking, numbering, or weight from the data indicated in the consignment note, it must enter the said reservations into consignment note together with the grounds on which they are based. The Forwarder shall be entitled not to agree with the said reservations. In such a case, an inspection whose expenses are covered by the Carrier shall be carried out.

3.6.5. Full loading / discharge of the Goods into / off a vehicle cannot last longer than for 24 (twentyfour) hours each, unless the Parties agreed otherwise. This time is not considered as idle time. In case the loading / discharge takes longer, the Carrier must compensate losses in accordance with

this Contract. Should loading / discharge time be over and loading / discharge has not started yet the Forwarder shall have a right to set additional loading time.

3.6.6. Loading time shall be counted from the moment a vehicle is provided on agreed time in the indicated place. Should the Carrier not provide a vehicle for loading or delay to provide it, it shall immediately notify the Forwarder about that. The Forwarder shall inform the Carrier immediately after notification whether it agrees that a vehicle will be provided later or whether it wishes to terminate the Carriage Contract. In case arrival of a vehicle is delayed and the Forwarder does not object this, loading time shall be counted from the moment the vehicle arrives. It does not preclude the Carrier from paying the penalty indicated in the Order. Termination of the Contract due to the Carrier's fault to provide a vehicle shall not release the Carrier from the obligation to pay the Forwarder a penalty in the amount of 1,000 (one thousand) euros. In case the expenses are higher, the Carrier shall cover them as well.

3.6.7. Discharge time shall be counted from the moment when after the transfer of a copy of the consignment note to the Consignee in the discharge place a vehicle is fully prepared for the discharge of the Goods.

3.6.8. The Consignee must get notifications about delivery of the Goods to the discharge place by mail, telephone, fax, personally, or by e-mail.

3.6.9. Upon circumstances impeding transfer of the Goods, after having taken them to the discharge place the Carrier must notify on that the Forwarder and shall wait for further instructions of the Forwarder at least for 5 (five) days. If no instructions are received, the Carrier shall act in accordance with Article 3.4.13 and 3.4.15 of this Contract.

3.6.10. The Carrier taking all possible steps must be sure that the Goods are transferred to the Consignee, indicated in the consignment note and in the Order. For this purpose the Carrier asks for documents confirming personal identity, employee's certificate, corporate documents, etc. In case the Goods are transferred to a wrong Consignee due to the Carrier's failure to fulfil duly this obligation, the Carrier shall be liable as for the total loss of the Goods.

3.6.11. Upon delivery of the Goods to the discharge place, the Carrier shall have a right to require written confirmation that the Goods are delivered. The Consignee shall sign and seal confirmation of receiving the Goods. In case the Consignee has no seal, such confirmation must contain the name of an enterprise and / or name, surname, position of a person undersigned.

3.6.12. The Consignee having accepted the Goods shall be entitled to state objections as to the quality and quantity of the Goods within seven workdays.

3.6.13. Should the Consignee refuse to accept the Goods, the Forwarder shall reserve a right to dispose of the Goods without handing the first copy of the consignment note or CMR invoice, irrespective of the fact whether the consignment note is already marked.

#### **4. THE PRICE FOR THE CARRIAGE AND PAYMENT**

4.1. The price for the Carriage is indicated in the Order and it shall include all other expenses, which are related to or may arise in relation to the Carriage.

4.2. The term for payment of the price for the Carriage shall be ninety days from the day the obligations are duly performed, original invoices and consignment notes as well as other documents referred in the Order or indicated later are duly delivered to the Forwarder.

#### **5. LIABILITY OF THE PARTIES**

##### **5.1. Liability of the Forwarder**

5.1.1. The Forwarder shall be liable for failure to provide the Goods and it shall compensate to the Carrier either the resulting losses incurred, excluding the lost revenues, or 20 percent of the price of Carriage, or cost of fuel that has been used for travelling to the loading place or by deviating from the common route. It shall be up to the Forwarder to choose a way of compensation provided that such compensation does not exceed the price of Carriage.

5.1.2. The Consignee shall be liable for submission of false information concerning the Goods. If upon a request of the Forwarder the Carrier fills in the consignment note or the Order, the Forwarder shall be responsible for all damage arising due to the indicated false in data.

