

# Terms and Conditions

**DISCLAIMER: The actual applicability of the documents is governed by the terms and conditions in the documents themselves and in the event of any conflict between the description on the website and in the document, the document governs.**

## Priority Air Express, LLC - U.S. AND CANADA – TERMS AND CONDITIONS

“These U.S. Terms and Conditions apply to any Shipment moving entirely via surface transportation that: (i) originates in and is destined for the United States (“U.S”) or any U.S. territory, possession, or commonwealth thereof; or (ii) is transported between any point in Canada and any point in the U.S., regardless of whether the origin is in the U.S. or Canada.”

## Priority Air Express, LLC – OCEAN BILL OF LADING

“These Bill of Lading Terms and Conditions apply if: (1) carriage includes movement by ocean; and (2) the carriage involves an ultimate destination or stop in a country other than the country of departure.”

## Priority Air Express, LLC – INTERNATIONAL AIR WAYBILL

“These Air Waybill Conditions of Contract apply if: (1) carriage includes movement by air; and (2) the carriage involves an ultimate destination or stop in a country other than the country of departure.”

## Priority Air Express, LLC – U.S. DOMESTIC MOTOR CARRIER TERMS & CONDITIONS

“These Terms and Conditions apply to motor carrier service provided by any motor carrier performing motor carrier services at the request of PAE with respect to shipments moving via all-ground transportation to or from origin or destination points in the United States unless expressly superseded by a written contract signed by an officer of PAE.”

## Priority Air Express, LLC – STANDARD TRADING TERMS

“Except to the extent expressly disclaimed in a contract signed by an authorized representative of Priority Air Express, LLC, these Standard Trading Conditions apply to any and all activities of Priority Air Express, LLC except to the extent such activities are covered by the following documents and such documents have in fact been issued: (i) Priority Air Express, LLC - U.S. TERMS AND CONDITIONS – DOMESTIC WAYBILL AND BILL OF LADING; (ii) Priority Air Express, LLC – OCEAN BILL OF LADING; (iii) Priority Air Express, LLC – INTERNATIONAL AIR WAYBILL; or (iv) the Priority Air Express, LLC – WAREHOUSE RECEIPT.

**PRIORITY AIR EXPRESS, LLC**  
**("Patheon Logistics")**  
U.S. AND CANADA TERMS AND CONDITIONS

These U.S. Terms and Conditions apply to any Shipment moving entirely via surface transportation that: (i) originates in and is destined for the United States ("U.S.") or any U.S. territory, possession, or commonwealth thereof; or (ii) is transported between any point in Canada and any point in the U.S., regardless of whether the origin is in the U.S. or Canada. For terms applicable to other services, please see [www.patheonlogistics.com](http://www.patheonlogistics.com).

1. **Definitions.** The following definitions apply to both sides of this waybill ("**waybill**"): "**Patheon Logistics**" refers to Priority Air Express, LLC ("**PAE**") and also to Distribution Solutions International, Inc. ("**DSI**") and each of their respective employees or agents. "**Shipment**" means all pieces that are tendered to and accepted by Patheon Logistics on a single waybill. "**Shipper**" means the party requesting services from Patheon Logistics, the consignor, the consignee, and contractor or agent of any such party that requests services by Patheon Logistics, and any other third party with an interest in any Shipment. The term "**Conveyance**" means any aircraft, truck, trailer, or intermodal transport container while in the ordinary course of transit by land or air.
2. **Agreement to Terms.** Rights and obligations under these Terms and Conditions will be determined on a Shipment by Shipment basis. In no event will PAE and DSI be liable for the acts or omissions of the other, or otherwise jointly and severally liable with respect to services under these Terms and Conditions. In tendering this Shipment, Shipper agrees to all Terms and Conditions herein. Except to the extent a signed contract in effect between Shipper and Patheon Logistics on the date of physical tender of a Shipment for transportation hereunder expressly supersedes these Terms and Conditions, these Terms and Conditions apply to any services provided or arranged by Patheon Logistics with respect to any Shipment otherwise subject to these Terms and Conditions regardless of whether a form of waybill, bill of lading, or other transportation documentation not including these Terms and Conditions is used with respect to a particular Shipment. Rates for Patheon Logistics' services under this waybill shall be as set forth in: (a) a rate quote provided by Patheon Logistics to Shipper, which quote shall be conclusively presumed to be accepted by Shipper upon tender of a Shipment to which the quote applies; or (b) unless superseded by a rate quote specific to the Shipment in question, Patheon Logistics' then-current pricing schedule or similar documentation maintained by Patheon Logistics, which documentation is available for inspection at Patheon Logistics' offices, a copy of which shall be supplied upon request.
3. **Performance of Transportation Services.** Shipper hereby acknowledges and agrees that Patheon Logistics will not directly transport Shipments and that Patheon Logistics, as a freight forwarder or property broker, will arrange with underlying service providers, including, but not limited to, surface carriers, air carrier, property brokers, freight forwarders, and other third parties to provide or arrange for transportation under this Agreement. Except as otherwise set forth herein, any third-party used by Patheon Logistics to perform any services under this Agreement including, but not limited to, any carriage covered by waybill or similar document, will be entitled to all limitations and exclusions to and from liability and all other

protections to which Patheon Logistics is entitled pursuant to this Agreement. Shipper acknowledges and agrees that when Patheon Logistics arranges Shipments moving via all-ground transportation where Patheon Logistics has arranged for service with the motor carrier with the intent that the motor carrier transporting the Shipment in question will provide exclusive use of the Conveyance to Patheon Logistics, regardless of whether such Conveyance is used to transport multiple Shipments being arranged by Patheon Logistics (hereinafter, an “**Exclusive Use Shipment**”), Patheon Logistics shall be deemed to be operating as a property broker and not a freight forwarder. Days in transit/service level offerings on the face hereof refer to regular business days excluding weekends and holidays. If Shipper does not designate a service level, Patheon Logistics is free to select the service level in its sole discretion.

4. **Completion of Waybill, Packaging, and Other Requirements**. Shipper certifies and represents to Patheon Logistics that the information inserted on the face of the waybill is complete and accurate. Shipper warrants and certifies, with respect to each package in this Shipment, that the contents of this consignment are fully and accurately described on the waybill by the proper shipping name, and are classified, packaged, marked, and labeled/placarded, and are in all respects in proper condition for transport according to applicable laws, rules, regulations, conventions and industry standards. Shipper hereby declares that all of the applicable transport requirements have been met. If Shipper wishes to tender cargo requiring special care or handling, including, but not limited to, Shipments requiring temperature control, Shipper must give written notice of Patheon Logistics of such requirements and must obtain the written acknowledgment of Patheon Logistics to comply with such instructions prior to physical tender of the Shipment. Patheon Logistics shall have no obligation to comply with any special handling instructions unless acknowledged in writing prior to pick-up of the Shipment. With respect to Shipments requiring temperature control, Shipper shall provide Patheon Logistics with appropriate temperature ranges (stated in degrees Celsius) and shall ensure that the Shipment is at the appropriate temperature at the time of tender. Patheon Logistics reserves the right to reject any Shipment for any reason whatsoever, including but not limited to, safety or security concerns.
5. **Hazardous Materials/Dangerous Goods**. Shipper shall limit all packages containing hazardous materials/dangerous goods to the materials and quantities authorized for transportation under the U.S. Department of Transportation (“**USDOT**”) hazardous materials transportation regulations (49 C.F.R. Parts 171, 172, and 173) and the current edition of the International Air Transport Association (“**IATA**”) Dangerous Goods Regulations (together “**HM/DG Regulations**”). Shipper shall also ensure, and Shipper hereby certifies, that, before tendering any Shipment containing hazardous materials/dangerous goods to Patheon Logistics, the contents of this consignment are fully and accurately described on the shipping papers by proper shipping name; are not prohibited for transport by the HM/DG Regulations; and are properly classified, packaged, marked, and labeled, and in proper condition for carriage by air as required by the HM/DG Regulations. Shipper hereby declares that all of the applicable transport requirements have been met. This Paragraph

shall apply regardless of the routing or transportation mode by which the Shipment is transported.

6. **Custody.** Patheon Logistics' care, custody, and control over the Shipment shall commence when the Shipment is received by Patheon Logistics or its subcontractor, and shall terminate when delivered to the consignee, owner or any other party entitled to receive the Shipment or to such other destination as Shipper may designate.
7. **Liabilities Not Assumed.** PATHEON LOGISTICS SHALL NOT BE LIABLE IN ANY EVENT FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS, INCOME, INTEREST, UTILITY, OR LOSS OF MARKET, WHETHER OR NOT PATHEON LOGISTICS KNEW OR HAD REASON TO KNOW THAT SUCH DAMAGES MIGHT BE INCURRED. Patheon Logistics does not guarantee pick up, transportation, or delivery by a stipulated date or a stipulated time. Except as otherwise expressly provided in these Terms and Conditions, in no event will Patheon Logistics be liable for delay in pick-up or delivery of a Shipment.
8. **Declared Value and Limitation of Liability.** In consideration of the service level and/or rates offered for any Shipments tendered for transit by air and/or ground transportation, and without regard to whether such shipment actually moves, in whole or in part, by air or ground, Shipper agrees that its primary recovery will be directly against the underlying carrier, which carrier may limit its liability, and that Patheon Logistics shall only be liable for loss or damage, including damage caused by unreasonable delay, to any Shipment or any part thereof, resulting directly and proximately from its negligence or intentional misconduct. Patheon Logistics' liability for any loss or damage to the Shipment is limited to the lesser of Shipper's actual damages or fifty U.S. cents (U.S. \$0.50) per pound per package subject to a maximum liability of fifty U.S. dollars (U.S. \$50.00) per Shipment. Without in any way limiting the foregoing, with respect to any Shipment that is not an Exclusive Use Shipment, Shipper may request that Patheon Logistics accept additional liability. In order to make such a request, Shipper must notify Patheon Logistics at the time Patheon Logistics is first requested to arrange transportation of the Shipment that declared value is being requested, in which case, Shipper shall provide Patheon Logistics with requested information and shall be responsible for paying additional applicable charges to Patheon Logistics. Patheon Logistics limits such requests to \$250,000.00 (U.S. Dollars). For declared value in excess of \$250,000.00 (U.S. Dollars), Shipper must contact Carrier with an email or phone call (800-257-4777) at least ninety-six (96) hours prior to scheduled departure in order to request such additional liability. If Patheon Logistics responds to such request in writing with a quote for additional fees, and Shipper pays such fees, then Patheon Logistics' liability shall be for the full amount of such declared value. If Shipper declares value in excess of \$250,000.00 (U.S. Dollars) on the face of the waybill, but does not follow the steps set forth above, or does not receive a written acknowledgement from Patheon Logistics of Patheon Logistics' agreement to accept such additional liability, then Shipper's recovery will be capped at \$250,000.00 (U.S. Dollars) assuming all applicable charges and fees have been paid. In instances where Shipper has properly declared value, Patheon Logistics' liability shall be the lesser of

the declared value or the replacement value of the Shipment. With respect to each Exclusive Use Shipment, Patheon Logistics shall be deemed to be acting as a property broker. When arranging for transportation of an Exclusive Use Shipment, Patheon Logistics will tender such shipments to motor carriers that agree to be liable for cargo loss or damage pursuant to the Carmack Amendment as currently codified at 49 U.S.C. § 14706, and will arrange for transportation with carriers that agree to accept liability for the replacement full value of such Shipment subject to a maximum liability of \$100,000.00 per Exclusive Use Shipment, except that with respect to any Exclusive Use Shipment moving to, from or within Canada, will arrange with carriers to accept liability for the lesser of the full replacement value, \$2.00 (Canadian) per pound. If Shipper wishes to declare additional value with respect to any such Exclusive Use Shipment, Shipper must notify Patheon Logistics at the time Patheon Logistics is first requested to arrange transportation of the Shipment that declared value is being requested. Patheon Logistics will have no obligation to arrange for such declared value with respect to an Exclusive Use Shipment unless it expressly agrees to do so in writing in response to Shipper's request. If Patheon Logistics agrees to arrange for declared value with respect to an Exclusive Use Shipment, Patheon Logistics will use reasonable efforts to arrange for transportation with an underlying carrier that agrees to such declared value and Shipper will be solely responsible for all additional charges imposed by the underlying motor carrier, which charges will be included in Patheon Logistics' invoice.

9. **Claims.** The following provisions shall apply to all claims for loss, damage, or delay. Patheon Logistics shall be given notice of any claim for loss, damage or delay with respect to Shipments moving, at any time, by air, in writing within fourteen (14) calendar days after the delivery of the Shipment or, for claims moving solely via-ground transportation, within thirty (30) calendar days after delivery of the Shipment. The notice of claim shall include complete consignor and consignee information, the waybill reference number, the date of the Shipment, the number of pieces, and the Shipment weight. Failure to provide Patheon Logistics with notice in the manner and within the time limits set forth herein shall result in the claim being denied. Patheon Logistics is not obligated to act on any claim until all transportation charges have been paid and claims will not be offset from any amounts owed to Patheon Logistics. All of the original shipping containers, packing, packages, and contents shall be available for Patheon Logistics' inspection and retained until the claim is resolved. Except as otherwise provided for herein, receipt of the Shipment by the consignee without written notice of damage on the waybill or delivery receipt shall be considered to be prima facie evidence that the Shipment was delivered in good condition. For claims involving concealed damage not discovered at the time of delivery, if Patheon Logistics is notified of such loss or damage more than three (3) days after the date of delivery, there will be a presumption that such loss or damage occurred subsequent to delivery. Under no circumstances shall Patheon Logistics be liable for loss, damage, or delay to the external shipping containers used in the transportation of the Shipment. Any lawsuit to enforce a claim shall be brought against Patheon Logistics within one (1) year from the date of Patheon Logistics' denial of all or any part of Shipper's claim. The failure of Shipper to

comply with the notice provisions specified herein shall be an absolute bar to any such lawsuit filed against, or liability of, Patheon Logistics.

