

ZASPED INC.
HOUSE BILL OF LADING
TERMS AND CONDITIONS

1. DEFINITIONS

“Carrier” means the Company stated on the front of this Bill of Lading as being the Carrier and on whose behalf this Bill of Lading has been signed.

“Merchant” includes the shipper, the consignee, the receiver of the Goods, the holder of this Bill of Lading, any person owning or entitled to the possession of the Goods or this Bill of Lading, any person having a present or future interest in the Goods or any person acting on behalf of any of the above mentioned persons.

“Goods” includes the cargo supplied by the Merchant and includes any Container not supplied by or on behalf of the Carrier.

“Container” includes any container, trailer, transportable tank, lift van, flat, pallet or any similar article of transport used to consolidate goods.

“Carriage” means the whole of the operations and services undertaken or performed by or on behalf of the Carrier in respect of the Goods.

“Combined Transport” arises where the Carriage called for by this Bill of Lading is not a Port to Port Shipment.

“Port to Port Shipment” arises where the Place of Receipt and the Place of Delivery are not indicated on the front of this Bill of Lading or if both the Place of

Receipt and the Place of Delivery indicated are ports and the Bill of Lading does not in the nomination of the Place of Receipt or the Place of Delivery on the front

hereof specify any place or spot within the area of the port so nominated.

“Hague Rules” means the provisions of the international Convention for Unification of certain Rules relating to Bill of Lading signed at Brussels on 25th August 1924.

“Hague Visby Rules” means the Hague Rules as amended by the Protocol signed at Brussels on 23rd February 1968.

“COGSA” means. The International Carriage of Goods by Sea Act of Japan enacted 13 June 1957, as amended 3 June 1992.

“US COGSA” means the Carriage of Goods by Sea Act of the United States of America approved on 16 April 1936.

“Charges” includes freight and all expenses and money obligations incurred and payable by the Merchant.

“Person” includes an individual, a partnership, a body corporate or other entity.

“Stuffed” includes filed, consolidated, packed, loaded or secured.

2. CARRIER’S TARIFF

The provisions of the Carrier's applicable Tariff, if any, are incorporated herein. Copies of such provisions are obtainable from the Carrier or his agents upon request or, where applicable, from a government body with whom the Tariff has been filed in the case of inconsistency between this Bill of lading and the applicable Tariff, this Bill of Lading shall prevail.

3. WARRANTY

The Merchant warrants that in agreeing to the terms hereof he is or is the agent of and has the authority of the person owning or entitled to the possession of the Goods or any person who has a present or future interest in the Goods.

4. NEGOTIABILITY AND TITLE TO THE GOODS

(1) This Bill of Lading shall be negotiable unless it is marked "Non-Negotiable" on the face of this Bill of Lading and it shall be deemed to constitute the title to the Goods by accepting this Bill of Lading and the Holder, by the endorsement of

this Bill of Lading, shall be entitled to receive or to transfer the Goods mentioned

on the face hereof.

(2) This Bill of Lading shall be prima facie evidence of the taking in charge by the Carrier of the Goods as herein described. However, proof to the contrary shall not be admissible when this Bill of lading has been negotiated or transferred for valuable consideration to a third party acting in good faith

5. CERTAIN RIGHTS AND IMMUNITIES FOR THE CARRIER AND OTHER

PERSONS

(1) The Carrier shall be entitled to sub-contract on any terms whole or any part of the Carriage.

(2) The Merchant undertakes that no claim of allegation shall be made against any person or vessel whatsoever, other than the Carrier, including, but not limited to, the Carrier's servants or agents, any independent contractor and his servant or agents, and all others by whom the whole or any part of the Carriage, whether directly or indirectly, is procured, performed or undertaken, which imposes or attempts to impose upon any such person or vessel any liability whatsoever in connection with the Goods or the Carriage, and if any claim or allegation should nevertheless be made to defend, indemnify and hold harmless the Carrier against all consequences thereof. Without prejudice to the foregoing every such person and vessel shall have the benefit of all provisions herein benefiting the Carrier as if such provisions were expressly for his benefit and in entering into this contract the Carrier, to the extent of these provisions, does so

not only on his own behalf but also as agent or trustee for such persons and vessels and such persons and vessels shall to this extent be or be deemed to be parties to this contract.