## **5.2. Liability of the Carrier**

5.2.1. The Carrier shall be liable for both total or partial loss and damage of the Goods occurring from the time when it takes over the Goods for the Carriage and until the delivery and transference thereof to the Consignee, also for the delayed delivery of the Goods. Acceptance of the Goods shall be the moment from which the Goods are taken for loading. The Carriage process shall include packing, storage, handling, insurance, and clearance of the Customs procedures of the Goods. The duty of the Carrier to take care of the Goods shall end on the moment of transfer of the Goods to the Consignee. While the Goods are stored, grouped, or otherwise managed, the Goods are controlled by the Carrier, which shall be responsible for them regardless of the fact that they are delivered to the discharge place.

5.2.2. The Goods shall be considered lost if they are not delivered to the discharge place within 30 (thirty) days after the deadline for delivery to the discharge place.

5.2.3. The Carrier shall compensate to the Forwarder the value of the Goods lost.

5.2.4. Damage to the Goods shall be considered as reduction of their value due to changed physical condition. Such damage shall include both the external damage, when external defects are established and internal damage, which is not observable from the outside.

5.2.5. The Carrier shall compensate the damage made to the Goods as well as compensate the reduction of the value thereof and other related costs. Amount of compensation for the lost Goods is calculated according to the renewal or change or repair of the Goods by the Forwarder's choice. In any case, this compensation cannot exceed the amount payable in case of total loss of the Goods.

5.2.6. The Carrier shall pay the Forwarder the annual interest equal to 5 (five) percent of the amount of the compensation for the loss or damage of the Goods from the day the Goods should have been delivered but have been lost or from the day of delivery of the damaged Goods to the day of full settlement with the Forwarder.

5.2.7. In case the delivery of the Goods is delayed, the Carrier shall pay 0.1 % of forfeit which are calculated from the value of the Goods for each delayed day. All other losses sustained by the Forwarder due to the delay shall be compensated as well. Paying liquidated damages does not relieve the Carrier from the performance of the Contract.

5.2.8. Provided the Parties have agreed on the delivery terms, the delay in delivery is failure to deliver the Goods on the agreed time or if the Parties have not agreed on the specific delivery terms, the delay in delivery shall be considered as the time which exceeds time necessary for a careful carrier to carry the Goods under normal conditions.

5.2.9. The Carrier shall not be liable for loss, damage of the Goods or delayed delivery to discharge place, in case the damage was incurred:

5.2.9.1. Due to the fault of the Forwarder and the Carrier was not able and had no opportunity to avoid that damage or to reduce the losses;

5.2.9.2. As a result of instructions of the Forwarder, provided that the Carrier has taken all available measures to caution the Forwarder of possible occurrence of damage. The Carrier may not rely on this fact as relieving its liability if the Forwarder instructions are inaccurate and / or unclear, and the Carrier has not asked to clarify them;

5.2.9.3. Due to hidden defects of the Goods, which became evident during the Carriage provided that the Carrier acted properly, fairly, and did all the best to take care of the Goods;

5.2.9.4. Due to circumstances which could be by no means foreseen and damaging outcomes of which could be by no means avoided by the Carrier. The Carrier must employ all special safety measures in order to avoid, any theft, robbery, fraud, accidents, etc. The Carrier may not rely on the limitation of liability if it does not employ special measures in order to avoid the abovementioned events;