10. **Non-Delivery.** In the event of the failure or inability of the consignee to take delivery of the Shipment, Patheon Logistics shall notify Shipper in writing at the address shown on this waybill and request disposition instructions. If Shipper fails to provide disposition instructions within five (5) calendar days after the date of Patheon Logistics' notice, Patheon Logistics may, in its sole discretion, return the Shipment to Shipper at Shipper's expense and charges associated with such return shall be subject to Patheon Logistics' lien.
11. **Force Majeure.** Patheon Logistics shall not be liable for failure to perform, loss, damage, delay or monetary loss of any type caused by: Acts of God; public authorities acting with actual or apparent authority; strikes; labor disputes; weather; mechanical failures; aircraft failures; civil commotions; acts or omissions of customs or quarantine officials; the nature and inherent vice of the freight or any defects thereof; public enemies; hazards incident to a state of war; acts of terrorism; any other matters beyond Patheon Logistics' reasonable control, or by acts, defaults or omissions of Shipper, or Shipper's failure to comply with the obligations set forth in, or incorporated into, these Terms and Conditions.
12. **Routing, Means of Transportation and Cargo Liability Limitations.** Patheon Logistics shall have the right to, for any reason, (a) substitute alternate carriers or other means of transportation (including all ground transportation) and (b) select the routing or deviate from that shown on the face hereof. Shipper expressly waives all rights and remedies it may have as to Patheon Logistics and its subcontractor motor carriers under 49 U.S.C. Subtitle IV, Part B to the extent such rights and remedies conflict with these Terms and Conditions as permitted by 49 U.S.C. § 14101(b)(1), and Shipper hereby agrees to the cargo liability standards and limitations set forth in these Terms and Conditions as to such motor carrier Shipment.
13. **Rates and Charges.** The Shipper and the consignee shall be liable jointly and severally liable for all unpaid charges payable on account of this Shipment pursuant to this waybill and to pay or indemnify Patheon Logistics for claims, fines, penalties, damages, costs (storage, handling, reconsignment, return of freight to Shipper, etc.) or other sums which may be incurred by Patheon Logistics by reason of any violation of these Terms and Conditions or any other default of Shipper or consignee or their agents. All invoices not paid in full within thirty (30) days of invoice date shall be subject to a charge of one and one-half percent (1-1/2%) per month, together with all collection costs incurred by Patheon Logistics, including attorney fees. Rates and charges for this Shipment shall be based on actual or dimensional weight, whichever is greater.
14. **Lien.** Patheon Logistics shall have both a general and specific lien on any and all documents and Shipments under Patheon Logistics' actual or constructive possession or control for monies owed to Patheon Logistics with regard to the Shipment on which the lien is claimed, prior Shipment(s) or both. In the event Patheon Logistics exercises its lien it shall notify Shipper of the exact amount of monies due and owing by Shipper. Patheon Logistics shall also notify Shipper of all storage and continuing charges accruing on Shipments subject to carrier's lien. Patheon Logistics may refuse to surrender possession of the Shipment(s) until

such charges are paid. Patheon Logistics shall release its lien upon receipt of payment by Shipper of the total amount due. In the event Shipper does not satisfy Patheon Logistics' lien within fifteen (15) days of Patheon Logistics' exercise of the lien, Patheon Logistics shall have the right, but not the obligation, to sell such Shipment(s) at public or private sale or auction without further notice to Shipper.

15. **Shipper's Indemnities**. Shipper shall indemnify, defend, PAY, REIMBURSE, and hold Patheon Logistics, including its affiliate, parent and subsidiary entities and each of their directors, officers, shareholders, employees, agents and other representatives, harmless from and against any breach of Shipper's obligations under these Terms and Conditions and any and all claims (including claims for personal injury, death or damage to property), liabilities, losses, damages (including reasonable attorney fees), and obligations asserted against Patheon Logistics by any third party that arise out of any negligence or willful misconduct by Shipper, its employees, agents, or other representatives (including, but not limited to, provision to Patheon Logistics of any inaccurate, incomplete, or erroneous information) breach of these Terms and Conditions by Shipper, Patheon Logistics' execution of Shipper's instructions or reliance on information provided by Shipper, or breach of any applicable law, rule, convention or regulation, by Shipper.
16. **Dispute Resolution and Governing Law**. These terms and the services provided by Patheon Logistics under this waybill shall be governed by and subject to the applicable federal law of the United States and by the laws of the State of New Jersey, without regard to the choice-of-law rules of New Jersey or any other state. SHIPPER AND PATHEON LOGISTICS AGREE THAT ANY CLAIM OR DISPUTE ARISING FROM OR IN CONNECTION WITH THIS AGREEMENT, WHETHER UNDER FEDERAL, STATE, LOCAL, OR FOREIGN STATUTES, REGULATIONS, OR COMMON LAW, SHALL BE BROUGHT EXCLUSIVELY IN THE STATE OR FEDERAL COURTS SERVING THE STATE OF NEW JERSEY. SHIPPER AND PATHEON LOGISTICS HEREBY CONSENT TO THE JURISDICTION OF SUCH COURTS. In the event Shipper files an action against Patheon Logistics, Shipper hereby consents to any Patheon Logistics-instituted transfer of such action to any other venue in which Patheon Logistics is a party or subsequently becomes a party to an action concerning loss, damage or delay to the cargo that is the subject of Shipper's action. Should Patheon Logistics successfully defend itself or any legal actions brought by any party with an interest in this Shipment, Patheon Logistics shall be entitled to reimbursement by Shipper for reasonable attorney fees and costs.
17. **Cargo Security Requirements**. Shipper acknowledges that Patheon Logistics, like all indirect air carriers, is required by the Transportation Security Administration of the U.S. Department of Homeland Security ("TSA") to maintain an air cargo security program. **If Shipper is acting as an agent, authorized representative, broker, carrier, or other freight intermediary for any other person or entity**, Shipper shall disclose that fact to Patheon Logistics and shall assist Patheon Logistics in complying with the TSA requirements by enabling Patheon Logistics to obtain any necessary documents from, or otherwise qualify, such other person or entity. **As required by TSA regulations (49 C.F.R. § 1548.9(b)), Shipper hereby consents to a search or inspection of the cargo, including screening of the cargo.** If

Shipper, as the person who originates and tenders cargo for air transportation or as such person's representative, is an individual (natural person), such person shall advise Patheon Logistics of that fact, and Patheon Logistics shall, if required by law, provide Shipper or such person with a Privacy Act Notice.



## OCEAN BILL OF LADING

### Definitions

“Priority Air Express, LLC” means Priority Air Express, LLC. “Merchant” means and includes the shipper, consignor, consignee, holder of this Bill of Lading (“BOL”), receiver, and owner of the Goods. “Shipper” means the person who enters into the contract of carriage with Priority Air Express, LLC. “Goods” means any property including live animals as well as containers, pallets or similar articles of transport or packaging not supplied by PRIORITY AIR EXPRESS, LLC, irrespective of whether such property is to be or is carried on or under deck. “BOL” means this bill of lading to which these following terms and conditions apply.

#### 1. Applicability

These conditions shall apply to all transportation undertaken or arranged by PRIORITY AIR EXPRESS, LLC from the designated point of origin until delivery or discharge of the Goods described even if only one mode of transport is used.

#### 2. Issuance of this BOL

2.1. By issuance of this BOL, PRIORITY AIR EXPRESS, LLC undertakes to perform or procure the performance of the transport from the place at which the Goods are taken into PRIORITY AIR EXPRESS, LLC's charge to the place of delivery designated in this BOL.

2.2. PRIORITY AIR EXPRESS, LLC may subcontract on any terms the whole or part of the handling, storage, or carriage of the Goods and any and all duties whatsoever undertaken by PRIORITY AIR EXPRESS, LLC in relation to the Goods.

#### 3. Negotiability and Title to the Goods

3.1. This BOL is issued in a non-negotiable form unless it is marked “negotiable” or is made “to the order” of a named party, in which case it shall constitute title to the Goods and the holder, by endorsement of this BOL, shall be entitled to receive or to transfer the Goods herein described.

3.2. The information on this BOL shall be prima facie evidence of PRIORITY AIR EXPRESS, LLC' taking charge of the Goods as described by such information unless a contrary indication (such as “shipper's weight, load and count” or “Shipper-packed container” or similar expressions) has been made on this BOL or the Goods are otherwise loaded outside of the presence of PRIORITY AIR EXPRESS, LLC or one of its subcontractors.

#### 4. Dangerous Goods and Indemnity

4.1. The Merchant shall comply with rules which are mandatory according to the national law or by reason of international convention, relating to the carriage of goods of a dangerous nature. Merchant shall in any case inform PRIORITY AIR EXPRESS, LLC in writing of the exact nature of the danger, before goods of a dangerous nature are taken in PRIORITY AIR EXPRESS, LLC' charge and indicate to PRIORITY AIR EXPRESS, LLC, if need be, the precautions to be taken.

4.2. If the Merchant fails to provide such information and PRIORITY AIR EXPRESS, LLC is unaware of the dangerous nature of the Goods and the necessary precautions to be taken and if, at any time, the Goods are deemed to be a hazard to life or property, they may at any place be unloaded, destroyed or rendered harmless, as

circumstances may require, without compensation. The Merchant shall indemnify PRIORITY AIR EXPRESS, LLC against all loss, damage, liability, or expense arising out of their being taken in PRIORITY AIR EXPRESS, LLC's charge, or their carriage, or of any service incidental thereto. The burden of proving that PRIORITY AIR EXPRESS, LLC knew the exact nature of the danger constituted by the carriage of the said Goods shall rest on the Merchant.

4.3. If any Goods shall become a danger to life or property, they too may in like manner be unloaded or landed at any place or destroyed or rendered harmless. PRIORITY AIR EXPRESS, LLC shall have no liability with respect to such Goods, and the Merchant shall indemnify PRIORITY AIR EXPRESS, LLC against all loss, damage, liability and expense arising from such Goods.

4.4. Whenever the Goods are found to be contraband or prohibited by any law or regulation of any place during the transport, the Carrier shall be entitled to take any action it deems necessary or advisable in its sole discretion, and the Merchant shall be liable for and indemnify the Carrier against any loss, damage or liability, including loss of freight, and any other expenses directly or indirectly arising out of custody or carriage of such Goods.

#### 5. Description of Goods and Merchant's Packing and Inspection

5.1. The Consignor shall be deemed to have represented, warranted, and guaranteed to PRIORITY AIR EXPRESS, LLC the accuracy, at the time the Goods were taken in PRIORITY AIR EXPRESS, LLC's charge, of all particulars relating to the general nature of the Goods, their marks, number, weight, volume and quantity and, if applicable, any special handling instructions (including, but not limited to necessary temperature ranges) and the dangerous character of the Goods. The Consignor shall indemnify PRIORITY AIR EXPRESS, LLC against all loss, damage and expense resulting from any inaccuracy or inadequacy of such particulars.

5.2. PRIORITY AIR EXPRESS, LLC shall not be liable for any loss, damage or expense caused by defective or insufficient packing of Goods or by inadequate loading or packing within containers or other transport units when such loading or packing has been performed by the Merchant or on its behalf by a person other than PRIORITY AIR EXPRESS, LLC, or by the defect or unsuitability of the containers or other transport units supplied by the Merchant, or if supplied by PRIORITY AIR EXPRESS, LLC if a defect or unsuitability of the container or other transport unit would have been apparent upon reasonable inspection by the Merchant. The Merchant shall indemnify PRIORITY AIR EXPRESS, LLC against all loss, damage, liability and expense so caused.

#### 6. PRIORITY AIR EXPRESS, LLC's Responsibility

6.1. The responsibility of PRIORITY AIR EXPRESS, LLC for the Goods begins at the time PRIORITY AIR EXPRESS, LLC has taken the Goods in its charge and ends at the time of their delivery, or the time the Goods are discharged and placed at Merchant's disposal when delivery is not feasible.

6.2. PRIORITY AIR EXPRESS, LLC shall only be liable for loss of or damage to the Goods including loss or damage due to unreasonable delay (which shall be the only liability of PRIORITY AIR EXPRESS, LLC with respect to any claim arising from or related to delay unless a special arrangement is accepted in writing by an authorized representative of the PRIORITY AIR EXPRESS, LLC) in delivery if the occurrence which caused the loss, damage or delay in delivery took place while the Goods were in its charge. PRIORITY AIR EXPRESS, LLC shall only be liable for delay in delivery if a special arrangement for timely delivery has been accepted by PRIORITY AIR EXPRESS, LLC in writing at least ninety-six (96) hours prior to tender, such special arrangement is noted on this BOL, and any special freight charges have been paid.

6.3. When PRIORITY AIR EXPRESS, LLC pays claims to Merchant, PRIORITY AIR EXPRESS, LLC shall automatically be subrogated to all rights of Merchant against all others, including inland carriers, on account of the losses or damages for which such claims are paid.

6.4. Arrival times are not guaranteed by PRIORITY AIR EXPRESS, LLC. If the Goods have not been delivered within ninety consecutive days following the originally scheduled delivery date, the claimant may in the absence of evidence to the contrary, treat the Goods as lost.