(3) The Merchant shall defend, indemnify and hold harmless the Carrier against any claim or liability (and any expense arising therefrom) arising from the Carriage of the Goods insofar as such claim or liability exceeds the Carrier's liability under this Bill of Lading.

(4) The defences and limits of liability provided for in this Bill of Lading shall apply in any action against the Carrier whether the action be found in Contract or in Tort.

6. CARRIER'S RESPONSIBILITY

(1) CLAUSE PARAMOUNT

(A) As far as this Bill of Lading covers the Carriage of the Goods by sea, this Bill of Lading shall have effect subject to the provisions of COGSA, unless it is adjudged that any other legislation of a nature similar to the International Convention for the unification of certain rules of law relating to bills of lading done at Brussels on 25 August 1924 (hereinafter called the Hague Rules), or to the Protocol to amend the Hague Rules done at Brussels on 23 February 1968, or, where applicable, to the Protocol amending the Hague Rules as amended by the Protocol of 23 February 1968 done at Brussels on 21 December 1979, mandatorily applies to this Bill of Lading, in which case it shall have effect subject to the provisions of such similar legislation (hereinafter called the Hague-Rules Legislation), and the COGSA or the Hague-Rules Legislation shall be deemed to be incorporated herein.

B) COGSA or the Hague-Rules Legislation shall apply and govern before the Goods are loaded on and after they are discharged from the vessel and throughout the entire time the Goods are in custody of the Carrier and his servants or agents or the Actual Carrier within the sea terminal at the Port of Loading or Port of Discharge.

(C) If any provision herein is held to be inconsistent with or repugnant to any extent of COGSA, the Hague-Rules Legislation or any other laws, statutes or regulations mandatorily applicable to the contract evidenced by this Bill of Lading, such provision shall be null and void to the extent of such inconsistency or repugnance but no further.

(2) LIABILITY OF THE CARRIER

(A) The Carrier shall be liable for loss of or damage to the Goods occurring from the time when the Carrier receives the Goods for Carriage until the time of delivery, only to the extent set out below.

(B) The Carrier shall be relieved of liability for any loss or damage, if such loss or damage in delivery was caused by:

- (a) the wrongful act or neglect of the Merchant;
- (b) compliance with the instructions of the person entitled to give them;
- (c) inherent vice or nature of the Goods;
- (d) insufficiency of packing or inadequacy of the marks;
- (e) defect of the Container used to consolidate the Goods if supplied by the Merchant;
- (f) handling, loading, stowage into or discharge from Container by the Merchant;
- (g) war, warlike operations, riot, civil commotions, and strikes or lockouts or stoppage or restraint of labor from whatever cause, whether partial or general; or
- (h) any cause or event which the Carrier could not avoid and the consequence whereof the Carrier could not prevent by the exercise of due diligence.

(C) If the stage of the Carriage during which the loss or damage occurred is known, notwithstanding anything provided for otherwise herein, the liability of the Carrier shall be determined by the provisions contained in any international convention or national law which shall be mandatorily applicable, if any: provided, however, that in any event the liability of the Carrier shall not exceed the limit as set out in Clause 6 (3) hereunder.

(D) If it can be proved that the loss or damage occurred during inland carriage while the Goods were in custody of an Actual Carrier, the liability of the Carrier and the limitation thereof shall be determined in accordance with the Actual Carrier's contract of carriage or tariff, provided, however, that in any event the liability of the Carrier shall not exceed the limit as set out in Clause 6 (3) hereunder.

(E) If it cannot be provide where the loss or damage occurred, the loss or damage shall be deemed to have occurred in the course of Carriage by sea and the Carrier shall be liable to the extent prescribed by COGSA or applicable Hague-Rules Legislation, as the case may be, as provided for in Clause 6 (1) and (3) hereof.

