

Ace Forwarding, Inc.

MC# 307158

TERMS AND CONDITIONS GOVERNING

RULES, REGULATIONS AND

SCOPE OF OPERATIONS

This Agreement Applies to Foreign, Interstate and

Intrastate Traffic. EFFECTIVE: January 1, 2022

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OVERVIEW

The Terms and Conditions contained herein constitutes a contract which binds all parties that hire Ace Forwarding, Inc. ("ACE FORWARDING") to perform the transportation services described herein, as well as any other services performed by ACE FORWARDING or its affiliates, successors, and assigns ("Agreement"). All parties that engage ACE FORWARDING are presumed to have read, understand and agreed to the Agreement.

SECTION 1 – GENERAL TERMS AND CONDITIONS

ITEM 100 UPDATES TO AGREEMENT

When this Agreement is amended, all shipments accepted by ACE FORWARDING after the amendment are subject to the revision. The current Agreement is available by request or at the ACE FORWARDING's website at www.aceforwarding.com. The party that hires ACE FORWARDING understands and agrees that it is responsible for inquiring about any rate, quotation or information that is not contained in this Agreement.

ITEM 105 APPLICATION OF AGREEMENT

Each provision of this Agreement shall apply to each transportation agreement entered into by ACE FORWARDING unless expressly waived in a signed, written agreement. The use of the term "shipper" or "Shipper" in this Agreement shall be construed broadly to include those parties that hire ACE FORWARDING to perform motor carriage or the arrangement of transportation services (both domestic and international), or benefit from the services provided by ACE FORWARDING, regardless of whether such party holds a beneficial interest in the goods.

ITEM 110 INTERPRETATION OF THIS AGREEMENT

ACE FORWARDING retains the right to modify this Agreement at any time without prior written notice. No provision of this Agreement may be altered or amended orally, and any deviation from this Agreement must be in writing and agreed to by an Authorized Officer of ACE FORWARDING (see Item 120). The version of this Agreement in effect at the time of the acceptance of the shipment will apply to the shipment. The terms of pricing agreements or contracts issued, agreed to, or published by the ACE FORWARDING authorized personnel supersede any and all verbal or other agreements made by unauthorized or authorized personnel and may not be modified except by written amendment approved by an authorized official.

ITEM 120 CONTRACTS AND AUTHORITY OF COMPANY PERSONNEL

Only Authorized Officers (as defined herein) have authority to enter into agreements; alter existing agreements; approve rates or pricing; approve deviations from published, contractual, or agreed rates or pricing; approve adjustments to freight bills or invoices; or take any other action to bind ACE FORWARDING to contractual terms and conditions. Expressly authorized officers are ACE FORWARDING personnel with the title of President, or any higher title. Terminal managers, dispatchers, drivers, sales personnel, and other personnel without the title of President or any higher title are not authorized personnel.

ITEM 130 FOREIGN, INTERSTATE AND INTRASTATE SERVICE REQUESTS

The rules set forth in this Agreement shall apply to all shipments handled by ACE FORWARDING regardless of the origin or destination.

ITEM 140 REGULATED VS. EXEMPT

The rules set forth in this Agreement shall apply to shipments exempt from economic regulation as well as shipments subject to the jurisdiction of the Federal Motor Carrier Safety Administration. Liability for loss, damage and delay shall be governed by 49 U.S.C. §14706 (the Carmack Amendment) or, where applicable, by the Montreal Convention.

ITEM 150 WAIVER

ACE FORWARDING's failure to enforce the terms of this Agreement shall not be a waiver of ACE FORWARDING's rights to do so in the future. Any deviation from the terms of this Agreement or failure to enforce the terms of this Agreement shall not constitute a waiver of the right to enforce such terms in the future, nor shall any course of dealing or course of performance thereby arise.

ITEM 160 HOLIDAYS

The term "holiday" means New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day or any other day generally observed as a holiday by ACE FORWARDING at the point where the service is performed.

ITEM 170 RATES AND SCHEDULES

The rules published herein are applicable to all shipments transported or arranged by ACE FORWARDING. Rates and schedules may be published herein, on a shipper specific basis or pursuant to a rate confirmation sheet, email or form prepared by ACE FORWARDING. The higher rate in a rate confirmation sheet, email or form issued by ACE FORWARDING will take precedence over the rates herein. Quoted rates (which are those rates issued in an email, rate confirmation sheet or ACE FORWARDING form) are rates based on those facts concerning the shipment which are made known to ACE FORWARDING shipment. It must be disclosed to ACE FORWARDING if shipment is destined to a prison, hospital, school, institution, or any other non-industrial building, as well as residential locations.

Rates and service quotations are good faith estimates based upon the information provided to us, but final rates and service may vary based upon the shipment actually tendered, unknown circumstances, incorrect or incomplete information, and the terms and conditions of ACE FORWARDING's third party service providers. If additional services are requested (whether for air, brokerage, or motor carrier service), applicable accessorial charges will be added to the quoted amount.