6.5. PRIORITY AIR EXPRESS, LLC shall not be liable for any loss or damage arising from: (a) an act or omission of Merchant or person other than PRIORITY AIR EXPRESS, LLC acting on behalf of Merchant from whom PRIORITY AIR EXPRESS, LLC took charge of the Goods, (b) compliance with the instructions of any person authorized to give them, (c) handling, loading, stowage or unloading of the Goods by or on behalf of Merchant, (d) inherent vice of the Goods or concealed damage to or shortage of Goods packed by Merchant, (e) lack or insufficiency of or defective condition of packing in the case of Goods, which by their nature are liable to wastage or damage when not packed or when not properly packed, (f) insufficiency or inadequacy of marks or numbers on the Goods, coverings or unit loads, (g) fire, unless caused by actual fault or privity of PRIORITY AIR EXPRESS, LLC, (h) any cause or event which PRIORITY AIR EXPRESS, LLC could not avoid and the consequences of which he could not prevent by the exercise of due diligence.

6.6 Notwithstanding anything to the contrary herein, PRIORITY AIR EXPRESS, LLC shall not be liable for loss, damage or delay in delivery with respect to Goods carried by sea or inland waterways when such loss, damage or delay during such carriage has been caused by fire or the acts or omissions of the master, pilot, or servants of the vessel in the navigations or management of the vessel.

## 7. Clause Paramount

The receipt, custody, carriage, and delivery of the Goods shall be governed by the provisions of PRIORITY AIR EXPRESS, LLC's tariff, and the terms and conditions stated in this BOL. All carriage under this BOL to or from the United States shall be performed subject to the provisions of the United States Carriage of Goods by Sea Act, 1936, 46 App. U.S.C. § 30701 note ("COGSA"). All other carriage shall be governed by the law of any country involved in the carriage making the Hague Rules or Hague-Visby Rules compulsorily applicable to this BOL or, if there be no such law, in accordance with the Hague Rules, unless some other national law or treaty is mandatorily applicable. Carriage will include inland transportation to and from the ports when PRIORITY AIR EXPRESS, LLC's takes charge of the Goods at a place other than the port of origin or agrees to deliver the Goods at a place other than the port of destination.

## 8. Limitation of PRIORITY AIR EXPRESS, LLC's Liability

8.1. Assessment of compensation for loss of or damage to the Goods shall be made by reference to the value of such Goods at the place and time they are delivered to the consignee or at the place and time when, in accordance with this BOL, they should have been so delivered.

8.2. The value of the Goods shall be determined according to the current commodity exchange price or, if there is no such price, according to the current market price or, if there are no such prices, by reference to the normal value of Goods of the same name and quality.

8.3. Subject to the following provisions, PRIORITY AIR EXPRESS, LLC shall in no event be or become liable for any loss of or damage to the Goods in an amount exceeding the equivalent of 666.67 SDR per package or unit or 2 SDR per kilogram of gross weight of the Goods lost or damaged, whichever is the higher, unless Merchant, with the consent of Carrier, has declared a higher value for the Goods in the space provided on the front of this BOL

and paid extra freight per Carrier's tariff, in which case such higher value shall be the limit of Carrier's liability. The foregoing notwithstanding, in order to declare value in excess of \$250,000.00 (U.S. Dollars), Merchant must contact PRIORITY AIR EXPRESS, LLC with an email or phone call (800-257-4777) at least ninety-six (96) hours prior to scheduled departure in order to request such additional liability. If PRIORITY AIR EXPRESS, LLC responds to such request in writing with a quote for additional fees, and Merchant pays such fees, then PRIORITY AIR EXPRESS, LLC's liability shall be for the full amount of such declared value. If Merchant declares value in excess of \$250,000.00 (U.S. Dollars) on the face of the waybill, but does not follow the steps set forth above, or does not receive a written acknowledgement from PRIORITY AIR EXPRESS, LLC of PRIORITY AIR EXPRESS, LLC's agreement to accept such additional liability, then Merchant's recovery will be capped at \$250,000.00 (U.S. Dollars) assuming all applicable charges and fees have been paid.

8.4. Notwithstanding the above mentioned provisions, if the transport does not include carriage of goods by sea or by inland waterways, the liability of PRIORITY AIR EXPRESS, LLC shall be limited to an amount not exceeding 8.33 SDR per kilogram of gross weight of the Goods lost or damaged, except when the Carmack Amendment applies. To the extent that the Carmack Amendment applies, recovery for loss of or damage to Goods shall be limited to fifty U.S. cents (US\$0.50) per pound unless a higher value is declared by Shipper and a supplementary charge paid. If Goods should be diverted to an air carrier for any reason, the terms and conditions of the air carrier's air waybill shall apply and govern the air segment of the transport.

8.5. a) When the loss of or damage to the Goods occurred during one particular stage of the transport, in respect of which an applicable international convention or mandatory national law would have provided another limit of liability if a separate contract of carriage had been made for that particular stage of transport, then the limit of PRIORITY AIR EXPRESS, LLC's liability for such loss or damage shall be determined by reference to the provisions of such convention or mandatory national law.

b) Unless Merchant, with the consent of Carrier, has declared a higher value for the Goods in the space provided on the front of this BOL and paid extra freight per Carrier's tariff, the liability of PRIORITY AIR EXPRESS, LLC under COGSA, where applicable, shall not exceed \$500.00 U.S. Dollars per package or, in the case of Goods not shipped in packages, per customary freight unit.

8.6. PRIORITY AIR EXPRESS, LLC shall not be liable for any loss of profit or any consequential, indirect, special, or punitive damages, regardless of whether PRIORITY AIR EXPRESS, LLC knew or should have known of the possibility of such damages. If otherwise mandatorily applicable law does not allow PRIORITY AIR EXPRESS, LLC to waive liability for such damages, then the amount of such damages shall not exceed twice the freight charges charged by PRIORITY AIR EXPRESS, LLC with respect to the Goods covered by this BOL.

8.7. The aggregate liability of PRIORITY AIR EXPRESS, LLC for the shipment covered by this BOL shall not exceed the limits of liability for total loss of the Goods.

8.8. PRIORITY AIR EXPRESS, LLC shall not be liable to any extent for any loss of or damage to or in connection with precious metals, stones, or chemicals, jewelry, currency, negotiable instruments, securities, writings, documents, works of art, curios, heirlooms, or any other valuable Goods, including Goods having particular value only for Merchant, unless the true nature and value of the Goods have been declared in writing by Merchant before receipt of the Goods by the PRIORITY AIR EXPRESS, LLC, the same is inserted on the face of this BOL and additional freight has been paid as required.

8.9. Merchant understands that PRIORITY AIR EXPRESS, LLC is not engaged in the business of insurance and that by declaring value in accordance with the provisions hereof, it is not obtaining insurance. If

Merchant wishes to purchase cargo insurance to cover goods moving under this BOL, it must purchase such insurance through a third party.

## 9. Containers

9.1. If Goods are not received by Carrier already in containers, Carrier may pack them in any type of container. Merchant shall be liable to Carrier for damage to Carrier's containers or equipment if such damage occurs while such equipment is in control of Merchant or his agents. Merchant indemnifies Carrier for any damage or injury to persons or property caused by Carrier's containers or equipment during handling by or when in possession or control of Merchant.

9.2. If Carrier receives the Goods already packed into containers, this BOL is prima facie evidence of the receipt of the particular number of containers set forth, and that number only. Carrier accepts no responsibility with respect to the order and condition of the contents of the containers. Merchant warrants that the stowage and seals of the containers are safe and proper and suitable for handling and carriage and indemnifies Carrier for any injury, loss or damage caused by breach of this warranty. Delivery shall be deemed as full and complete performance when the containers are delivered by Carrier with the seals intact. Carrier has the right, but not the obligation, to open and inspect the containers at any time without notice to Merchant, and expenses resulting from such inspections shall be borne by Merchant. Merchant shall inspect containers before stuffing them and the use of the containers shall be prima facie evidence of their being sound and suitable for use.

9.3. The Carrier does not undertake to carry the Goods in refrigerated, heated, insulated, ventilated, or any other special hold or container. The Carrier will treat such Goods or container only as ordinary goods or dry container, respectively, unless: (1) special arrangements for the carriage of such Goods or container have been agreed to in writing by authorized representatives of the Carrier and the Merchant which special arrangements are agreed upon at least ninety-six (96) hours prior to scheduled pick-up of the Goods; (2) such special arrangements are noted on the face of this Bill of Lading; and (3) special freight charges as required have been paid. The Carrier shall not be responsible for the functioning of a special container supplied by or on behalf of the Merchant.

9.4. The Carrier shall not be liable for any loss of or damage to Goods in a special hold or container arising from latent defects, breakdown, or stoppage of the refrigeration or heating machinery, insulation, ship's plant, or other such apparatus of the vessel or container. If the Goods received by the Carrier are in a refrigerated container packed by or on behalf of the Merchant, it is the obligation of the Merchant to stow the contents properly and set the thermostatic controls exactly. The Carrier shall not be liable for the Merchant's failure in such obligation.

## 10. Liability of Servants and other Persons

10.1. These conditions apply whenever claims relating to the performance of the contract evidenced by this BOL are made against any servant, agent or other person (including any independent contractor) whose services have been used in order to perform the contract, whether such claims are founded in contract or in tort, and the aggregate liability of PRIORITY AIR EXPRESS, LLC and of such servants, agents or other persons, and the aggregate recovery of Merchant, shall not exceed the limits in Clause 8. Merchant warrants that no claim shall be made against any servant, agent or other person (including any independent contractor) whose services have been used in order to perform the contract without the prior written consent of PRIORITY AIR EXPRESS, LLC, and if such claims should be nevertheless be made, Merchant agrees to indemnify PRIORITY AIR EXPRESS, LLC against all consequences of such claims.

10.2. In entering into this contract as evidenced by this BOL, PRIORITY AIR EXPRESS, LLC does not only act on his own behalf, but also as agent for such persons referred to in Clause 10.1, and such persons shall be deemed to be parties to this contract and entitled to the protections and immunities contained in it.

10.3. The aggregate of the amounts recoverable from PRIORITY AIR EXPRESS, LLC and the persons referred to in Clauses 2.2 and 10.1 shall not exceed the limits provided for in these conditions.

#### 11. Method and Route of Transportation

Without notice to the Merchant, PRIORITY AIR EXPRESS, LLC has the liberty to carry the Goods on or under deck and to choose or substitute the means, route and procedure to be followed in the handling, stowage, storage and transportation of the Goods. In no event will carriage of Goods on-deck be deemed a material deviation. This includes the liberty to use alternative modes of transportation.

#### 12. Delivery

12.1. Goods shall be deemed to be delivered when they have been handed over or placed at the disposal of the Consignee or his agent in accordance with this BOL, or when the Goods have been handed over to any authority or other party to whom, pursuant to the law or regulation applicable at the place of delivery, the Goods must be handed over, or such other place at which PRIORITY AIR EXPRESS, LLC is entitled to call upon the Merchant to take delivery.

12.2. PRIORITY AIR EXPRESS, LLC shall also be entitled to store the Goods at the sole risk of the Merchant, and PRIORITY AIR EXPRESS, LLC' liability shall cease, and the cost of such storage shall be paid, upon demand, by the Merchant to PRIORITY AIR EXPRESS, LLC.

12.3. If at any time the carriage under this BOL is or is likely to be affected by any hindrance or risk of any kind (including the condition of the Goods), which cannot be avoided by the exercise of reasonable endeavors PRIORITY AIR EXPRESS, LLC may abandon the carriage of the Goods under this BOL and, where reasonably possible, place the Goods or any part of them at the Merchant's disposal at any place which the PRIORITY AIR EXPRESS, LLC may deem safe and convenient, whereupon delivery shall be deemed to have been made, and the responsibility of the PRIORITY AIR EXPRESS, LLC in respect of such Goods shall cease. In any event, PRIORITY AIR EXPRESS, LLC shall be entitled to full freight under this BOL and the Merchant shall pay any additional costs resulting from the above mentioned circumstances.

#### 13. Freight and Charges

13.1. Freight shall be paid, without any reduction or deferment on account of any claim, counter-claim or set-off, whether prepaid or payable at destination. Freight shall be considered as earned by PRIORITY AIR EXPRESS, LLC at the moment when the Goods have been taken into its charge.

13.2. Freight and all other amounts mentioned in this BOL are to be paid in U.S. Dollars.

13.3. All dues, taxes and charges or other expenses in connection with the Goods shall be paid by the Merchant. Where equipment is supplied by PRIORITY AIR EXPRESS, LLC, the Merchant shall pay all demurrage and charges which are not due to a fault or neglect of PRIORITY AIR EXPRESS, LLC.

13.4. The Merchant shall reimburse PRIORITY AIR EXPRESS, LLC for any costs for deviation or delay or any other increase of costs of whatever nature caused by war, warlike operations, epidemics, quarantines, strikes, civil disturbances, terrorism, government directions or force majeure related to Merchant's Goods.

13.5. The Merchant warrants the correctness of the declaration of contents, weight, measurements or value of the Goods but PRIORITY AIR EXPRESS, LLC has the liberty to have the contents inspected and the weight, measurements or value verified. If on such inspection it is found that the declaration is not correct it is agreed that a sum equal to five times the difference between the correct figure and the freight charged shall be payable as liquidated damages to PRIORITY AIR EXPRESS, LLC.

13.6. Despite the acceptance by PRIORITY AIR EXPRESS, LLC of instructions to collect freight, charges or other expenses from any other person for the transport under this BOL, the Merchant shall remain responsible for such monies on receipt of evidence of demand and the absence of payment for whatever reason.