5.2.9.5. Due to the special circumstances:

- 5.2.9.5.1. Open / unsheeted vehicle was used and such use has been required by the Forwarder;
- 5.2.9.5.2. With the Customer's consent, the Goods were loaded and carried not packed or improperly packed and the lack of or defective condition of packing in the cases of the Goods which by their nature are liable to wastage or to be damaged when not packed or when not properly packed;
- 5.2.9.5.3. If the Goods were handled, loaded, reloaded, stowed, or unloaded by the Forwarder. The Carrier may not rely on this fact if during the Carriage it reloads, unloads, changes stowage of the Goods even in cases when it is necessary due to circumstances not controlled by the Carrier;
- 5.2.9.5.4. Damage was done to the Goods; they were partially or totally lost due to the nature of certain kinds of the Goods, provided that the Carrier has complied with all instructions regarding conditions of the Carriage. The Carrier shall prove that it has duly complied with all conditions of the carriage of the Goods specified in the Contract;
- 5.2.9.5.5. Insufficient and/or inadequate marking and numbering of places intended for the Goods, provided that the Carrier has indicated that deficiency, but the Forwarder has nevertheless required to continue the Carriage without eliminating the deficiency;
- 5.2.9.5.6. When carrying livestock or plants;
- 5.2.9.5.7. Due to acts or omissions of the public authorities, customs, police, and the investigation services;
- 5.2.9.5.8. Due to the major disorders of transport infrastructures, terrorism, war, blockades, strikes, embargoes, riots, dangerous natural or weather conditions, such as earthquakes, floods, massive fires.
- 5.2.10. The Carrier shall be relieved from liability only in cases when damage and losses occurred due to circumstances specified in Article 5.2.11 of the Contract. Besides, the Carrier shall be liable only to the extent that those circumstances contributed to occurrence of the incurred damage.
- 5.2.11. The Carrier's liability shall not be limited if losses occurred because during the carriage the Carrier failed to observe and / or failed to fulfil duly instructions of the Forwarder.
- 5.2.12. The Carrier shall not be relieved from the liability due to the failed vehicle used for the carriage of the Goods or due to the fault of the third party, which leased the vehicle.
- 5.2.13. The Carrier shall complete the customs procedures on its behalf and account provided that there are no instructions to the contrary. The Carrier shall be liable for the damage, related to the completion of the customs procedures, if it occurred due to lack of care of the Carrier as provided in Article 3.4.2 of this Contract.
- 5.2.14. The Carrier shall lose the right to follow the provisions, relieving it from the liability or limiting it in case the damage is done due to purposeful actions or gross negligence of the Carrier. In such a case, the Carrier shall fully (partially) compensate value of the Goods, losses sustained by the Forwarder, and lost profits. Conduct of the Carrier when common standards of care and usage of Carriage are not observed, contractual obligations and instructions of the Forwarder are not followed, or any other careless or negligent conduct of the Carrier shall be considered gross negligence.
- 5.2.15. The Carrier shall pay the Forwarder a penalty in the amount of 1,000 EUR (one thousand euros) for a breach of each paragraph of the Contract. This duty does not limit the right of the Forwarder to be compensated the losses.
- 5.2.16. The Carrier shall compensate to the Forwarder the price of carriage and the forfeit if the Carrier transfers the Goods to the Consignee and does not take the cash on delivery although it is obliged to do so. In case the Carrier is not sure about the amount of a redemption price, the Carrier shall obtain instructions from the Forwarder.
- 5.2.17. The Carrier shall be liable not only for its own actions and for miscarriages, but also for the ones of its agents and of other persons of whose services it has taken use during the Carriage.

## **6. INSURANCE**

6.1. The Carrier shall confirm that it has insured his civil liability in such amount that the insurance benefit would cover value of the Goods as well as all the damage that may be sustained by the Forwarder due to the Carrier's fault. The civil liability insurance contract shall be valid during the

validity term of the Contract as well as during the entire period of validity of a single obligation of the Carrier.

6.2. The Carrier shall provide evidences confirming the existence of the insurance contract.

6.3. Insurance events specified in the insurance contract shall be defined as broadly as possible in order to include any risks that may occur in territories where business operations are being carried out.

## **7. FINAL PROVISIONS**

### **7.1. Effect of the Contract and ending**

7.1.1. The Contract comes into effect from the moment the Carrier receives the Order and orally or in writing or by starting to perform expresses the consent to carry the Goods.

7.1.2. The Contract shall end in proper performance of contractual obligations by the Parties or in accordance with other bases indicated in the Contract or the laws.

7.1.3. Should bankruptcy or restructuring proceedings be taken against the Carrier within term of validity of the Contract, the Forwarder shall be entitled to terminate the Contract. The Forwarder shall also have a right to terminate the Contract prior to the expiry thereof provided it notifies the Carrier five workdays in advance.

### **7.2. Disputes**

7.2.1. The Carrier and the Forwarder shall make their best efforts in order the disputes and disagreements arising between the Parties as to the conclusion, alteration, addition, renewal, and performance of the Contract as well as regarding the liability are settled by negotiations between the Parties.