(3) LIMITATION OF LIABILITIES

(A) When the carrier is liable for compensation in respect of any loss of or damage to the Goods, it is agreed with the Merchant that such compensation shall be calculated by reference to the value of the Goods at the place and time they are delivered to the Merchant, or at the place and

time they should have been delivered. For the purpose of determining the extent of the Carrier's liability for loss of or damage to the Goods, the sound value of the Goods is presumed to be the Merchant's invoice value of the Goods plus freight charges and insurance, if paid.

(B) The Carrier shall in no event be or become liable for any loss or damage, whatsoever and howsoever arising, to the Goods in an amount exceeding the equivalent of 666.67 Units of Account per package or unit or 2 Units of Account per kilogram of gross weight of the Goods lost or damaged, whichever is the higher.

(C) Higher compensation may be claimed only when, with the consent of the Carrier, the value of the Goods declared by the Shipper prior to the commencement of the Carriage, which exceeds the limits laid down in this Clause, has been inserted on the face hereof in the space provided and extra freight paid, in which case such declared value shall be the limit and any partial loss or damage shall be adjusted pro rata on the bases of such declared value.

(D) The Units of Account mentioned in Paragraph B) above is the Special Drawing Right (SDR) as defined by the International Monetary Fund. The amounts mentioned in Paragraph B) above shall be converted into national currency on the basis of the value of that currency on a date to be determined by the law of the court seized of the case.

(E) When the Goods have been packed into a Container by or on behalf of the Merchant, and when the number of packages or units packed into the Container is not enumerated on the face hereof, each Container including the entire contents thereof shall be considered as one package for the purpose of application of the Carrier's limitation of liability.

(F) The Carrier does not undertake that the Goods shall arrive at the Port of Discharge or place of Delivery at any particular time or in time to meet any particular market or use and the Carrier shall not be responsible for any direct, indirect or consequential loss or damage caused by delay or any other cause whatsoever and howsoever caused. Without prejudice to the foregoing, if the Carrier is found liable for delay, liability shall be limited to the freight applicable to the relevant stage of the Carriage.

(4) GENERAL PROVISIONS

(A) Rust, etc

It is agreed that superficial rust, oxidation or any like condition due to moisture, is not a condition of damage but is inherent to the nature of the Goods and acknowledgement of receipt of the Goods in apparent good order

and condition is not a representation that such conditions of trust, oxidation or the like did not exist on receipt.

(B) Notice of Loss or Damage

The Carrier shall be deemed prima facie to have delivered the Goods as described in this Bill of Lading unless notice of loss of, or damage to, the Goods, indicating the general nature of such loss or damage, shall have been given in writing to the Carrier or to his representative at the place of delivery before or at the time of removal of the Goods into the custody of the person entitled to delivery thereof under this Bill of Lading or, if the loss or damage is not apparent, within three consecutive days thereafter.

(C) Time-bar

The Carrier shall be discharged of all liability unless suit is brought in the proper forum and written notice thereof received by the Carrier within nine months after delivery of the Goods or the date when the Goods should have been delivered. In the event that such time period shall be found contrary to any convention or law compulsorily applicable the period prescribed by such convention or law shall then apply but in that circumstance only.

7. MERCHANT'S RESPONSIBILITY

(1) The description and particulars of the Goods set out on the face hereof are furnished by the Merchant and the Merchant warrants to the Carrier that the description and particulars including, but not limited to, of weight, content, measure, quantity, quality, condition, marks, numbers and value are correct.

(2) The Merchant shall comply with all applicable laws, regulations and requirements of customs, port and other authorities and shall bear and pay all duties, taxes, fines, imposts, expenses and losses incurred or suffered by reason thereof or by reason of any illegal, incorrect or insufficient marking, numbering or addressing of the Goods.

(3) The Merchant undertakes that the Goods are packed in a manner adequate to withstand the ordinary risks of Carriage having regard to their nature and in compliance with all laws, regulations and requirements which may be applicable.