#### 14. Lien

PRIORITY AIR EXPRESS, LLC shall have a lien on the Goods and any documents relating thereto for any amount due at any time to PRIORITY AIR EXPRESS, LLC from the Merchant including storage fees and the cost of recovering same, and PRIORITY AIR EXPRESS, LLC may enforce such lien in any reasonable manner which it may think fit. This lien is in addition to any other liens PRIORITY AIR EXPRESS, LLC may have under applicable laws.

#### 15. General Average/Both-to-Blame Collision

The Merchant shall indemnify PRIORITY AIR EXPRESS, LLC for any claims of a General Average nature which may be made on PRIORITY AIR EXPRESS, LLC and shall provide such security as may be required by PRIORITY AIR EXPRESS, LLC in this connection. The Merchant shall indemnify PRIORITY AIR EXPRESS, LLC for any claims stemming from a Both-to-Blame Collision when PRIORITY AIR EXPRESS, LLC's liability arises from the carriage of the Goods.

#### 16. Notice

16.1. Unless notice of loss of or damage to the Goods, specifying the general nature of such loss or damage, is given in writing by the Consignee to PRIORITY AIR EXPRESS, LLC when the Goods are delivered to the Consignee, such handing over is prima facie evidence of the delivery by PRIORITY AIR EXPRESS, LLC of the Goods as described in this BOL.

16.2. Where the loss or damage is not apparent, the same prima facie effect shall apply if notice in writing is not given within three (3) consecutive days after the day when the Goods were delivered to the Consignee.

#### 17. Himalaya Clause

All exceptions, exemptions, defenses, immunities, limitations on liability, privileges and conditions granted or provided by this BOL or by applicable tariff or by statute or for the benefit of the Carrier (including but not limited to PRIORITY AIR EXPRESS, LLC) shall also apply to and for the benefit of the officers and employees of the Carrier and the agents, officers and crew of the vessel and to and for the benefit of all parties performing services in connection with the Goods as agents or contractors of the Carrier (including, without limitation subcontractors, inland carriers, and agents), whether or not in contractual privity with Carrier, and the employees of each them.

#### 18. Time Bar

PRIORITY AIR EXPRESS, LLC shall, unless otherwise expressly agreed, be discharged of all liability under these conditions unless suit is brought within nine (9) months after the delivery of the Goods, or the date when the Goods should have been delivered. The Carrier shall be discharged from all liability in respect of the Goods, including

without limitation, non-delivery, misdelivery, delay, loss, or damage, unless suit has been brought within one year after delivery of the Goods or the date when the Goods should have been delivered.

19. Partial Invalidity

If any clause or a part thereof is held to be invalid, the validity of this BOL and the remaining clauses or a part thereof shall not be affected.

20. Jurisdiction and Applicable Law

This contract is to be governed by the laws, treaties, or conventions of the United States to the extent governed by federal law, and by the laws of New Jersey (without regard to the choice of law rules thereof) in all other instances. All disputes arising from the shipment to which this bill of lading pertains may only be instituted in the courts of appropriate jurisdiction located in the state of New Jersey. Merchant and PRIORITY AIR EXPRESS, LLC each agree that they are subject to the exclusive personal jurisdiction of all federal courts located in the state of New Jersey and that they waive all defenses as to jurisdiction and venue with respect to any action in such court.

**NOTICE CONCERNING CARRIER'S LIMITATION OF LIABILITY:** IF THE CARRIAGE INVOLVES AN ULTIMATE DESTINATION OR STOP IN A COUNTRY OTHER THAN THE COUNTRY OF DEPARTURE, THE WARSAW CONVENTION OR THE MONTREAL CONVENTION MAY BE APPLICABLE AND MAY LIMIT THE LIABILITY OF CARRIER FOR CARGO LOSS, DAMAGE OR DELAY. FOR CARRIAGE TO WHICH EITHER SUCH CONVENTION APPLIES, CARRIER'S LIABILITY LIMITATION FOR CARGO LOST, DAMAGED OR DELAYED SHALL BE 19 SDR PER KILOGRAM, UNLESS A SPECIAL DECLARATION OF VALUE OR INTEREST IN DELIVERY IS MADE IN ADVANCE BY THE SHIPPER AND A SUPPLEMENTARY CHARGE IS PAID.

IN CARRIAGE TO WHICH NEITHER THE WARSAW CONVENTION NOR MONTREAL CONVENTION APPLY OR TO WHICH FOR ANY REASON THE LIABILITY LIMIT UNDER THE CONVENTION IS DETERMINED TO EXCEED THE FOREGOING LIMITATIONS, EXCEPT AS EXPRESSLY SET FORTH HEREIN, THE SHIPPER EXPRESSLY AGREES HEREIN THAT THE CARRIER'S LIABILITY LIMITATION FOR CARGO LOST, DAMAGED OR DELAYED SHALL BE 19 SPECIAL DRAWING RIGHTS PER KILOGRAM UNLESS A SPECIAL DECLARATION OF VALUE OR INTEREST IN DELIVERY AT DESTINATION IS MADE IN ADVANCE BY THE SHIPPER AND A SUPPLEMENTARY CHARGE IS PAID.



## PRIORITY AIR EXPRESS, LLC ("Patheon Logistics") – INTERNATIONAL AIR WAYBILL

### CONDITIONS OF CONTRACT

(1) Definitions: (i) "**Carrier**" include the air carrier or forwarder issuing this air waybill and all carriers that carry or undertake to carry the goods or perform any other services related to such carriage. (ii) "**Carriage**" is equivalent to "**transportation**" and refers to the entire transportation, loading, unloading, storing, handling and any and all other services whatsoever undertaken by the Carrier in relation to the goods covered by this Air Waybill as well as any portion of the aforementioned. Carriage to be performed hereunder by successive Carriers is regarded as a single operation. (iii) "**Cartage**" means the portion of the Carriage occurring before and after the transportation of a shipment aboard an aircraft. (iv) "**SDR**" is a Special Drawing Right as defined by the International Monetary Fund. (v) "**Conditions**" shall mean all the terms and conditions of contract as stated herein. (vi) The "**Convention**" means whichever of the following instruments is applicable to the contract of carriage: The Convention for the Unification of Certain Rules for International Carriage by Air, Montreal, 28 May 1999 ("**Montreal Convention**"); the Convention for the Unification of Certain Rules Relating to International Carriage by Air, signed at Warsaw, 12 October 1929 ("**Warsaw Convention**"); that Convention as amended at The Hague on 28 September 1955; that Convention as amended at The Hague 1955 and by Montreal Protocol No. 1, 2 or 4 (1975) as the case may be. (vii) "**Shipper**" includes the shipper, consignor, consignee, receiver, holder of this Air Waybill, owner of the goods or other person entitled to the possession of the goods and the servants and agents of any of these, including without limitation, any freight forwarder other than Carrier, consolidator, customs broker or other intermediary involved in arranging this shipment, all of whom shall be jointly and severally liable to the Carrier for the payment of all charges, and for the performance of the obligations of any of them under this Air Waybill, and subject to all Conditions herein.

(2) The issuer of this Air Waybill is not a common carrier and only deals with goods subject to these conditions.

(3) Receipt by the person entitled to delivery of the cargo without complaint shall be prima facie evidence that the cargo has been delivered in good condition and in accordance with the contract of carriage.

(4)(a) Carriage hereunder is subject to the rules relating to liability established by the Convention unless such Carriage is not "international carriage" as defined by the Convention.

(b) To the extent not in conflict with the foregoing, Carriage hereunder and other services performed by each Carrier are subject to: (i) applicable laws (including national laws implementing the Convention), government regulations, orders, and requirements; (ii) provisions herein set forth; and (iii) applicable standard trading terms and conditions, tariffs, rules, regulations and timetables (but not the times of departure and arrival therein) of such Carrier, which are made part hereof and which may be inspected at any of its offices from which it operates regular services.

(c) If any legislation, statute, law, treaty, or other rule is compulsorily applicable to any business undertaken and may not be waived by the Shipper and Carrier by contract ("**Compulsory Law**"), these Conditions shall, as regards such business, be read as subject to any such Compulsory Law, and nothing in these Conditions shall be construed as a surrender by the Carrier of any of its rights or immunities or as an increase of any of its responsibilities or liabilities under such Compulsory Law. If any part of this Air Waybill is repugnant to or inconsistent with any such Compulsory Law, that Compulsory Law shall prevail and shall be considered a part of this contract for as long as such Compulsory Law applies, and no further, except as may be expressly invoked and incorporated by reference elsewhere herein.

(5) If the sum entered on the face of the Air Waybill as "**Declared Value for Carriage**" represents an amount in excess of the applicable limits of liability referred to in these Conditions and if the Shipper has paid any supplementary charge that may be required by the Carrier's Conditions, this shall constitute a special declaration of value or interest in delivery at destination and in this case Carrier's limit of liability shall be the sum so declared. Payment of claims shall be subject to proof of actual damages suffered. The foregoing notwithstanding, in order to declare value in excess of \$250,000.00 (U.S. Dollars), Shipper must contact Carrier with an email or phone call (800-257-4777) at least ninety-six (96) hours prior to scheduled departure in order to request such additional liability. If Carrier responds to such request in writing with a quote for additional fees, and Shipper pays such fees, then Carrier's liability shall be for the full amount of such declared value. If Shipper declares value in excess of \$250,000.00 (U.S. Dollars) on the face of the waybill, but does not follow the steps set forth above, or does not receive a written acknowledgement from Carrier of Carrier's agreement to accept such additional liability, then Shipper's recovery will be capped at \$250,000.00 (U.S. Dollars) assuming all applicable charges and fees have been paid.

(6) EXCEPT TO THE EXTENT THE CONVENTION OR OTHER COMPULSORY LAW MAY OTHERWISE REQUIRE, THE CARRIER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL OR INDIRECT LOSS, LOSS OF PROFITS OR SALES, LOSS OF MARKET, LOSS OF CONTRACT, LOSS OF REPUTATION OR GOODWILL, LOSS OF REVENUE OR USE CLAIMS, PUNITIVE OR EXEMPLARY DAMAGES, THE CONSEQUENCES OF DELAY OR DEVIATION HOWSOEVER CAUSED, ANY DAMAGE OR DELAY CAUSED BY THE SHIPPER, THIRD PARTY CLAIMS AGAINST THE SHIPPER OR ANY DAMAGE OCCURRING OUTSIDE THE CUSTODY OF THE CARRIER OR ITS SUBCONTRACTORS. THE FOREGOING EXCLUSIONS AND LIMITS OF LIABILITY SHALL APPLY WHETHER OR NOT CARRIER HAD KNOWLEDGE OF THE POSSIBILITY OF SUCH DAMAGES OR CLAIMS. THE DEFENSES AND LIMITS OF LIABILITY PROVIDED FOR HEREIN SHALL APPLY IN ANY ACTION AGAINST THE CARRIER WHETHER FOUNDED ON CONTRACT, TORT, EQUITY, INDEMNITY, BAILMENT OR ANY OTHER BASIS WHATSOEVER AND EVEN IF THE LOSS OR DAMAGE AROSE AS A RESULT OF NEGLIGENCE, RECKLESSNESS OR FUNDAMENTAL BREACH.

(7) Except as a Convention or other Compulsory Law may require, Carrier shall not be liable for any loss, damage, misdelivery, delay, or non-delivery not caused by its own negligence, or any loss, damage, delay, misdelivery, or non-delivery caused by the act, default or omission of Shipper, the consignee, or any other party that claims an interest in the shipment; the nature of the shipment or any defect, characteristic, or inherent vice

of the goods; or act of God, perils of the air, public enemies, public authorities acting with actual or apparent authority of law, acts, or omissions of customs or quarantine officials, riots, strikes, civil commotions, hazards incident to a state of war, weather conditions, or delay of aircraft or other vehicles used in providing transportation services, or any other cause or event which the Carrier is unable to control or avoid and the consequences of which the Carrier is unable to prevent by the exercise of reasonable diligence.

(8) In cases of loss, damage, or delay of the cargo, the weight to be taken into account in determining Carrier's limits of liability shall be only the weight of the package or packages concerned. Note: Notwithstanding any other provision, for foreign air transportation as defined in the U.S. Federal Aviation Act, as amended, in case of loss or damage or delay of a shipment or part thereof, the weight to be used in determining the Carrier's limit of liability shall be the weight which is used (or a pro rata share in the case of a part shipment loss damage or delay) to determine the transportation charge for the shipment.

(9) Any exclusion or limitation of liability or other provision benefiting the Carrier shall apply to and be for the benefit of Carrier's agents, servants, subcontractors and representatives and any person whose aircraft is used for Carriage and its agents, servants, subcontractors and representatives. Such persons include, without limitation, sub-carriers, connecting carriers, couriers, warehousemen, terminal operators, baggage handlers, security providers, consolidators, truckers, road, rail, water and air transport operators, any independent contractor directly or indirectly employed by Carrier in performance of the Carriage and/or attendant services, and anyone assisting in the performance of the Carriage. Any such limitation of liability shall be a single, aggregate limitation, and satisfaction of such limitation by any one or more of the foregoing shall act as a satisfaction of such limitation by all of them. It shall also result in a release of claims by each Shipper. For purposes of contracting for the benefits of this provision and no further, Carrier acts herein as agent for all such persons benefiting from this provision. Without prejudice to the foregoing, no benefits hereunder extend to any such persons with respect to any claim brought against them by the Carrier. Shipper warrants that no claim shall be made against any servant, agent or other person (including any independent contractor) whose services have been used in order to perform the contract without the prior written consent of Carrier, and if such claims should be nevertheless be made, Shipper agrees to indemnify Carrier against all consequences of such claims.