7.2.2. In case of failure to settle the disagreements arising out of the Contract by negotiations, the Parties agree to refer such dispute the court with jurisdiction. All claims regarding the payments for freights will be forwarded to the 2<sup>nd</sup> Vilnius district court.

7.2.3. The law of the defendant shall be applied for the present Contract, its interpretation and application, obligations of the Parties and all other related issues.

7.2.4. Convention on the Contract for the International Carriage of Goods (CMR) shall be applied for the international carriage by road and provisions indicated therein shall be followed. The provisions of the present Contract shall be applied insofar as CRM Convention does not otherwise directly regulate the rights, duties, and liability of the Parties.

### **7.3. Alteration, addition of the Contract**

7.3.1. The Contract shall be subject to alterations or additions only under the written agreement of the Parties.

7.3.2. Should any provision of the Contract contradict to the laws of the Republic of Lithuania or any other legal acts and therefore become invalid, this shall not influence the validity of any other provisions of the Contract. The Parties shall agree on the change of invalid part of the Contract into the similar and economically close one.

### **7.4. Notifications**

7.4.1. Notifications (information) sent under the Contract or related thereto shall be made in writing and shall be considered as properly delivered if sent by registered mail, telegraph, teletype, fax (under receipt confirmation), or delivered to the address indicated by the Parties in the Contract or by any other means, allowing to fix the sending of notification.

7.4.2. The Parties undertake to notify each other in advance about all changes of legal and actual addresses of the Contracting Parties. The Carrier shall not be liable for the damage incurred by the Forwarder, who had not fulfilled the duty indicated in this Article.

7.4.3. In case of a dispute, it shall be considered that any written notification is received if personally delivered to the Party or to the address of its office / permanent residence place (according to registration in a passport). In case such address cannot be set after giving proper inquiries (to the address office, manager of enterprise register, etc.), a written notification is considered to be received if it is sent to the last known postal address of the office / permanent residence place by the registered

mail or any other way allowing to fix the sending of such notification. Notification shall be considered received on the day of its delivery.

#### **7.5.Duty to keep information confidential**

7.5.1. The Parties undertake not to disclose information to the third persons regarding conclusion of the Contract and its conditions and any other information about the Parties more than it is necessary for proper performance of the Contract, internal or external supervision, shareholders or audit, and also to take all available means in order the third persons would have no access to the said information. The said information can be disclosed to the third persons upon a prior written consent by the other Party or if the duty to give such information to the competent state institutions is provided by the laws of the Republic of Lithuania.

*Annex No. 1*

*To the Standard Conditions of the Forwarding Contract*

### **NON-COMPETITION CLAUSE**

#### **1. TERMS**

1.1. Competitive actions — any actions made by the Carrier in order to make a direct contact with any client or other subject directly connected with Forwarder's business performance. These actions may have a form of both a direct contact, advertising Carrier's services with the purpose to start a direct contract; and an indirect contact of the Carrier with the Forwarder's client or any other subject stated on the carriage documents.

#### **2. SUBJECT**

2.1. Non-competition clause is a non-separate part to the Standard conditions of the forwarding contract.

2.2. The Carrier consents to non-competition clause when accepting Forwarder's transportation order and confirms that it is just and reflects its commercial aims fully.

2.3. The Carrier pursues not to conclude any contracts or agreements, not to make a direct contact with prohibited subjects, not to perform any services, not to take any actions which may be found competitive. Should there is a doubt if an action may be found competitive; the Carrier is to apply for a written consent of the Forwarder.

2.4. The Carrier confirms that all orders given directly by Forwarder's client which may breach the requirements of the non-competition clause will be rejected in all cases.

2.5. Infringement to this Agreement draws a fine amounting to 10.000,00 EUR, a duty to cover all loss suffered due to this infringement and a violation of all contractual obligations.

2.6. The fine referred to in this Agreement has to be paid within 15 days from a reception of a written claim. The interest amounts to 0,2 percent for each day in case of delay of payment.

#### **3. OTHER CLAUSES**

3.1. The law and jurisdiction applicable to the prohibition to compete is Lithuanian law and Lithuanian jurisdiction.

3.2. The Agreement comes into force from the moment of confirmation of a forwarding order and is valid 6 months after the final transportation service is performed.