(4) No goods which are or may become dangerous, inflammable or damaging or which are or may become liable to damage any property or person whatsoever shall be tendered to the Carrier for Carriage without the Carrier's express consent in writing and without the Container or other covering in which the Goods are to be transported and the Goods being distinctly marked on the outside so as to indicate the nature and character of any such articles and so as to comply with all applicable laws, regulations and requirements. If any such

articles are delivered to the Carrier without such written consent and marking or if in the opinion of the Carrier the articles are or are liable to become of a dangerous, in flammable or damaging nature, the same may at any time be destroyed, disposed of, abandoned, or rendered harmless without compensation to the Merchant and without prejudice to the Carrier's right to Charges.

(5) The Merchant shall be liable for the loss, damage, contamination, soiling, detention or demurrage before, during and after the Carriage of property (including, but not limited to, Containers) of the Carrier or any person or vessel (other than the Merchant) referred to in 5(2) above caused by the Merchant or any person acting on his behalf or for which the Merchant is otherwise responsible.

(6) The Merchant shall defend, indemnify and hold harmless the Carrier against any loss, damage, claim liability or expense whatsoever arising from any breach of the provisions of this clause 7 or from any cause in connection with the

Goods for which the Carrier is not responsible.

8. CONTAINERS

(1) Goods may be stuffed by the Carrier in or on Containers and Goods may be stuffed with other Goods.

(2) The terms of this Bill of Lading shall govern the responsibility of the Carrier in connection with or arising out of the supply of a Container to the Merchant, whether supplied before or after the Goods are received by the Carrier

or delivered to the Merchant.

(3) If a Container has been stuffed by or on behalf of the Merchant.

(A) the Carrier shall not be liable for loss of or damage to the Goods.

(i) caused by the manner in which the Container has been stuffed.

(ii) caused by the unsuitability of the Goods for carriage in Containers.

(iii) caused by the unsuitability or defective condition of the Container provided that where the Container has been supplied by or on behalf of the Carrier, this paragraph (iii) shall only apply if the unsuitability or defective condition arose (a) without any want of due diligence on the part of the Carrier or (b) would have been apparent upon reasonable inspection by the Merchant at or prior to the time when the Container was stuffed.

(iv) If the Container is not sealed at the commencement of the Carriage except where the Carrier has agreed to seal the Container.

(B) the Merchant shall defend, indemnify and hold harmless the Carrier

against any loss, damage, claim, liability or expense whatsoever arising from one or more of the matters covered by (A) above except for (A)(iii)(a) above.

(4) Where the Carrier is instructed to provide a Container, in the absence of a written request to the contrary, the Carrier is not under an obligation to provide a Container of any particular type or quality.

9. TEMPERATURE CONTROLLED CARGO

(1) The Merchant undertakes not to tender for transportation any Goods which require temperature control without previously giving written notice (and filling in the box on the front of this Bill of Lading if this Bill of Lading has been prepared by the Merchant or a person acting on his behalf) of their nature and particular temperature range to be maintained and in the case of a temperature controlled Container stuffed by or on behalf of the Merchant further undertakes that the Container has been properly pre-cooled that the Goods have been properly stuffed in the Container and that its thermostatic controls have been properly set by the merchant before receipt of the Goods by the Carrier.

If the above requirements are not complied with the Carrier shall not be liable for

any loss of or damage to the Goods caused by such non compliance.

(2) The Carrier shall not be liable for any loss of or damage to the Goods arising from defects, derangement, breakdown, stoppage of the temperature controlling machinery, plant, insulation or any apparatus of the Container, provided that the Carrier shall before or at the beginning of the Carriage exercise due diligence to maintain the refrigerated Container in an efficient state.

10. INSPECTION OF GOODS

The Carrier or any person authorised by the Carrier shall be entitled, but under no obligation, to open any Container or package at any time and to inspect the Goods.

11. MATTERS AFFECTING PERFORMANCE

(1) If at any time the Carriage is or is likely to be affected by any hindrance, risk, delay, difficulty or disadvantage of any kind (including the condition of the Goods) whensoever and howsoever arising (whether or not the Carriage has commenced) the Carrier may

(A) without notice to the Merchant abandon the Carriage of the Goods and where reasonably possible place the Goods or any part of them at the Merchant's disposal at any place which the Carrier may deem safe and convenient, whereupon the responsibility of the Carrier in respect of such Goods shall cease.