(10) While the Carrier agrees to use all reasonable endeavors to complete the Carriage hereunder with reasonable dispatch, no time for completion is fixed, and the Carrier reserves to itself the right without notice to substitute alternative Carriers or aircraft and with due regard to the interest of the Shipper use other means of transportation. The Carrier is further authorized by the Shipper to select the routing and all intermediate stopping places that it deems appropriate or to change or deviate from the routing shown on the face hereof.

(11)(a) If specifically agreed, Carrier will perform or arrange for the Cartage of the goods from the point of origin to the airport of departure and from the airport of destination to final destination. If such Cartage is performed or arranged by the Carrier issuing this Air Waybill, such Cartage shall be subject to a limitation of liability for cargo loss or damage of fifty cents (U.S. \$0.50) per pound unless a higher value is declared by Shipper and a supplementary charge paid.

(b) If Shipper requests motor carrier service or if Carrier decides that Shipper's shipment should be transported by motor carriage rather than air for all or part of the transportation within the United States, Carrier shall arrange with authorized motor carriers to perform such transportation, which shall be done either as exempt carriage as defined by 49 U.S.C. § 13506(a)(8), or, if not exempt, as "contract carriage" within the meaning of 49 U.S.C. § 13102(4)(B) on the same cargo liability limitations and terms as contained herein. For clarity, the aggregate liability of the motor carrier and Carrier for cargo loss or damage on such a shipment will be limited to 19 SDR per kilogram unless a higher value is declared by Shipper and a supplementary charge paid. Shipper expressly waives all rights and remedies it may have as to Carrier and its subcontractor motor carriers under 49 U.S.C. Subtitle IV, Part B (excluding §§ 13703, 13706, 14101, and 14103) to the full extent permitted by 49 U.S.C. § 14101(b)(1), each as amended from time to time.

(c) The Shipper, owner and consignee hereby authorize the Carrier to do all things deemed advisable to arrange such forwarding or on forwarding, including but without limitation, selection of the means of forwarding or on forwarding and the routes thereof (unless these have been herein specified by the Shipper), execution and acceptance of documents of Carriage (which may include provisions exempting or limiting liability), and consigning of goods with no declaration of value notwithstanding any declaration of value, in this Air Waybill.

(12) Carrier is authorized (but shall be under no obligation) to advance any duties, taxes, or charges and to make any disbursements with respect to the goods. Each Shipper, owner, and consignee shall be jointly and severally liable for the reimbursement thereof. No Carrier shall be under obligation to incur any expense or to make any advance in connection with the forwarding or reforwarding of goods except against repayment by the Shipper.

(13) When goods are accepted or dealt with upon instructions to collect freight, duties, charges or other expenses from the consignee or any other person the Shipper shall remain responsible for the same if they are not paid by such consignee or other person immediately when due.

(14)(a) Notice of arrival of goods will be given promptly to the consignee or to the person indicated on the face hereof as the person to be notified. The Carrier is not liable for non-receipt or delay in receipt of such notice.

(b) On arrival of the goods at the place of destination, subject to the acceptance of other instructions from the Shipper prior to arrival of the goods at the place of destination, delivery will be made to or in accordance with the instructions of the consignee on payment of all charges due. If the consignee declines to accept the goods or cannot be communicated with, disposition will be in accordance with instructions of the Shipper and subject to payment of all charges. If Shipper fails to give disposition instructions within five (5) days of being notified of consignee's non-acceptance of the goods, Carrier shall be entitled to exercise its lien rights or otherwise dispose of the goods at Shipper's expense.

(15)(a) In the case of cargo loss, damage or delay, the person entitled to delivery must make a complaint in writing to the Carrier issuing this Air Waybill. Such complaint must be made: (i) In the case of damage to the cargo, immediately after discovery of the damage and at the latest within 14 days from the date of receipt of the cargo; (ii) In the case of delay, within 21 days from the date on which the cargo was placed at the disposal of the person entitled to delivery; (iii) In the case of non-delivery of the cargo, within 120 days from the date of issue of the air waybill, or if any air waybill has not been issued, within 120 days from the date of receipt of the cargo for transportation by the Carrier.

(b) The complaint shall be made to the address of the Carrier issuing this Air Waybill as shown on the face hereof or to an office or agent of such Carrier at the point of origin or destination. If written complaint is not made within the time limits specified above, Shipper waives its action against Carrier.

(c) Any rights to damages against the Carrier shall, in any event, be extinguished unless an action is brought within two years from the earliest of the date of arrival at the destination or the date on which the goods ought to have arrived or the date on which the transportation stopped.

(d) THE SHIPPER, UNDERSTANDING THAT THE ORDINARY RATES OF THE CARRIER ARE PREMISED UPON THE CARRIER'S LIMITATION OF LIABILITY, AND IN CONSIDERATION FOR SUCH RATES, IN ADDITION TO ALL OTHER RESPONSIBILITIES SET FORTH HEREIN, THE SHIPPER EXPRESSLY AGREES TO DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CARRIER FOR ANY AND ALL LIABILITY OR CLAIMS, REGARDLESS OF HOW AND BY WHOM MADE, AGAINST THE CARRIER FOR ANY AMOUNT IN EXCESS OF THE LIMITATION OF LIABILITY TO WHICH CARRIER IS ENTITLED AS AGAINST SHIPPER.

(e) No claim shall be processed by Carrier until all transportation charges have been paid. The amount of a claim may not be deducted from the transportation charges. In the event of a claim, the shipment, its container, and its packing material shall be made available to Carrier for inspection at the delivery location.

(16)(a) The Shipper shall comply with all applicable laws, rules and regulations of any government or government agency of any country to, from, through, or over which the goods may be carried or which may be issued by any agency including those relating to: (i) the packing, carriage, sealing, identification or delivery of the goods or, (ii) any aviation or other general freight transport security requirements which must or ought to be complied with by the Shipper.

(b) The Shipper shall furnish such information and attach such documents to this Air Waybill as may be necessary to comply with such laws, rules and regulations. Carrier is not liable to the Shipper or any other person for loss or expense due to the Shipper's failure to comply with this provision.

(c) The Shipper warrants that: (i) it is either the owner of the goods or the authorized agent of the owner of the goods described on the face hereof and further warrants that it is authorized to accept and is accepting these Conditions not only for himself but also as agent for and on behalf of the owner of the goods and all other persons who are or may hereafter become interested in the goods; (ii) the description and particulars of any goods furnished by or on behalf of the Shipper are complete, timely and accurate, and do not contain any irregularities; (iii) all goods have been properly and sufficiently prepared, packed, stowed, labeled, sealed, identified and/or marked and that the preparation, packing, stowage, labeling and marking are appropriate to any operations or transactions affecting the goods and characteristics of the goods; (iv) the goods do not comprise or contain any explosive, incendiary or other device, substance or weapon which may endanger life or the safety of any airplane, vehicle or other transport conveyance to be used in connection with the carriage of the goods or which may cause or may be likely to cause loss, damage, injury to or death of any person or property; and (v) the goods do not comprise or contain any dangerous or hazardous materials within the meaning of the IATA Dangerous Goods Regulations, Perishable Cargo Regulations, or Temperature Control Regulations each as revised from time to time (collectively "**the Regulations**") and the Shipper will not tender such goods to the Carrier for Carriage and/or attendant services without obtaining the Carrier's prior written consent. Where such consent is granted the Shipper warrants that all such goods are packed, labeled and specified and otherwise meet all the requirements and provisions of the Regulations and Shipper acknowledges and agrees that Carrier shall have no obligation to comply with any special handling instructions unless expressly agreed to by Carrier in writing prior to pick-up of the cargo.

(d) THE SHIPPER SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CARRIER FROM AND AGAINST ANY AND ALL LIABILITIES, CLAIMS, LOSSES, EXPENSES OR DAMAGES INCURRED OR OCCASIONED BY (i) A BREACH BY THE SHIPPER OF ANY OF THE WARRANTIES CONTAINED HEREIN; (ii) THE FAILURE OF THE SHIPPER TO COMPLY WITH THESE PROVISIONS; (iii) CARRIER'S EXECUTION OF SHIPPER'S INSTRUCTIONS; (iv) SHIPPER'S NEGLIGENCE OR WILLFUL MISCONDUCT; OR (v) ANY AUXILIARY SERVICES INCLUDING BUT NOT LIMITED TO LOCAL CARTAGE, CRATING, UNCRATING, PACKING, AND UNPACKING WHICH ARE REQUESTED BY SHIPPER AND ARRANGED BY CARRIER AS A CUSTOMER ACCOMMODATION WHEN SUCH SERVICES ARE NOT ACTUALLY PERFORMED BY CARRIER.

(17) No agent, servant or representative of the Carrier has authority to alter modify or waive any provisions of this contract.

(18) Shipper hereby consents to a search or inspection of the cargo, including screening of the cargo, by Carrier, the Transportation Security Administration of the U.S. Department of Homeland Security ("**TSA**"), or other authorized government authorities. Carrier is not obligated to open and inspect the contents of any shipment. Carrier shall have the right to refuse any article, the transportation of which is prohibited by rule or by applicable law, orders or regulations, or the transportation of which, in Carrier's judgment, would be unsafe. If such shipment should be accepted or transported, Carrier reserves the right to remove it and, if necessary, to abandon it. Where circumstances permit, such shipment shall be stored at Shipper's expense pending receipt of disposition instructions from Shipper.

(19) The Shipper expressly agrees that the Carrier shall have a general lien on goods and any documents relating thereto for all sums whatsoever due at any time to the Carrier from the Shipper, for all sums due including interest under this contract or any other contract or undertaking to which the Shipper was party or otherwise involved, inclusive of all costs, including, but not limited to, attorney fees and costs and other legal fees, incurred in exercise of said lien plus interest on those costs. The Carrier shall have the right to sell the goods and documents by public auction or private sale, without notice to the Shipper and at the Shipper's expense and without any liability to the Shipper.

(20) Insofar as any provision of these Conditions may be contrary to Compulsory Law, government regulations, orders or requirements, such provision shall remain applicable to the extent that it is not overridden thereby. Similarly, If any provision of these Conditions is declared void, invalid or unenforceable by any court of law, the remaining provisions of these Conditions shall, to the extent permitted by such declaration, remain in full force and effect as though the void, invalid or unenforceable provisions were never a provision of these Conditions.

(21) Carrier reserves the right to reject any Shipment for any reason whatsoever, including but not limited to, safety or security concerns. It is agreed that no time is fixed for the completion of carriage hereunder and that Carrier may, without notice and for any reason, (i) substitute alternate carriers or other means of transportation (including ocean and/or ground transportation) and (ii) select the routing or deviate from that shown on the face of the air waybill. Carrier assumes no obligation to forward the goods by any specified carrier, transportation mode, or route or to make connection at any point according to any particular schedule, and Carrier is hereby authorized to select, or deviate from, the transportation modes, carriers, or routes, notwithstanding that the same may be stated on the face of the air waybill. Shipper, consignee, and owner, jointly and severally guarantee payment of all charges and advances arising in such instances.

(22) The Shipper guarantees payment of all charges for the carriage due in accordance with Carrier's Conditions. All charges are due without offset no later than 30 days of the date of Carrier's invoice. Any payment which is past due shall be subject to an additional charge of one and 1.5% per month of the outstanding balance due or the maximum interest rate permitted by applicable law, whichever is less, together with all collection costs, including reasonable attorney fees, incurred by Carrier. When a Shipment is tendered on a collect or third party billing basis, Shipper shall remain responsible for all charges not paid by the responsible party immediately when due. Claims for overcharges or duplicative payments shall be made in writing and are extinguished unless received by Carrier within two (2) years after the date of acceptance of the shipment by Carrier.

(23) These Conditions and the services provided by Carrier shall be governed by and subject to the laws of the State of New Jersey, without regard to the choice-of-law rules of New Jersey or any other state or nation. SHIPPER AND CARRIER AGREE THAT ANY CLAIM OR DISPUTE ARISING FROM OR IN CONNECTION WITH THESE TERMS AND CONDITIONS OR CARRIER'S AIR WAYBILL, WHETHER UNDER FEDERAL, STATE, LOCAL, OR FOREIGN STATUTES, REGULATIONS, OR COMMON LAW, SHALL BE BROUGHT EXCLUSIVELY IN THE STATE OR FEDERAL COURTS SERVING NEWARK, NEW JERSEY. SHIPPER AND CARRIER HEREBY CONSENT TO THE JURISDICTION OF SUCH COURTS. In the event Shipper files an action against Carrier,

Shipper hereby consents to any Carrier-instituted transfer of such action to any other venue in which Carrier is a party or subsequently becomes a party to an action concerning loss, damage or delay to the cargo that is the subject of Shipper's action. Should Carrier successfully defend itself or any legal actions brought by any party with an interest in this Shipment, Carrier shall be entitled to reasonable attorney fees and costs.

(24) Shipper acknowledges that Carrier, like all indirect air carriers, is required by the TSA to maintain an air cargo security program. If Shipper is acting as an agent, authorized representative, broker, carrier, consolidator, or other freight intermediary for any other person or entity, Shipper shall disclose that fact to Carrier and shall assist Carrier in complying with the TSA requirements by enabling Carrier to obtain any necessary documents from, or otherwise qualify, such other person or entity. If Shipper, as the person who originates and tenders cargo for air transportation, or as such person's representative, is an individual (natural person), such person shall advise Carrier of that fact, and Carrier shall, if required by law, provide Shipper or such person with a Privacy Act Notice.