Unless a higher limit of liability is elected by shipper in accordance with Item 400, ACE FORWARDING's maximum liability will be as set forth in ITEM 435.

ITEM 175 MILEAGE

Mileage, unless otherwise provided by ACE FORWARDING at the time service is quoted, is determined by TMS and Google Maps.

ITEM 180 FREIGHT-FORWARDER

ACE FORWARDING is a freight-forwarder pursuant to Docket No. FF-9243 and indirect air carrier. ACE FORWARDING arranges transportation with shippers and brokers, and routinely contracts with air, rail and motor carriers (collectively "carriers") to transport shipments in intrastate and interstate commerce. Please see Item 200 for more information.

ITEM 185 ARBITRATION

This Agreement shall be deemed to have been drawn in accordance with the statutes and laws of the State of Michigan. All claims and disputes, whether in contract, tort or otherwise, arising out of, relating to or pertaining to this Agreement or the interpretation, breach, enforcement or subject matter thereof, that cannot be settled by mutual agreement of the parties shall be submitted to arbitration by one (1) arbitrator in Wayne County, Michigan, conducted by the Transportation Arbitration Association, in accordance with its rules then in effect under the laws of the state of Michigan. All claims for arbitration under this Agreement must be brought in the party's individual capacity and not as a plaintiff or class member in any purported class, collective action, or representative proceeding. The arbitrator may not consolidate the claims, and may not otherwise preside over any form of a representative or class proceeding. Judgment upon any Arbitration award may be entered in any court of any state or county or application may be made to such court through judicial acceptance of the award or determination and on order of enforcement, as the law of the jurisdiction may require or allow. THE PARTIES TO THIS AGREEMENT HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY OR AGAINST EACH OTHER ON, OR IN RESPECT OF, ANY MATTER ARISING OUT OF, RELATING TO OR PERTAINING TO THIS AGREEMENT, OR THE INTERPRETATION, BREACH, ENFORCEMENT OR SUBJECT MATTER THEREOF. The prevailing party in any such arbitration shall be entitled to an award of actual reasonable attorney's fees and costs. The Arbitration award or ADR determination shall be final and no appeal shall be taken by either party. The costs of any such Arbitration shall be borne by the non-prevailing party.

ITEM 190 CHOICE OF LAW

To the extent not governed by federal law, the terms of this Agreement will be governed by the law of the State of Michigan.

SECTION 2 - OPERATIONS

ITEM 200 MOTOR CARRIER OPERATING AUTHORITY

Copies of the FMCSA (Federal Motor Carrier Safety Administration) operating certificate are available upon request.

ITEM 200 ARRANGEMENT OF TRANSPORTATION SERVICE FOR AIR OR MOTOR CARRIER SERVICE

ACE FORWARDING has authority to operate as both an air and motor carrier freight forwarder, which means it can arrange the transportation of freight for compensation by third party air carriers and motor carriers. In the event ACE FORWARDING chooses to handle the shipment as a freight forwarder (i.e. using assets of third party carriers), ACE FORWARDING liability and obligations shall be as a broker and not a carrier. In the event that ACE FORWARDING acts as a broker and is listed on the bill of lading as the motor carrier or Airway Bill, this is for convenience only and is not intended to indicate that it is the carrier. The rates and charges for services provided by third parties will be those issued a quoted rate sheet, plus the fee for ACE FORWARDING's service in arranging the third party service providers. The rates and charges imposed by third party service providers may be different than those reflected in the Terms and Conditions. In the event of a conflict between the rates and charges in the Terms and Conditions and a quoted rate issued by ACE FORWARDING, the higher rate will apply. Notwithstanding the existence of a contract between ACE FORWARDING and carriers, shippers or co-brokers, the terms of this Agreement supersede the terms of conditions of such contracts unless otherwise agreed to in writing by ACE FORWARDING as set forth in Item 120.

ITEM 210 BROKERED AND INTERLINED LOADS

When ACE FORWARDING performs services requested by intermediaries or those other than the beneficial owner of the goods (commonly known as the shipper), the terms of this Agreement will apply. Such parties include but are not limited to logistics providers brokering loads to ACE FORWARDING as well as third party motor carriers interlining shipments to ACE FORWARDING. The existence of a contract between the shipper and the party requesting the services of ACE FORWARDING are expressly disclaimed to the extent they conflict with the terms of this Agreement or purport to extend the liability of ACE FORWARDING. Likewise, any pricing quoted or reflected in such other contracts are expressly disclaimed to the extent they conflict with this Agreement or any Rate Confirmation, email or form issued by ACE FORWARDING.