(B) Without prejudice to the Carrier's right subsequently to abandon the

Carriage under (A) above, continue the Carriage.

In any event Carrier shall be entitled to full Charges on Goods received for Carriage and the Merchant shall pay any additional costs resulting from the above mentioned circumstances.

(2) The liability of the Carrier in respect of the Goods shall cease on the delivery or other disposition of the Goods in accordance with the orders or recommendations given by any government or authority or any person acting or purporting to act as or on behalf of such government or authority.

12. METHODS AND ROUTE OF TRANSPORTATION

(1) The Carrier may at any time and without notice to the Merchant use any means of transport or storage whatsoever, load or carry the Goods on any vessel whether named on the front hereof or not, transfer the Goods from one conveyance to another including transshipping or carrying the same on another vessel than that named on the front hereof or by any other means of transport whatsoever, at any place unpack and remove Goods which have been stuffed in or on a Container and forward the same in any manner whatsoever, proceed at any speed and by any route in his discretion (whether or not the nearest or most direct of customary or advertised route) and proceed to or stay at any place whatsoever once or more often and in any order, load or unload the Goods from any conveyance at any place (whether or not the place is a port named on the front hereof as the intended Port of Loading or intended Port of Discharge), comply with any orders or recommendations given by any government or authority or any person or body acting or purporting to act as or on behalf of such government or authority or having under the terms of the insurance on the conveyance employed by the Carrier the right to give orders or directions permit the vessel to proceed with or without pilots, to tow or be towed or to be dry docked, permit the vessel to carry livestock, Goods of all kinds, dangerous or otherwise contraband explosives, munitions or warlike stores and sail armed or unarmed.

(2) The liberties set out in (1) above may be invoked by the Carrier for any purposes whatsoever whether or not connected with the Carriage of the Goods. Anything done in accordance with (1) above or any delay arising there from shall

be deemed to be within the contractual Carriage and shall not be a deviation of whatsoever nature or degree.

13. DECK CARGO (AND LIVESTOCK)

(1) Goods of any description whether containerised or not may be stowed on or under deck without notice to the Merchant and such stowage shall not be a

deviation of whatsoever nature or degree. Subject to (2) below, such Goods whether carried on deck or under deck shall participate in General Average and such Goods (other than livestock) shall be deemed to be within the definition of Goods for the purposes of the Hague Rules or any legislation making such Rules or the Hague Visby Rules compulsorily applicable to this Bill of Lading.

(2) Goods (not being Goods stuffed in or on Containers other than open flats or pallets) which are stated on the front of this Bill of Lading to be carried on deck and which are so carried (and livestock, whether or not carried on deck) are carried without responsibility on the part of the Carrier for loss or damage of whatsoever nature arising during carriage by sea or inland waterway whether caused by unseaworthiness or negligence or any other cause whatsoever. The Merchant shall defend, indemnify and hold harmless the Carrier against all and any extra cost incurred for any reason whatsoever in connection with carriage of livestock.

14. DELIVERY OF GOODS

If delivery of the Goods or any part thereof is not taken by the Merchant at the time and place when and where the Carrier is entitled to call upon the Merchant to take delivery thereof, the Carrier shall be entitled without notice to remove from a Container the Goods or that part thereof

if stuffed in or on a Container and to store the Goods or that part thereof ashore, afloat, in the open or under cover at the sole risk and expense of the Merchant. Such storage shall constitute due delivery hereunder, and thereupon the liability of the Carrier in respect of the Goods or that part thereof shall cease.

15. BOTH-TO-BLAME COLLISION

If the vessel on which the Goods are carried (the carrying vessel) comes into collision with any other vessel or object (the non-carrying vessel or object) as a result of the negligence of the non-carrying vessel or object or the owner of, character of or person responsible for the non-carrying vessel or object, the Merchant undertakes to defend, indemnify and hold harmless the Carrier against all claims by or liability to (and any expense arising therefrom) any vessel or person in respect of any loss of, damage to, or any claim whatsoever of the Merchant paid or payable to the Merchant by the non-carrying vessel or object or

the owner of, charterer of or person responsible for the non-carrying vessel or object and set off, recouped or recovered by such vessel, object or person(s) against the Carrier, the carrying vessel or her owners or charterers.