#### Terms and Conditions

1. **Applicability.** Unless expressly superseded by a written contract signed by an officer of PRIORITY AIR EXPRESS LLC ("PAE") these Terms and Conditions, as amended from time to time ("T&Cs"), shall govern motor carrier service ("Services") provided by any motor carrier ("Carrier") performing motor carrier services at the request of PAE with respect to shipments moving via all-ground transportation to or from origin or destination points in the United States including, but not limited to, the motor carrier identified, pursuant to a Rate Confirmation Agreement ("RCA") making reference to these T&Cs, regardless of whether this RCA is signed by Carrier. Any terms and conditions on any transactional or shipment-specific document, including, but not limited to, any bill of lading, dock receipt or similar documentation exchanged between the parties other than an RCA and these T&Cs shall not apply to any Services and shall not be binding on or applicable to PAE. PAE and Carrier represent and warrant that their relationship is that of independent contractors. Carrier is responsible for the acts or omissions of any and all personnel providing or engaged to provide the Services. Carrier acknowledges and agrees that all Services will be performed using motor vehicle equipment operating pursuant to Carrier's for-hire motor carrier authority and that in no event will Carrier subcontract, broker, interline, interchange or otherwise allow any third-party to transport any cargo or equipment tendered to Carrier hereunder. In the event of any violation of this prohibition, without limiting any other rights or remedies of PAE under these T&Cs, PAE may make payment for the Services directly to the transporting carrier, which payment will relieve PAE of any and all obligation to pay Carrier for the services in question.
2. **Authorization and Compliance.** PAE is authorized to tender the cargo in question to Carrier for transportation. Carrier warrants and represents that it, and that any personnel used by Carrier in the performance of Services, at all times while Services are performed, holds any and all licenses, permits, authorizations and other qualifications necessary to perform the Services in accordance with all applicable



laws, rules and regulations (“Applicable Law”). All of Carrier’s services will be performed in accordance with Applicable Law.

3. Rates and Payments. Carrier will charge and PAE will pay the rates and charges set forth in the RCA, which charges shall constitute the entire compensation due Carrier for Services provided subject to the RCA. Payment will be made within thirty (30) days of receipt by PAE of Carrier’s freight bill which must be supported by the original proof of delivery. The freight bill should be remitted to the address shown on the face of the RCA. PAE may offset payments for any amounts owed by Carrier to PAE. In no event will Carrier have any lien on any cargo transported pursuant to the RCA or otherwise withhold delivery of such cargo.
4. Cargo Loss and Damage. Carrier shall have the sole and exclusive care, custody and control of the cargo tendered hereunder from the time it is delivered to Carrier for transportation until delivery to the consignee accompanied by the appropriate receipts. Carrier will be liable for cargo loss, damage or delay as a “carrier” pursuant to the Carmack Amendment as currently codified at 49 U.S.C. § 14706, which liability shall be for the full value of the commodities involved. No limitation of liability shall apply to such liability. Carrier will provide at least nine (9) months from the date of delivery or the date delivery should have occurred, if none, for the claimant to file a claim for cargo loss, damage or delay, and at least two (2) years from the date of complete denial of the claim during which the claimant is entitled to commence legal action. Carrier waives any right to salvage any cargo as well as any right to offset salvage value from its liability.
5. Insurance. While performing services, unless greater amounts are required by law, Carrier shall maintain automobile liability (“AL”) insurance with a limit of not less than \$5,000,000 per occurrence, commercial general liability (“CGL”) insurance with a limit of not less than \$1,000,000 per occurrence, workers’ compensation insurance as required by law, employer’s liability coverage with limits of not less than \$1,000,000, and motor truck cargo insurance with limits of not less than \$250,000 per occurrence which insurance shall contain no conditions to or exclusions from coverage likely to result in denial of claims arising from services to be provided hereunder. Carrier shall provide copies of any insurance policy required hereunder upon request. Individual limit requirements for AL, CGL, and employer’s liability limits may be met with a combination of primary policy limits (for AL, CGL, and employer’s liability) and umbrella / excess liability policy limits.
6. Indemnification. CARRIER shall defend, indemnify, and hold PAE and its customer, and each of their affiliated entities harmless from and against all direct or indirect loss, liability, damage, claim, fine, cost or expense, including reasonable attorney’s fees, arising out of or in any way related to the performance of, or failure to perform, Carrier’s services, or breach of these T&Cs by Carrier, its employees or independent contractors working for Carrier (collectively, the “Claims”), provided, however, that Carrier’s indemnification and hold harmless obligations under this paragraph will not apply to the prorated extent that any Claim is found by a court of appropriate jurisdiction to have been caused directly and proximately by the negligence or intentional misconduct of the party to be defended, indemnified or held harmless. Carrier hereby expressly waives any exclusive remedy defense, including, but not limited to, those available under any workers’ compensation or

other occupational accident statutory regime, to the extent necessary to effectuate Carrier's obligations under this provision.

7. Dispute Resolution. This Agreement and disputes hereunder are subject to federal transportation law to the extent relevant and otherwise, to the laws of the state of New Jersey without regard to the choice of law rules thereof. Each party hereto (a) agrees that any suit, action, or other legal proceeding arising out of or relating to these T&Cs may only be brought in any court of competent jurisdiction serving Swedesboro, New Jersey; (b) consents to the exclusive jurisdiction of such courts in any such suit, action, or proceeding arising from or related to this Agreement or the relationship of the parties; and (c) waives any objection which it may have to the laying of venue of any such suit, or proceeding in any of such courts. PAE and Carrier expressly waive any and all rights and remedies allowed under 49 U.S.C. § 14101 to the extent that such rights and remedies conflict with these T&Cs.

## STANDARD TRADING CONDITIONS

These standard trading conditions (“Conditions”) constitute a legally binding contract between the Company and the Customer.

NOTICE IS HEREBY GIVEN THAT NO PERSON, OTHER THAN AN OFFICER OR DIRECTOR OF THE COMPANY, HAS OR WILL BE GIVEN AUTHORITY TO AGREE TO ANY VARIATION, CANCELLATION, OR WAIVER OF THESE TERMS AND CONDITIONS.

### DEFINITIONS

**1. In these conditions:**

“**Company**” means Priority Air Express, LLC, and its employees, agents and/or representatives.

“**Customer**” means any person at whose request or on whose behalf the Company undertakes any business or provides advice, information or services or that otherwise has an interest in the goods with respect to which services are provided hereunder.

“**Third Party**” / “**Third Parties**” shall include, without limitation, the following: carriers, truckers, cartmen, draymen, lightermen, forwarders, intermediaries, customs brokers, transportation brokers, agents, warehousemen and others to which the goods are entrusted for transportation, cartage, handling, delivery, storage or otherwise.

### CONDITIONS GENERALLY APPLICABLE

**2. Scope of Conditions.**

(A) Any and all activities of the Company in the course of its business including any advice, information or service provided by the Company whether for compensation or not are undertaken subject to, and governed by, these conditions except for those activities undertaken by the Company pursuant to the following documents if issued by Company with respect to such activities, in which case the terms and conditions of such documents shall apply and govern to the extent contemplated therein, if any: (i) The Company’s house air waybill relating to the consolidation and carriage of goods in whole or in part by air; (ii) The Company’s ocean bill of lading relating to the consolidation and carriage of goods by sea; (iii) The Company’s warehouse receipt relating to the consolidation and storage of goods in a warehouse owned or operated by Company or an affiliate of Company; (iv) The Company’s U.S. domestic waybill relating to the consolidation and carriage of goods between two points in the United States (including any territory, possession or commonwealth of the United States). The terms and conditions contained in the above listed documents shall apply in accordance therewith to the respective services regardless of whether Customer received the document before or after the commencement of those services, and Customer hereby accept those conditions for the services described in (i)-(iv) above. For purposes of clarity, and at all time subject to section 2(B) below, any shipments that do not include an air or ocean segment and are performed in whole or in part outside of the United States, are subject to these Conditions.

(B) If any law is compulsorily applicable to any business undertaken, these conditions shall, as regards such business, be read as subject to such law and nothing in these conditions shall be construed as a surrender by the Company of any of its rights, immunities, or protections, or as an increase of any of its responsibilities or liabilities, under such law. If any part of these Conditions is found to be invalid and/or unenforceable, then in such event the remainder hereof shall remain in full force and effect. Company’s decision to waive any provision herein, either by conduct or otherwise, shall not be deemed to be a further or continuing waiver of such provision or to otherwise waive or invalidate any other provision herein.

(C) Company may, in its sole discretion, amend these Conditions from time to time in which case the modified terms and conditions will take effect as of the date they are posted on the Company's website. If the Customer wishes to contract with the Company otherwise, special arrangements can be made and revised prices quoted but such arrangements shall only become applicable if made in writing and signed by a director or officer of the Company. Any attempt by Customer to otherwise alter, amend or modify these Conditions shall be null and void.

### **3. Roles of the Company.**

(A) The Company may act as a principal or as the agent of the Customer. The Company acts as agent of the Customer when: (i) providing or arranging services with respect to customs entry (including post entry) or release of goods; (ii) providing or arranging export filing and licensing; (iii) making security filings with governmental regulators; (iv) dealing or communicating with government agencies; or (v) providing or arranging transportation or storage other than in situations where documentation listed in Section 2(A)(i)-(iv) of these Conditions is applicable.

(B) When acting as an agent in arranging for transportation or storage with Third Parties, the Company is authorized to engage the services of Third Parties subject to terms and conditions pursuant to which such Third Parties offer to provide the services in question, thereby establishing a direct contract between the Customer and the Third Party, whether or not the Customer is identified in such contract. The Customer acknowledges that it shall be bound by the terms and conditions of the agreements of the Third Parties into whose custody the goods may be entrusted. The Company does not make or purport to make any contract with the Customer or owner when acting as an agent for the carriage, storage, packing or handling of any goods other than one subject solely to these Conditions.

### **4. Warranty of Customer's Authority.**

With respect to any goods transported, stored, handled, imported, exported, or otherwise related to the services, the Customer warrants that it is either the owner or the authorized agent of the owner and that it is accepting these Conditions not only for itself but also as agent for and on behalf of the owner and other party with a beneficial interest in such goods.

### **5. Customer Warranties Regarding Goods.**

Customer will provide Company with all information necessary for Company to perform or arrange the services, whether or not provision of such information is mandated by applicable law, rule, convention or regulation. The Customer warrants that the description and particulars (including but not limited to their marks, number, weight, volume, dimensions and quantity) of any goods furnished by or on behalf of the Customers are complete and accurate. The Customer warrants that all goods have been properly and sufficiently prepared, packed, packaged, stowed and labeled and/or marked for normal handling, including any special handling requested by the Customer if applicable, and that the goods have been properly packed and loaded in a suitable transport unit in suitable condition to carry the goods. Customer will not tender or attempt to tender any consignment containing any noxious, dangerous, hazardous, flammable or explosive goods, any waste, or any goods likely to cause damage. All goods must be packaged, tendered and labeled in accordance with all applicable governmental and industry rules and regulations. For any consignment requiring special care or handling, including, but not limited to, those requiring temperature controlled service, such consignments must be identified as such at the time of Customer's request for services and again at the time of tender and the Company must have confirmed in writing its agreement to abide by such requests. Customer will not tender or attempt to tender any consignment containing bullion, coin, precious stones, jewelry, valuables, antiques, pictures, human remains, livestock or plants. Customer will not tender or attempt to tender any consignment containing any goods listed on the US Munitions List, or provide Company with documents containing information subject to the US International Traffic in Arms Regulations without first notifying the Company's chief export controls compliance officer.

## **6. Reliance On Information Furnished.**

(A) Customer acknowledges that it is required to review all documents and declarations prepared and/or filed with U.S. Customs & Border Protection, other government agencies and/or Third Parties, and will immediately advise the Company of any errors, discrepancies, incorrect statements, or omissions on any declaration or other submission filed on Customers behalf.

(B) In preparing and submitting customs entries, export declarations, applications, security filings, documentation and/or other required data, the Company relies on the correctness of all information furnished by Customer; Customer shall use reasonable care to ensure the correctness of all such information and shall indemnify and hold the Company harmless from any and all claims asserted and/or liability or losses suffered by reason of the Customer's failure to disclose information or any incorrect, incomplete or false statement, information, or representation by the Customer or its other agents, representatives or contractors upon which the Company reasonably relied. The Customer agrees that the Customer has an affirmative non-delegable duty to disclose any and all information required to store, handle, import, export or otherwise deal with the goods.

## **7. Company Rights of Selection.**

The Company has complete freedom in choosing the means, mode, route and procedure to be followed in the handling, storage, transportation and delivery of the goods. Advice by the Company that a particular person or firm has been selected to render services with respect to the goods shall not be construed to mean that the Company warrants or represents to such person or firm will render such service. The Company shall also be entitled to engage any other person, firm or company to perform any of its obligations. Selection of a Third Party by the Company shall not be construed as a warranty or representation by the Company that such Third Party will render services, nor does the Company assume responsibility or liability for the actions and/or inactions of such Third Parties, nor for any liability due to delay, loss or damage which occurs while Goods are in the custody or control of any such Third Party or agent thereof.