ITEM 215 BILLS OF LADING

The terms and conditions of ACE FORWARDING's Bill of Lading ("Bill of Lading") shall apply notwithstanding the use by broker, shipper or any logistics coordinator of any other bill of lading or shipping document. A copy of the Bill of Lading will be made available upon request. All services performed by ACE FORWARDING shall be subject to the terms and conditions of the Bill of Lading. The use by broker, shipper or any logistics coordinator of any other bill of lading or shipping document. Continued use of unauthorized bills of lading by any third-party logistics coordinators (including third party motor carriers tender LTL freight to ACE FORWARDING) does not, and will not, constitute an implied acceptance of ratification of ACE FORWARDING. Drivers are not authorized to bind ACE FORWARDING to non-conforming bills of lading or shipping contracts. Any terms, conditions and provisions of such bill of lading shall be subject and subordinate to the terms, conditions and provisions of this Agreement and, in the event of a conflict between the terms, conditions and provisions of such bill of lading and this Agreement, the terms, conditions and provisions of this Agreement shall govern. Where a bill of lading issued by the shipper is signed for by ACE FORWARDING's driver or other unauthorized person(s), that signature acknowledges only receipt of the freight and identifies the entity to which to deliver. Forms signed by drivers are not a contract for the carriage of freight. Continued use of an unauthorized bill of lading or other shipping document (e.g., rate confirmation sheet, transportation agreement, online terms and conditions, or the like) by the shipper will not constitute an implied acceptance by ACE FORWARDING. ACE FORWARDING drivers are not authorized to accept freight for which Section 7 of the bill of lading is executed or to bind the company for other types of nonrecourse language.

ITEM 220 APPOINTMENTS/PICKUP & DELIVERY TIMES

Pick-ups and deliveries will be during customer's normal business hours. "Normal Business Hours" are defined as Monday through Friday between 9:00 AM and 5:00 PM, based on the time of the local delivery service center. "After hours" will be considered if any part of the delivery process extends outside "Normal Business Hours." Appointments will be made at no charge. ACE FORWARDING will not be liable for late deliveries or un-kept appointments. Consignee shall facilitate prompt unloading in the event of missed appointments. When ACE FORWARDING is requested to perform service outside of normal business hours and ACE FORWARDING agrees to perform the services, the quoted rate plus an additional 10% (ten percent) of the quoted rate per shipment will apply (with a minimum of charge of \$15.00).

ITEM 225 DROPPED TRAILERS

ACE FORWARDING may, for the convenience of its customers, drop trailers at a designated location. ACE FORWARDING's customer assumes responsibility for loss of or damage to such trailers until such time as ACE FORWARDING accepts the freight tendered on the dropped trailer. ACE FORWARDING has no liability for loss or damage to freight on a dropped trailer until such time as ACE FORWARDING's driver accepts such freight.

ITEM 230 CONVENIENCE INTERLINING

In order to provide the most efficient, economical service to the shipping public, ACE FORWARDING will utilize the service of the other motor carriers to achieve the transportation service required for tendered shipment, **except** if bills of lading covering tendered shipments are noted by shippers that "convenience interlining not applicable," convenience interlining will not be utilized. Interchange of freight of service will be at points common to the authorized service of ACE FORWARDING. Shipments accorded "convenience interlining" will move on the bill of lading of ACE FORWARDING, and such shipments will be charged for service performed exclusively by ACE FORWARDING. In no event will ACE FORWARDING assume the liability for any loss, damage or claim that occurs in the care, custody or control of another motor carrier.

ITEM 240 PROHIBITED COMMODITIES

ACE FORWARDING will not accept the following commodities for transportation or storage:

- A. Hazardous materials
- B. Empty Cylinders
- C. Empty Drums Containing Residue
- D. Garbage, trash and refuse that includes hazardous waste.
- E. Household goods
- F. Contraband
- G. Artwork
- H. Stocks and bonds
- I. Cash
- J. Jewelry
- K. Items of extraordinary value

Commented [BB1]: Note examples of excluded items. Anything not covered in your cargo insurance policy should also be stated here.

ITEM 245 HAZARDOUS MATERIAL SHIPMENTS

Shipper shall pay all damages, including but not limited to costs associated with the cleanup of shipper's material when such cleanup is the result of shipper's negligence in failing to inform ACE FORWARDING that a shipment constitutes or consists of hazardous materials. Shipper shall release and hold ACE FORWARDING harmless from and against any and all claims resulting from tender of hazardous materials, including bodily injury, death, and property damage claims (including cargo loss and damage).

ITEM 255 IMPRACTICAL OPERATIONS

Nothing in this Agreement requires ACE FORWARDING to perform pick-up or delivery service at any location from or to which it is impracticable, through no fault or neglect of ACE FORWARDING to operate vehicles because of:

- (A) The condition of roads, streets, driveways, or alleys;
- (B) Inadequate loading or unloading facilities; or
- (C) Riots, Acts of God, fire, the public enemy, the authority of law, strikes or labor unrest, the existence of violence, or such possible disturbances as to create reasonable apprehension of danger to person or property.

ITEM 260 INDEMNITY

Except in the event of ACE FORWARDING's negligence, shipper shall indemnify, defend and hold harmless ACE FORWARDING from any and all liabilities, judgments and expenses resulting from any injury or death, loss or destruction to persons or property (excluding cargo): (i) arising out of Shipper's negligent performance under this Agreement, (ii) caused by a material breach of Shipper's obligations hereunder, or (iii) caused by the negligence of shipper, its employees, its agents, or representatives.