16. GENERAL AVERAGE

(1) General Average shall be adjusted, stated and settled at the port or place where the carrying vessel and/or her owner shall decide according to the York-Antwerp Rules of 1974, as amended 1994 or any modification thereof, and any other rules, laws and usage of the port or place of the adjustment as may be stated in the ocean bill of lading issued for the Goods. Such cash deposit as the Carrier or the owner of the vessel may deem sufficient to cover the estimated contribution of the Goods and any salvage and special charges thereon shall be made by the Merchant to the Carrier or the owner of the vessel, if required, before delivery of the Goods.

(2) If the Carrier delivers the Goods without obtaining security for general average contributions, the Merchant, by taking delivery of the Goods, undertakes responsibility to pay such contributions and to provide such cash deposit or other security for the estimated amount of such contributions as the Carrier shall require.

17. CHARGES

(1) Charges shall be deemed fully earned on receipt of the Goods by the Carrier and shall be paid and non-returnable in any event.

(2) The Charges have been calculated on the basis of particulars furnished by or on behalf of the Merchant. The Carrier shall be entitled to production of the commercial invoice for the Goods or true copy thereof and to inspect, reweigh, remeasure and revalue the Goods and if the particulars are found by the Carrier to be incorrect the Merchant shall pay the Carrier the correct Charges (credit being given for the Charges charged) and the costs incurred by the Carrier in establishing the correct particulars.

(3) All Charges shall be paid without any set off, counter claim, deduction or stay of execution

18. LIEN

The Carrier shall have a lien on Goods and any documents relating thereto, for all sums whatsoever due at any time to the Carrier from the Merchant and for General Average contributions to whomsoever due and for the costs of recovering the same and the Carrier shall have the right to sell the Goods and documents by public auction or private treaty, without notice to the Merchant and at the Merchant's expense and without any liability towards the Merchant.

19. VARIATION OF THE CONTRACT

No servant or agent of the Carrier shall have power to waive or vary any of the terms hereof unless such waiver or variation is in writing and is specifically authorised or ratified in writing by a director or officer of the Carrier who has

the
actual authority of the Carrier so to waive or vary.

20. GOVERNING LAW JURISDICTION

The contract evidenced by or contained in this Bill of Lading shall be governed by Japanese law except as may be otherwise provided for herein, and any action against the Carrier thereunder shall be brought before the Tokyo District Court in Japan.

21. U.S.A. LOCAL CLAUSE

(1) If the Carriage covered by this Bill of lading includes Carriage to or from or through a port or place in the United States of America, this Bill of Lading shall be subject to US COGSA of which terms shall be deemed to be incorporated herein and shall be paramount throughout Carriage by sea or inland waterways and the entire time that the Goods are in the actual custody of the Carrier or any Actual Carrier at the sea terminal in the United States of America before loading on or after discharge from the Vessel, as the case may be.

(2) If US COGSA applies, the liability of the Carrier shall not exceed U.S.\$500 per

package or customary freight unit, unless the nature and value of the Goods have been declared on the face hereof, in which case Clause 6 (3) shall apply.

(3) The Carrier shall not be liable in any capacity whatsoever for loss, damage or

delay to the Goods while the Goods are in the United States of America away from the sea terminal and are not in the actual custody of the Carrier. The responsibility of the Carrier shall be to procure, as agent, transportation by inland carriers (one or more) and such transportation shall be subject to the inland carrier's contract of carriage and tariffs and any law mandatorily applicable. The Carrier guarantees the fulfillment of such inland carrier's obligation under their contracts and tariffs. If, for any reason, the Carrier is denied the right to act as agent only at these times, the Carrier's liability for loss, damage or delay to the Goods shall be determined in accordance with Clause 21 (2) and Clause 6 (3) hereof.