## **8. Indemnification/Hold Harmless.**

The Customer agrees to indemnify, defend, and hold the Company harmless from, and to pay and reimburse company for, any claims and/or liability, fines, DAMAGES, penalties and/or attorneys' fees ("**DAMAGES**") which the Company may hereafter incur, suffer or be required to pay THAT ARISE OUT: (i) OF ANY NEGLIGENCE OR WILLFUL MISCONDUCT BY customer, ITS EMPLOYEES, AGENTS, OR OTHER REPRESENTATIVES (INCLUDING, BUT NOT LIMITED TO, PROVISION TO company OF ANY INACCURATE, INCOMPLETE, OR ERRONEOUS INFORMATION); (ii) BREACH OF THESE CONDITIONS BY customer; (iii) company'S EXECUTION OF customer'S INSTRUCTIONS OR RELIANCE ON INFORMATION PROVIDED BY customer; or (iv) BREACH OF ANY APPLICABLE LAW, RULE, CONVENTION OR REGULATION, BY customer. The foregoing obligations shall not apply to the extent any Damages result from the negligence, gross negligence, recklessness or intentional misconduct of company. In the event that any claim, suit or proceeding is brought against the Company, it shall give notice in writing to the Customer by mail at its address on file with the Company.

## **9. Pricing, Billing and Payment.**

Estimates and quotations as to fees, rates of duty, freight charges, insurance premiums or other charges given by the Company to the Customer are for informational purposes only and are subject to change without notice. Compensation paid by Customer to Company shall include the rates and charges of all carriers and Third Parties performing services with respect to the goods. All such amounts are due to Company in advance unless Company determines, in its sole discretion, to grant Customer credit. The granting of credit shall not be considered under any

circumstances a waiver of this provision. When goods are accepted or dealt with upon instructions to collect freight, duties, charges or other expenses from the consignee or any other person the Customer shall remain responsible for the same if they are not paid by such consignee or other person immediately when due. Company shall have no liability if any bank or consignee refuses to pay for the shipment or if payment is collected via the wrong method. All charges are due without offset no later than 30 days of the date of Company's invoice. Any payment which is past due shall be subject to an additional charge of one and 1.5% per month of the outstanding balance due or the maximum interest rate permitted by applicable law, whichever is less, together with all collection costs, including reasonable attorney fees, incurred by Company. The Company shall have a general lien on all goods and documents relating to goods in its possession, custody or control for all monies owed to Company.

#### **10. Insurance.**

Customer acknowledges and agrees that Third Parties to whom the goods are entrusted may limit liability for loss or damage. Unless requested to do so in writing and confirmed to Customer in writing, Company is under no obligation to procure insurance on Customer's behalf. Customer shall pay all premiums and costs in connection with procuring requested insurance. All insurance procured by the Company is subject to the usual exceptions and conditions of the policies of the insurance company or underwriters taking the risk. Customer is responsible for reading and understanding the terms of any insurance policy obtained on its behalf. Company makes no warranty as to the suitability of any particular insurance policy for Customer's purposes. Customer acknowledges and agrees that Company is not in the business of providing or arranging insurance coverage.

#### **11. Liberties.**

(A) No date for completion is fixed and in particular but without prejudice to the generality of the foregoing the Company accepts no responsibility for departure or arrival dates or times.

(B) The Company shall not be obliged to arrange for the goods to be carried, stored or handled separately from other goods, except under special arrangements previously made in writing.

(C) If at any stage in any transaction the Company should reasonably consider that there is good reason in the Customer's interests to depart from any of the Customer's instructions, the Company shall be permitted to do so and shall not incur any additional liability in consequence of the doing.

(D) If at any time, events or circumstances come to the attention of the Company which in the opinion of the Company make it wholly or in part impossible or impracticable, commercially or otherwise, for the Company to perform for any reason, the Company may use any other method available at its discretion and all charges and/or expenses incurred in using such method shall be for the Customer's account. Company shall endeavor where practical to inform the Customer of such events or circumstances and seek further instructions.

#### **12. Limitations of Liability.**

Company assumes no liability for loss, damage, or delay of this shipment, except to the extent that such is directly and proximately caused by the negligence or willful misconduct of Company. By special arrangement previously agreed in writing by a director or officer of Company may accept liability in excess of the limits set out below upon the Customer agreeing to pay the Company's additional charges for accepting such increased liability. Details of the Company's additional charges will be provided upon request. Subject to clause 2 above and the provisions of 19 C.F.R. 111.44:

(A) The Company's liability howsoever arising and notwithstanding that the cause of loss or damage be unexplained shall not exceed: (i) In the case of claims for loss or damages to goods (including loss or damage due to

unreasonable delay) whichever shall be the lower of: (a) The value of any goods lost or damaged, or (b) The sum of \$[100] per shipment; and (ii) In the case of all other claims (including claims relating to customs business) whichever shall be the lower of: (a) The value of the goods the subject of the relevant transaction between the Company and its Customer, or (b) The sum of \$[100] per occurrence.

For the purposes of the above, the value of the goods shall be their value at the place and time they are delivered or should have been so delivered to the consignee in accordance with the relevant transaction between the Company and the Customer.

(B) The Company's sole liability arising from or relative to delay in the pick-up or delivery of goods shall be for or related to failure to deliver or arrange delivery of goods in a reasonable time if such failure causes loss or damage to the goods.

(C) IN NO EVENT WILL COMPANY BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL, INDIRECT OR PUNITIVE DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS OR BUSINESS INTERRUPTION, REGARDLESS OF WHETHER COMPANY WAS AWARE OF THE POSSIBILITY OF SUCH DAMAGES.

(D) Third Parties, to whom goods are entrusted, may limit liability for loss or damage, and the Customer agrees that it is bound by such limitations. The Company will request excess valuation coverage from such third parties only upon specific written instructions from the Customer that are received by the Company at least seventy-two (72) hours prior to scheduled pick-up. The Customer agrees that it will be solely responsible for the charges associated therewith, and that failure to pay such charges timely may result in lack of such coverage. In the absence of written instructions or the refusal of the Third Party to agree to a higher declared value, at the Company's discretion, the goods may be tendered to the third party subject to the otherwise applicable limitation of liability without any additional liability on the Company.

### **13. Claims Filings.**

(A) The Customer agrees to make any claim against the Company in writing and without delay. In the event of delay in presentation of a claim causing prejudice to the Company, the Company shall be relieved of all and any liability in respect of such claim. Without prejudice to the generality of the foregoing, the Company shall be relieved of all and any liability in respect of any claim that is subject to these Conditions if such claim is not presented in writing and received by the Company within sixty (60) days of the event giving rise to claim.

(B) Any assistance that Company provides for Customer in relation to the filing, handling or administration of any type of claim shall itself be deemed a service hereunder, and Company's liability, if any, for providing that service shall be subject to the exclusions and limitations contained in the Conditions. The Company shall be discharged of all liability whatsoever howsoever arising in respect of any service provided for the Customer or which the Company has agreed to provide unless suit be brought and written notice thereof given to the Company within one (1) year from the date of any event or occurrence alleged to give rise to the underlying claim or any cause of action against the Company.

### **14. General Average.**

The Customer hereby indemnifies the Company in respect of any claim of a general average nature which may be made on it and shall provide such security as may be required by the Company in this connection.

### **15. Refused and Undeliverable Goods.**

(A) If delivery of any goods is not taken at the time when and the place where the Company is entitled to call upon such person to take delivery thereof, the Company shall be entitled to store the goods and issue, or have issued by a Third Party, a warehouse receipt for those goods. The Company shall also be entitled to issue a warehouse receipt when, at the time the goods are received, the Company is unable to issue a bill of lading for any carriage due to the lack of shipping instructions or for any other reason. The cost of storage of the goods and of transportation to and from the warehouse, if provided by, paid for or payable by the Company or any agent or subcontractor of the Company shall be paid by the Customer or Owner to the Company.

(B) After notifying the Customer, the Company may require payment of any charges and removal of the goods from the storage after the notice is given.

### **JURISDICTION AND APPLICABLE LAW**

16. These conditions, and any act or contract to which they apply, shall be governed by applicable Federal law of the United States and by the law of the State of New Jersey and any dispute arising out of any such act or contract shall be within the exclusive jurisdiction of the federal or state courts servicing New Jersey without giving consideration choice of law principles thereof. Customer and Company hereby irrevocably consent to those courts' jurisdiction; agree that any action relating to the services performed by Company shall only be brought in said courts; consent to the exercise of in personam jurisdiction by said courts over it; and further agree that any action to enforce a judgment may be instituted in any jurisdiction.

## **PRIORITY AIR EXPRESS, LLC**

### **(“Patheon Logistics”)**

#### **U.S. AND CANADA TERMS AND CONDITIONS**

These U.S. Terms and Conditions apply to any Shipment moving entirely via surface transportation that: (i) originates in and is destined for the United States (“U.S.”) or any U.S. territory, possession, or commonwealth thereof; or (ii) is transported between any point in Canada and any point in the U.S., regardless of whether the origin is in the U.S. or Canada. For terms applicable to other services, please see [www.patheonlogistics.com](http://www.patheonlogistics.com).

1. **Definitions.** The following definitions apply to both sides of this waybill (“**waybill**”): “**Patheon Logistics**” refers to Priority Air Express, LLC (“**PAE**”) and also to Distribution Solutions International, Inc. (“**DSI**”) and each of their respective employees or agents. “**Shipment**” means all pieces that are tendered to and accepted by Patheon Logistics on a single waybill. “**Shipper**” means the party requesting services from Patheon Logistics, the consignor, the consignee, and contractor or agent of any such party that requests services by Patheon Logistics, and any other



third party with an interest in any Shipment. The term “**Conveyance**” means any aircraft, truck, trailer, or intermodal transport container while in the ordinary course of transit by land or air.

2. **Agreement to Terms.** Rights and obligations under these Terms and Conditions will be determined on a Shipment by Shipment basis. In no event will PAE and DSI be liable for the acts or omissions of the other, or otherwise jointly and severally liable with respect to services under these Terms and Conditions. In tendering this Shipment, Shipper agrees to all Terms and Conditions herein. Except to the extent a signed contract in effect between Shipper and Patheon Logistics on the date of physical tender of a Shipment for transportation hereunder expressly supersedes these Terms and Conditions, these Terms and Conditions apply to any services provided or arranged by Patheon Logistics with respect to any Shipment otherwise subject to these Terms and Conditions regardless of whether a form of waybill, bill of lading, or other transportation documentation not including these Terms and Conditions is used with respect to a particular Shipment. Rates for Patheon Logistics’ services under this waybill shall be as set forth in: (a) a rate quote provided by Patheon Logistics to Shipper, which quote shall be conclusively presumed to be accepted by Shipper upon tender of a Shipment to which the quote applies; or (b) unless superseded by a rate quote specific to the Shipment in question, Patheon Logistics’ then-current pricing schedule or similar documentation maintained by Patheon Logistics, which documentation is available for inspection at Patheon Logistics’ offices, a copy of which shall be supplied upon request.
  
3. **Performance of Transportation Services.** Shipper hereby acknowledges and agrees that Patheon Logistics will not directly transport Shipments and that Patheon Logistics, as a freight forwarder or property broker, will arrange with underlying service providers, including, but not limited to, surface carriers, air carrier, property brokers, freight forwarders, and other third parties to provide or arrange for transportation under this Agreement. Except as otherwise set forth herein, any third-party used by Patheon Logistics to perform any services under this Agreement including, but not limited to, any carriage covered by waybill or similar document, will be entitled to all limitations and exclusions to and from liability and all other protections to which Patheon Logistics is entitled pursuant to this Agreement. Shipper acknowledges and agrees that when Patheon Logistics arranges Shipments moving via all-ground transportation where Patheon Logistics has arranged for service with the motor carrier with the intent that the motor carrier transporting the Shipment in question will provide exclusive use of the Conveyance to Patheon Logistics, regardless of whether such Conveyance is used to transport multiple Shipments being arranged by Patheon Logistics (hereinafter, an “**Exclusive Use Shipment**”), Patheon Logistics shall be deemed to be operating as a property broker and not a freight forwarder. Days in transit/service level offerings on the face hereof refer to regular business days excluding weekends and holidays. If Shipper does not designate a service level, Patheon Logistics is free to select the service level in its sole discretion.
  
4. **Completion of Waybill, Packaging, and Other Requirements.** Shipper certifies and represents to Patheon Logistics that the information inserted on the face of the waybill is complete and accurate. Shipper warrants and certifies, with respect to each package in this Shipment, that the

contents of this consignment are fully and accurately described on the waybill by the proper shipping name, and are classified, packaged, marked, and labeled/placarded, and are in all respects in proper condition for transport according to applicable laws, rules, regulations, conventions and industry standards. Shipper hereby declares that all of the applicable transport requirements have been met. If Shipper wishes to tender cargo requiring special care or handling, including, but not limited to, Shipments requiring temperature control, Shipper must give written notice of Patheon Logistics of such requirements and must obtain the written acknowledgment of Patheon Logistics to comply with such instructions prior to physical tender of the Shipment. Patheon Logistics shall have no obligation to comply with any special handling instructions unless acknowledged in writing prior to pick-up of the Shipment. With respect to Shipments requiring temperature control, Shipper shall provide Patheon Logistics with appropriate temperature ranges (stated in degrees Celsius) and shall ensure that the Shipment is at the appropriate temperature at the time of tender. Patheon Logistics reserves the right to reject any Shipment for any reason whatsoever, including but not limited to, safety or security concerns.

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5. **Hazardous Materials/Dangerous Goods.** Shipper shall limit all packages containing hazardous materials/dangerous goods to the materials and quantities authorized for transportation under the U.S. Department of Transportation (“**USDOT**”) hazardous materials transportation regulations (49 C.F.R. Parts 171, 172, and 173) and the current edition of the International Air Transport Association (“**IATA**”) Dangerous Goods Regulations (together “**HM/DG Regulations**”). Shipper shall also ensure, and Shipper hereby certifies, that, before tendering any Shipment containing hazardous materials/dangerous goods to Patheon Logistics, the contents of this consignment are fully and accurately described on the shipping papers by proper shipping name; are not prohibited for transport by the HM/DG Regulations; and are properly classified, packaged, marked, and labeled, and in proper condition for carriage by air as required by the HM/DG Regulations. Shipper hereby declares that all of the applicable transport requirements have been met. This Paragraph shall apply regardless of the routing or transportation mode by which the Shipment is transported.