In the event a claim results from the joint negligence of the parties, shipper and ACE FORWARDING shall apportion all damages and defense costs between themselves according to the proportion their relative fault contributed to the damages suffered.

ITEM 261 ON-HAND SHIPMENTS

From time to time and for various reasons, freight may be deemed to be "on-hand." Freight will be deemed on-hand with or without notice. When freight is "on-hand" the legal liability of ACE FORWARDING is altered from that of a motor carrier to that of a warehouseman. The procedures which ACE FORWARDING agrees to and will take as a warehouseman involve the use of ordinary care to keep the lading in a safe or suitable place or to store the lading properly. ACE FORWARDING: (a) shall place the lading in public storage, where practical, unless ACE FORWARDING receives contrary disposition instructions from shipper within twenty-four (24) hours, and may offer the lading for public or private sale if disposition instructions are not given by Shipper within ten (10) days of ACE FORWARDING's initial notification to Shipper. In the case of perishable lading, ACE FORWARDING may dispose of the lading at a time and in a manner ACE FORWARDING deems appropriate. Shipper will be responsible for storage costs and reasonable costs ACE FORWARDING incurs in acting as a warehouseman. To the extent any sale or disposal revenues exceed the storage costs and the costs ACE FORWARDING incurs as a warehouseman, ACE FORWARDING shall remit the balance to Shipper. If Shipper gives ACE FORWARDING timely disposition instructions, ACE FORWARDING will use any commercially reasonable steps to abide by such instructions. Shipper will pay ACE FORWARDING's costs and any additional transportation costs ACE FORWARDING incurs in doing so.

ITEM 262 PACKAGING REQUIREMENTS

Where packaging requirements are not otherwise provided by this Agreement or in an agreed writing from ACE FORWARDING under Item 120, the packaging requirements that are the custom and standard in the industry that are sufficient to withstand the rigors of ground transportation will apply. Where packaging requirements are provided in this Agreement, rates provided therewith will apply only when the article or articles are packaged in accordance with such packing requirements, provided, however, that rates subject to such packaging requirements will apply also when the article or articles so packed as required are placed on pallets.

ITEM 263 PACKING OR PACKAGING, BLOCKING, RACKS, STANDARDS OR SUPPORTS

Any temporary blocking, flooring or lining, racks, pallets, standards, stakes or similar bracing, dunnage or support or other commonly used items not constituting a part of the truck when required to protect and make freight secure for shipment, will be furnished and installed at the expense of the Shipper unless ACE FORWARDING has agreed to supply said equipment free of charge.

ITEM 265 PICKUP & DELIVERY SERVICE

Each shipment will include only one pickup and one delivery. Charges must be either paid by the party requesting the service or guaranteed to the satisfaction of ACE FORWARDING prior to pick-up or delivery service. When ACE FORWARDING is unable to pick up a scheduled appointment due to inaccurate information supplied to ACE FORWARDING, the below minimum rates will apply. When ACE FORWARDING is unable to deliver a scheduled appointment due to inaccurate information supplied to ACE FORWARDING, the below minimum rates will apply. ACE FORWARDING reserves the right to refuse pick up or deliver until fees are paid in advance.

Inter-US Truckload Rates

Vehicle Type:	Minimum charge
Cargo/Sprinter Van:	\$175
24' Straight Truck	\$250
24' Straight Truck Tandem	\$350
Dry Van	\$500

Border Crossing Truckload Rates

Vehicle Type:	Minimum charge
Cargo/Sprinter Van:	\$219
24' Straight Truck	\$313
24' Straight Truck Tandem	\$438
Dry Van	\$625

ITEM 270 RIGHT TO OPEN/INSPECT

ACE FORWARDING reserves the right to open/inspect any freight which has been accepted for shipment, including loads that have been sealed.

ITEM 273 SERVICE STANDARDS

ACE FORWARDING does not offer guaranteed service on any shipments. On all shipments, freight will be delivered upon reasonable dispatch. Appointment times and notations such as "must deliver by" on the bill of lading are insufficient to alter the reasonable dispatch standard.

ITEM 275 SHIPPER LOAD & COUNT

All shipments shall be loaded by the consignor and unloaded by the consignee. ACE FORWARDING's drivers are instructed to sign bills of lading as shipper load and count or "SLC". Inadvertent omission of this notation will not result in a presumption of ACE FORWARDING liability for shortage or damage (in the absence of upset or accident) where the driver was either not present or not allowed to observe the loading and unloading.

ITEM 280 SUBSTITUTED SERVICE

For its operating convenience, ACE FORWARDING reserves the right to hire other carriers as qualified subcontractors to provide all or part of given movements. ACE FORWARDING agrees to protect the rates set forth herein when substituted services are provided and warrants that all terms, conditions, duties and obligations owed to shipper by this Agreement, bill of lading, and/or contract will be provided.

ITEM 285 WEIGHTS

The charge for a shipment is the applicable rate for each article multiplied by the actual or billed weight of the article. Weights include pallets or other shipping materials.

ITEM 290 EQUIPMENT

- (1) No shipper or receiver will have the right to the exclusive use of equipment. ACE FORWARDING will determine the utility of its equipment in relation to the customer's need.
- (2) ACE FORWARDING's equipment is controlled and operated by ACE FORWARDING's employees and owner operators only. Any other use or operation, without specific written authorization is expressly prohibited.

SECTION 3 – ACCESSORIAL CHARGES

NOTE: Accessorial services may be performed by contractors or other outside vendors who are not employed by ACE FORWARDING. ACE FORWARDING is not liable for the performance of these outside parties.

ITEM 300 ACCESSORIAL CHARGES—GENERAL

ACE FORWARDING reserves the right to bill and collect accessorial charges from the Consignor or Consignee which incurred those charges, whether such rates are those of ACE FORWARDING or its vendors or contractors. Rates and charges are subject to change. In the event of conflict between rates quoted and rates published by ACE FORWARDING in this Agreement, the higher rate and charge will apply.

Service Terms and Charges

Minimum Charge	\$000 per shipment, except if noted otherwise on another specific rate page related to this publication or as follows (for purposes of this accessorial charge, the states of CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI and VT shall be defined as "Northeast States"): * Outbound from FL will be \$000 per shipment. * Outbound from Northeast States will be \$000 per shipment. Intra Northeast states will be \$ per shipment
Impractical Operations	\$000 per mile exceeding shortest route plus fuel surcharge
Detention – Without Power	See Item 310
Detention – With Power	See Item 320
Reconsignment or Diversion	\$000 subject to stop-in-transit rules
Non Permitted Use of Equipment	Utilization of equipment, which does not strictly comply with the intended use between ACE FORWARDING and its customer, will result in a charge of \$000 per trailer or container, per day, for each occurrence.
Load/Unload Charge	Customer will pay face value of lumber receipt. If sort and segregate is required there will be an additional \$000 per carton for such service will apply.
C.O.D. Shipments	Five percent (0%) per C.O.D. collection or \$000 whichever is greater
Two-Man Driver Teams	Additional \$000 per hour, when requested; one (1) hour minimum time will apply.
Payment/Collection of Charges	All charges must be paid within thirty (30) days from the date of delivery at final destination. 0% per month on charges not paid within 30 days of billing.
Ferry Charges	All applicable roundtrip ferry charges
Pallet Charge	Rates published on www.aceforwarding.com

Returned, Undelivered Shipments	Quoted rate per mile for all miles from origin and returning back to the origin point, subject to \$000 minimum. Mileage is calculated at same rate as orig. delivery.
Vehicle Furnished But Not Used – Solo Drivers	\$000 mile from last destination to designated pickup, and return to last destination, subject to \$000 minimum
Vehicle Furnished But Not Used – Team Drivers	\$000 per hour from last destination to designated pickup, and return to last destination, subject to \$000 minimum charge
Liftgate	\$100
Stops in Transit	Cargo/ Sprinter Van - \$50 per stop minimum Straight Truck - \$75 per stop minimum Dry Van - \$100 per stop minimum
Border Fees	Cargo/ Sprinter Van - \$75 minimum Straight Truck \$100 minimum Dry Van \$150 minimum
Dunnage Disposal	\$000 charge assessed if carrier is responsible for disposal of materials used in securing the shipment for transport
Terminal Handling Charges (at Container Freight Stations for all imports)	\$100 minimum, plus third-party costs
Clearance Handling Charges (imports only)	\$125 minimum, plus third-party costs
Export (AES automated export system) Handling Charges	\$50 minimum where value is in excess of \$2,500

ITEM 310 DETENTION WITHOUT POWER

Shipper/Consignee will receive a forty-eight hour period for trailers to reside at the facility waiting to be loaded or unloaded. Each additional full day beyond this time allowance will be billable to the Shipper/Consignee. Saturdays, Sundays and holidays will be excluded when computing per diem charges, provided they fall within the free-time. Computation of free-time will begin at 12:01 AM the day after constructive placement of the trailer. Shipper/Consignee will be responsible for notifying ACE FORWARDING when trailer is available for pickup and will be charged until notification is received by ACE FORWARDING. Notification may be made via fax or email to the phone number or email address provided by ACE FORWARDING. Separate invoice billing will be provided on a monthly basis.

The rates applicable to trailer detention are as follows:

Dry Van Trailer Detention Rate Schedule

Full Days After Trailer Detention Placement Charge Per Day	
1 ST – 2 ND Day	\$000
3 RD – 5 TH Day	\$000
6 TH – 10 TH Day	\$000
11 TH day forward	\$000

ITEM 320 DETENTION WITH POWER

Shipper/Consignee will receive 1 hour free time for tractors to reside at the facility waiting to be loaded or unloaded. Each additional time

beyond the free time allowance will be billable to the shipper at **\$1 per minute**. Computation of free time will commence at either the truck's arrival date/time, or the appointment date/time, whichever is later. In the event there a multiple pickups or deliveries during the trip, the free time will apply to the first stop only.