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6. **Custody.** Patheon Logistics’ care, custody, and control over the Shipment shall commence when the Shipment is received by Patheon Logistics or its subcontractor, and shall terminate when delivered to the consignee, owner or any other party entitled to receive the Shipment or to such other destination as Shipper may designate.

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7. **Liabilities Not Assumed.** PATHEON LOGISTICS SHALL NOT BE LIABLE IN ANY EVENT FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS, INCOME, INTEREST, UTILITY, OR LOSS OF MARKET, WHETHER OR NOT PATHEON LOGISTICS KNEW OR HAD REASON TO KNOW THAT SUCH DAMAGES MIGHT BE INCURRED. Patheon Logistics does not guarantee pick up, transportation, or delivery by a stipulated date or a stipulated time. Except as otherwise expressly provided in these Terms and Conditions, in no event will Patheon Logistics be liable for delay in pick-up or delivery of a Shipment.

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8. **Declared Value and Limitation of Liability.** In consideration of the service level and/or rates offered for any Shipments tendered for transit by air and/or ground transportation, and without regard to whether such shipment actually moves, in whole or in part, by air or ground, Shipper agrees that its primary recovery will be directly against the underlying carrier, which carrier may limit its liability, and that Patheon Logistics shall only be liable for loss or damage, including damage caused by unreasonable delay, to any Shipment or any part thereof, resulting directly and proximately from its negligence or intentional misconduct. Patheon Logistics' liability for any loss or damage to the Shipment is limited to the lesser of Shipper's actual damages or fifty U.S. cents (U.S. \$0.50) per pound per package subject to a maximum liability of fifty U.S. dollars (U.S. \$50.00) per Shipment. Without in any way limiting the foregoing, with respect to any Shipment that is not an Exclusive Use Shipment, Shipper may request that Patheon Logistics accept additional liability. In order to make such a request, Shipper must notify Patheon Logistics at the time Patheon Logistics is first requested to arrange transportation of the Shipment that declared value is being requested, in which case, Shipper shall provide Patheon Logistics with requested information and shall be responsible for paying additional applicable charges to Patheon Logistics. Patheon Logistics limits such requests to \$250,000.00 (U.S. Dollars). For declared value in excess of \$250,000.00 (U.S. Dollars), Shipper must contact Carrier with an email or phone call (800-257-4777) at least ninety-six (96) hours prior to scheduled departure in order to request such additional liability. If Patheon Logistics responds to such request in writing with a quote for additional fees, and Shipper pays such fees, then Patheon Logistics' liability shall be for the full amount of such declared value. If Shipper declares value in excess of \$250,000.00 (U.S. Dollars) on the face of the waybill, but does not follow the steps set forth above, or does not receive a written acknowledgement from Patheon Logistics of Patheon Logistics' agreement to accept such additional liability, then Shipper's recovery will be capped at \$250,000.00 (U.S. Dollars) assuming all applicable charges and fees have been paid. In instances where Shipper has properly declared value, Patheon Logistics' liability shall be the lesser of the declared value or the replacement value of the Shipment. With respect to each Exclusive Use Shipment, Patheon Logistics shall be deemed to be acting as a property broker. When arranging for transportation of an Exclusive Use Shipment, Patheon Logistics will tender such shipments to motor carriers that agree to be liable for cargo loss or damage pursuant to the Carmack Amendment as currently codified at 49 U.S.C. § 14706, and will arrange for transportation with carriers that agree to accept liability for the replacement full value of such Shipment subject to a maximum liability of \$100,000.00 per Exclusive Use Shipment, except that with respect to any Exclusive Use Shipment moving to, from or within Canada, Patheon Logistics will arrange with carriers to accept liability for the lesser of the full replacement value, \$2.00 (Canadian) per pound. If Shipper wishes to declare additional value with respect to any such Exclusive Use Shipment, Shipper must notify Patheon Logistics at the time Patheon Logistics is first requested to arrange transportation of the Shipment that declared value is being requested. Patheon Logistics will have no obligation to arrange for such declared value with respect to an Exclusive Use Shipment unless it expressly agrees to do so in writing in response to Shipper's request. If Patheon Logistics agrees to arrange for declared value with respect to an Exclusive Use Shipment, Patheon Logistics will use reasonable efforts to arrange for transportation with an underlying carrier that agrees to such declared value and Shipper will be solely responsible for all additional charges imposed by the underlying motor carrier, which charges will be included in Patheon Logistics' invoice.

9. **Claims.** The following provisions shall apply to all claims for loss, damage, or delay. Patheon Logistics shall be given notice of any claim for loss, damage or delay with respect to Shipments moving, at any time, by air, in writing within fourteen (14) calendar days after the delivery of the Shipment or, for claims moving solely via-ground transportation, within thirty (30) calendar days after delivery of the Shipment. The notice of claim shall include complete consignor and consignee information, the waybill reference number, the date of the Shipment, the number of pieces, and the Shipment weight. Failure to provide Patheon Logistics with notice in the manner and within the time limits set forth herein shall result in the claim being denied. Patheon Logistics is not obligated to act on any claim until all transportation charges have been paid and claims will not be offset from any amounts owed to Patheon Logistics. All of the original shipping containers, packing, packages, and contents shall be available for Patheon Logistics' inspection and retained until the claim is resolved. Except as otherwise provided for herein, receipt of the Shipment by the consignee without written notice of damage on the waybill or delivery receipt shall be considered to be prima facie evidence that the Shipment was delivered in good condition. For claims involving concealed damage not discovered at the time of delivery, if Patheon Logistics is notified of such loss or damage more than three (3) days after the date of delivery, there will be a presumption that such loss or damage occurred subsequent to delivery. Under no circumstances shall Patheon Logistics be liable for loss, damage, or delay to the external shipping containers used in the transportation of the Shipment. Any lawsuit to enforce a claim shall be brought against Patheon Logistics within one (1) year from the date of Patheon Logistics' denial of all or any part of Shipper's claim. The failure of Shipper to comply with the notice provisions specified herein shall be an absolute bar to any such lawsuit filed against, or liability of, Patheon Logistics.
10. **Non-Delivery.** In the event of the failure or inability of the consignee to take delivery of the Shipment, Patheon Logistics shall notify Shipper in writing at the address shown on this waybill and request disposition instructions. If Shipper fails to provide disposition instructions within five (5) calendar days after the date of Patheon Logistics' notice, Patheon Logistics may, in its sole discretion, return the Shipment to Shipper at Shipper's expense and charges associated with such return shall be subject to Patheon Logistics' lien.
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11. **Force Majeure.** Patheon Logistics shall not be liable for failure to perform, loss, damage, delay or monetary loss of any type caused by: Acts of God; public authorities acting with actual or apparent authority; strikes; labor disputes; weather; mechanical failures; aircraft failures; civil commotions; acts or omissions of customs or quarantine officials; the nature and inherent vice of the freight or any defects thereof; public enemies; hazards incident to a state of war; acts of terrorism; any other matters beyond Patheon Logistics' reasonable control, or by acts, defaults or omissions of Shipper, or Shipper's failure to comply with the obligations set forth in, or incorporated into, these Terms and Conditions.
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12. **Routing, Means of Transportation and Cargo Liability Limitations.** Patheon Logistics shall have the right to, for any reason, (a) substitute alternate carriers or other means of transportation (including all ground transportation) and (b) select the routing or deviate from that shown on the face hereof. Shipper expressly waives all rights and remedies it may have as to Patheon Logistics and its subcontractor motor carriers under 49 U.S.C. Subtitle IV, Part B to the extent such rights and remedies conflict with these Terms and Conditions as permitted by 49 U.S.C. § 14101(b)(1), and Shipper hereby agrees to the cargo liability standards and limitations set forth in these Terms and Conditions as to such motor carrier Shipment.
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13. **Rates and Charges.** The Shipper and the consignee shall be liable jointly and severally liable for all unpaid charges payable on account of this Shipment pursuant to this waybill and to pay or indemnify Patheon Logistics for claims, fines, penalties, damages, costs (storage, handling, reconsignment, return of freight to Shipper, etc.) or other sums which may be incurred by Patheon Logistics by reason of any violation of these Terms and Conditions or any other default of Shipper or consignee or their agents. All invoices not paid in full within thirty (30) days of invoice date shall be subject to a charge of one and one-half percent (1-1/2%) per month, together with all collection costs incurred by Patheon Logistics, including attorney fees. Rates and charges for this Shipment shall be based on actual or dimensional weight, whichever is greater.
14. **Lien.** Patheon Logistics shall have both a general and specific lien on any and all documents and Shipments under Patheon Logistics' actual or constructive possession or control for monies owed to Patheon Logistics with regard to the Shipment on which the lien is claimed, prior Shipment(s) or both. In the event Patheon Logistics exercises its lien it shall notify Shipper of the exact amount of monies due and owing by Shipper. Patheon Logistics shall also notify Shipper of all storage and continuing charges accruing on Shipments subject to carrier's lien. Patheon Logistics may refuse to surrender possession of the Shipment(s) until such charges are paid. Patheon Logistics shall release its lien upon receipt of payment by Shipper of the total amount due. In the event Shipper does not satisfy Patheon Logistics' lien within fifteen (15) days of Patheon Logistics' exercise of the lien, Patheon Logistics shall have the right, but not the obligation, to sell such Shipment(s) at public or private sale or auction without further notice to Shipper.
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15. **Shipper's Indemnities.** SHIPPER SHALL INDEMNIFY, DEFEND, PAY, REIMBURSE, AND HOLD PATHEON LOGISTICS, INCLUDING ITS AFFILIATE, PARENT AND SUBSIDIARY ENTITIES AND EACH OF THEIR DIRECTORS, OFFICERS, SHAREHOLDERS, EMPLOYEES, AGENTS AND OTHER REPRESENTATIVES, HARMLESS FROM AND AGAINST ANY BREACH OF SHIPPER'S OBLIGATIONS UNDER THESE TERMS AND CONDITIONS AND ANY AND ALL CLAIMS (INCLUDING CLAIMS FOR PERSONAL INJURY, DEATH OR DAMAGE TO PROPERTY), LIABILITIES, LOSSES, DAMAGES (INCLUDING REASONABLE ATTORNEY FEES), AND OBLIGATIONS ASSERTED AGAINST PATHEON LOGISTICS BY ANY THIRD PARTY THAT ARISE OUT OF ANY NEGLIGENCE OR WILLFUL MISCONDUCT BY SHIPPER, ITS EMPLOYEES, AGENTS, OR OTHER REPRESENTATIVES (INCLUDING, BUT NOT LIMITED TO, PROVISION TO PATHEON LOGISTICS OF ANY INACCURATE, INCOMPLETE, OR ERRONEOUS INFORMATION) BREACH OF THESE TERMS AND CONDITIONS BY SHIPPER, PATHEON LOGISTICS' EXECUTION OF SHIPPER'S INSTRUCTIONS OR RELIANCE ON INFORMATION PROVIDED

BY SHIPPER, OR BREACH OF ANY APPLICABLE LAW, RULE, CONVENTION OR REGULATION, BY SHIPPER.

16. **Dispute Resolution and Governing Law.** These terms and the services provided by Patheon Logistics under this waybill shall be governed by and subject to the applicable federal law of the United States and by the laws of the State of New Jersey, without regard to the choice-of-law rules of New Jersey or any other state. SHIPPER AND PATHEON LOGISTICS AGREE THAT ANY CLAIM OR DISPUTE ARISING FROM OR IN CONNECTION WITH THIS AGREEMENT, WHETHER UNDER FEDERAL, STATE, LOCAL, OR FOREIGN STATUTES, REGULATIONS, OR COMMON LAW, SHALL BE BROUGHT EXCLUSIVELY IN THE STATE OR FEDERAL COURTS SERVING THE STATE OF NEW JERSEY. SHIPPER AND PATHEON LOGISTICS HEREBY CONSENT TO THE JURISDICTION OF SUCH COURTS. In the event Shipper files an action against Patheon Logistics, Shipper hereby consents to any Patheon Logistics-instituted transfer of such action to any other venue in which Patheon Logistics is a party or subsequently becomes a party to an action concerning loss, damage or delay to the cargo that is the subject of Shipper's action. Should Patheon Logistics successfully defend itself or any legal actions brought by any party with an interest in this Shipment, Patheon Logistics shall be entitled to reimbursement by Shipper for reasonable attorney fees and costs.
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17. **Cargo Security Requirements.** Shipper acknowledges that Patheon Logistics, like all indirect air carriers, is required by the Transportation Security Administration of the U.S. Department of Homeland Security ("TSA") to maintain an air cargo security program. **If Shipper is acting as an agent, authorized representative, broker, carrier, or other freight intermediary for any other person or entity,** Shipper shall disclose that fact to Patheon Logistics and shall assist Patheon Logistics in complying with the TSA requirements by enabling Patheon Logistics to obtain any necessary documents from, or otherwise qualify, such other person or entity. **As required by TSA regulations (49 C.F.R. § 1548.9(b)), Shipper hereby consents to a search or inspection of the cargo, including screening of the cargo.** If Shipper, as the person who originates and tenders cargo for air transportation or as such person's representative, is an individual (natural person), such person shall advise Patheon Logistics of that fact, and Patheon Logistics shall, if required by law, provide Shipper or such person with a Privacy Act Notice.