ITEM 330 FUEL SURCHARGE

Shipper and ACE FORWARDING agree, that based on the Department of Energy (DOE) National Average price of fuel, all rates charged to shipper shall be adjusted weekly according to the DOE rates then affect at the time of shipment, but in no event less than the published rates. If applicable, the surcharge will be effective for loads dispatched Monday through Sunday based on the DOE National Average price released on Monday of that Week.

SECTION 4 – FREIGHT CLAIMS

NOTE: In an effort to provide its customers with quality service at competitive rates, ACE FORWARDING's rates are dependent on its liability for lost or damaged goods being set at less than full value. To ensure customers are fully aware of this and all terms and conditions applicable to their shipments, ACE FORWARDING encourages shippers to review this Section 4 of this Agreement . Note that, in exchange for the competitive pricing provided by ACE FORWARDING, some items may be subject to limitations of liability, released values or other options specific to a shipment or a commodity. Customers should carefully review this Section 4 of this Agreement to understand these limitations as well as options for selecting increased liability limits. Customers are further encouraged to evaluate their cargo insurance program so they may tender their goods at the lowest possible overall cost while still being insured for a value consistent with their requirements.

ITEM 400 EXCESS LIABILITY LIMITS AVAILABLE

ACE FORWARDING's rates for the transportation of freight, whether provided in a written contract or otherwise, are dependent on value, specifically on the limitations of liability described in this Section 4. **IF SHIPPER DESIRES TO PURCHASE LIABILITY LIMITS IN EXCESS OF THOSE DESCRIBED IN THIS SECTION 4, SHIPPER MUST COMPLY WITH THE FOLLOWING PROVISIONS:**

1. Liability limits in excess of those described in this Section 4 are available at shipper's option.
2. The shipper must notify ACE FORWARDING no less than seventy-two (72) hours prior to pickup of the shipment for transportation that the shipper chooses to purchase liability limits in excess of those described in this Section 4.
3. The shipper must prepay the excess liability rate which is computed as (a) the rate quoted to shipper in writing, or in the absence of a specific written quotation, the rate contained in ACE FORWARDING's Load Confirmation Sheet.
4. The shipping instructions on the bill of lading or shipping document must specifically note: that the shipment is moving under excess liability rates.
5. The maximum amount of excess liability that may be purchased is \$100,000 per truckload load for foreign shipments, and \$250,000 per truckload for domestic shipments. In no event will ACE FORWARDING be liable for any loss in excess of the coverage that is purchased.

ITEM 405 CLAIMS LIABILITY

Liability for claims will be governed by 49 USC § 14706 or, where applicable, the Montreal Convention. ACE FORWARDING shall not be liable to the owner of property for damage, loss or delay caused by (1) an act of default of the shipper, owner or consignee, or their agents; (2) an Act of God, (3) the public enemy, (4) act of the public authority; (5) inherent vice of the goods (6) freezing or spoiling of any perishable goods or property. Claims involving intrastate shipments and shipments of exempt commodities shall be subject to this Section. Liability will be limited to actual loss to the goods. Transportation costs will not be considered part of the claim if the claim is for invoice value of the goods. ACE FORWARDING shall not be liable for delay under any circumstances unless ACE FORWARDING specifically agrees to take on such liability pursuant to Item 120.

ITEM 410 CLAIMS PROCESS

The provisions of this Agreement are established in compliance with Federal Claim, Loss and Damage Regulations (49 C.F.R. § 370 et seq.) which shall govern the investigation and disposition of claims for loss, damage, or delay to property transported or accepted for transportation in interstate or foreign commerce.

- (A) ACE FORWARDING shall, upon receipt in writing of a proper claim in the manner and form described in these regulations, acknowledge the receipt of such claim in writing to the claimant within thirty (30) days or up to 120 days after the date of its receipt by ACE FORWARDING unless ACE FORWARDING shall have paid or declined such a claim in writing within thirty (30) days or up to 120 days of the receipt thereof. ACE FORWARDING shall indicate in its acknowledgment to the claimant what, if any, additional documentary evidence or other pertinent information may be required by it to further process the claim as its preliminary examination of the claim, as filed, may have revealed.
- (B) Claims in writing are required within nine (9) months from the date of delivery or from the time when delivery should have been accomplished. A claim for loss, damage, or injury to cargo shall not be voluntarily paid by ACE FORWARDING unless filed in writing, as provided in subparagraph (C) of this Item with ACE FORWARDING within the specified time limits applicable thereto and as otherwise may be required by law, the terms of the bills of lading or other contract carriage, and all provisions applicable

thereto. Claims for concealed damages must be submitted to ACE FORWARDING within fourteen days of delivery. Any suit to recover loss to damage or delay to cargo must be instituted no later than two years and one day after the claim is denied.

- (C) Minimum filing requirements. A communication in writing from a claimant, filed with ACE FORWARDING within the time limits specified in the bill of lading or contract of carriage or applicable contract between ACE FORWARDING and shipper and (1) containing facts sufficient to identify the shipment (or shipments) of property involved; (2) asserting liability for alleged loss, damage, injury or delay; and (3) making claims for the payment of a specified or determinable amount of money, shall be considered as sufficient compliance with the provisions for filing claims embraced in the bill of lading or contract of carriage or applicable contract between ACE FORWARDING and shipper.
- (D) Documents not constituting claims such as bad order reports, appraisal reports of damage, notations of shortages or damage, or both, on freight bills, delivery receipts, or other documents, or inspection reports issued by shipper or its inspection agency, whether the extent of loss or damage is indicated in dollars and cents or otherwise shall, standing alone, not be considered by ACE FORWARDING as sufficient to comply with the minimum claim filing requirements specified in subparagraph (C) above.
- (E) Claims filed for uncertain amounts. Whenever a claim is presented against ACE FORWARDING for an uncertain amount such as "\$100,000 more or less," ACE FORWARDING shall determine the condition of the shipment involved at the time of delivery by it, if it was delivered, and shall ascertain as nearly as possible the extent, if any, of the loss or damage for which it may be responsible. It shall not, however, voluntarily pay a claim under such circumstances unless and until a formal claim in writing for a specified or determinable amount of money shall have been filed in accordance with the provisions of subparagraph (C) above.
- (F) Each claim filed against ACE FORWARDING in the manner prescribed herein shall be promptly and thoroughly investigated if investigation has not already been made prior to receipt of the claim. The shipper or consignee in possession shall afford ACE FORWARDING five (5) days to inspect any damaged shipment prior to dispensation.
- (G) Supporting documents. When a necessary part of any investigation, each claim shall be supported by the original bill of lading, evidence of the freight charges, if any, and either the original invoice containing invoice value, a photographic copy of the claim to be true and correct with respect to the property and value invoiced in the claim; or certification of prices or values, with trade or other discounts, allowances or deductions of any nature whatsoever and the terms thereof, or depreciation reflected thereon; provided, however, that where the property shows on the bill of lading or where the invoice does not show price or value, or where the property involved has not been sold, or where the property has been transferred at bookkeeping values only, ACE FORWARDING shall, before voluntarily paying a claim thereon, require the claimant to establish the destination value in the quantity shipped, transported, or involved and certify the correctness thereof in writing or show an alternative applicable value arising by reason of alternatively applicable contract terms.
- (H) Verification of loss. A prerequisite to the voluntary payment by ACE FORWARDING of a claim for loss of an entire package or an entire shipment shall be the securing by it of a certified statement in writing from the consignee of the shipment involved that the property for which the claim is filed has not been received from any other source, and that the claim has not been assigned.
- (I) ACE FORWARDING shall pay, decline, or make a firm compromise settlement offer in writing to the claimant within one hundred twenty (120) days after receipt of the claim by ACE FORWARDING; provided, however that if the claim cannot be processed and disposed of within 120 days, after expiration of each succeeding sixty (60) day period while the claim remains pending, ACE FORWARDING shall advise the claimant in writing of the status of the claim and the reason for delay in making final disposition thereof and it shall retain a copy of each advice to the claimant in its claim file thereon.

ITEM 415 CLAIMS LOSS & DAMAGE – ACCEPTANCE OF GOODS

The consignee must accept the goods tendered for delivery unless they are determined to be totally worthless.

ITEM 420 CLAIMS LOSS & DAMAGE – CLEAR DELIVERY

When the Consignee receives a shipment without noting loss or damage, this is a clear delivery. When damage is claimed after a clear delivery, such is referred to as concealed damage. Regardless of whether ACE FORWARDING receives a clear delivery or not, the party asserting the claim has the burden to show that the damage occurred while the freight was in the possession of ACE FORWARDING.

ITEM 425 CLAIMS LOSS & DAMAGE – SALVAGE

- (A) Whenever property transported by ACE FORWARDING is damaged or alleged to be damaged and is, as a consequence thereof, not delivered or is rejected or refused upon tender thereof to the owner, consignee, or person entitled to receive such property, ACE FORWARDING, after giving due notice, wherever practicable to do so, to the owner and other parties that may have an interest therein, and unless advised to the contrary after giving such notice, shall undertake to sell or dispose of such property directly or by the employment of competent salvage agent. ACE FORWARDING will only dispose of the property in a manner that will fairly and equally protect the best interests of all persons having an interest therein. ACE FORWARDING shall make an itemized record sufficient to identify the property involved so as to be able to correlate it to the shipment or transportation involved, and claim, if any, filed thereon. ACE FORWARDING shall also assign to each lot of such property a successive lot number and note that lot number on its record of shipment and claim, if any claim is filled thereon.
- (B) Whenever disposition of salvage material of goods will be made directly to an agent or employee of ACE FORWARDING or through a salvage agent or company in which ACE FORWARDING or one or more of its directors, officers, or managers has any interest, financial or otherwise, ACE FORWARDING's salvage records will fully reflect the particulars of each such transaction or relationship, or both, as the case may be.
- (C) Upon receipt of a shipment on which salvage has been processed in the manner herein before prescribed, ACE FORWARDING shall record on its claim file thereon the lot number assigned, the amount of money recovered, if any, from the disposition of such property, and the date of transmittal of such money to the person or persons lawfully entitled to receive the same.
- (D) To the extent that the Shipper asserts that the goods should be destroyed, ACE FORWARDING remains entitled to the salvage value the goods would have generated had the goods been salvaged instead of destroyed.

ITEM 430 DISPOSITION OF OVERAGE

Consignee shall accept overages in fulfillment of its duty to mitigate damages. Overages will be returned to the consignee or shipper by ACE FORWARDING upon request in return for payment of ACE FORWARDING's applicable freight charges. In the event consignor and consignee decline to accept overages and mitigate damages, ACE FORWARDING will treat any overage as salvage and after notice shall sell same in accordance with the bill of lading contract and the terms of this Agreement. The proceeds of any such sale less ACE FORWARDING's freight and storage charges will be remitted to the person or persons lawfully entitled to receive same. ACE FORWARDING will not be liable for any difference between the sales price of overage and the destination market value where the shipper and consignee decline to mitigate damages.

ITEM 435 LIMITATION OF LIABILITY

Unless excess liability is purchased by shipper as described in this Section 4, Item 400, ACE FORWARDING's liability for any loss, damage, theft, or destruction of freight shall not exceed the least of the following:

- A. The actual cost of the goods supported by an authenticated copy of the original invoice;
- B. The cost of replacement or repair of the lost or damaged cargo;
- C. The lowest limited liability amount specified in the Bill of Lading, any applicable contract governing the shipment, any applicable Tariff governing the shipment, any limitation of liability provided by any applicable law of Canada or Mexico or a state or province of either, the Montreal Convention, or this Section 4 of ACE FORWARDING's Agreement ;
- D. Fifty dollars (\$50.00) for any shipment of one hundred (100) pounds or less, and fifty cents (\$0.50) per pound for shipments weighing in excess of one hundred (100) pounds.

ITEM 440 RESERVED.

ITEM 445 MIXED COMMODITIES

Shipper must identify the specific commodity or product on the bill of lading for all transportation movements. If shipper fails to identify the specific commodity or product, ACE FORWARDING will not be liable for any damages to or destruction of the product or commodity resulting from it being on the same trailer with other freight that is either incompatible or is prohibited by federal, state or local laws and regulations from being co-loaded on the same trailer with the product or commodity moving under the FAK rates.

ITEM 450 RESERVED.

ITEM 455 RESERVED.

ITEM 460 SHORTAGE

ACE FORWARDING will not be responsible for shortage on shipments that are banded, strapped, netted, shrink-wrapped or otherwise secured to bins, pallets, platforms or skids when such securing material is found to be intact at the time of unloading by consignee. ACE FORWARDING will only be responsible for the number of bins, pallets, platforms or skids on such shipments.

ITEM 465 SPECIAL, CONSEQUENTIAL AND PUNITIVE DAMAGES

ACE FORWARDING will not be liable for special, incidental, indirect or consequential damages including without limitation, lost profits or business opportunity, or punitive and exemplary damages incurred or suffered by the shipper as a result of, but not limited to, shortage, damage or delay. Additionally, ACE FORWARDING will not be liable for attorney's fees of the shipper.

ITEM 470 SPOTTED EQUIPMENT

ACE FORWARDING's responsibility for cargo begins when ACE FORWARDING picks up a shipment from the shipper's dock, or in the case of spotted equipment, when ACE FORWARDING takes physical possession of the loaded trailer. ACE FORWARDING's responsibility ends when the shipment is delivered or in the case of spotted equipment, when the loaded trailer is placed in the consignee's premises for its unloading convenience.

ITEM 475 INTERPLANT MOVES

ACE FORWARDING's liability for loss, damage or destruction of any goods shipped on an Interplant Move will be limited to \$0.50 per pound per package. An Interplant Move is a shipment by a company from one of its facilities to one or more of its other facilities or facilities of its divisions or subsidiaries of any items that are not manufactured or distributed by the company as part of its normal business operations. Facilities of a company include, but are not limited to, its offices, warehouses, distribution centers or manufacturing facilities.

ITEM 480 RETURNED GOODS

Liability for loss, damage or destruction of property being returned to the original shipper, which was not initially transported by ACE FORWARDING from the original shipper, will be limited to lost freight only and ACE FORWARDING will not be responsible for damages. Liability for loss, damage or destruction of property being returned to the original shipper, which was initially transported by ACE FORWARDING from the original shipper and delivered without exception, when ACE FORWARDING is not given an opportunity

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to inspect prior to return, will be limited to lost freight only and ACE FORWARDING will not be responsible for damages.

SECTION 5 – FREIGHT CHARGES

ITEM 500 CREDIT AND COLLECTIONS

- (1) Any consignor or consignee must meet creditworthiness requirements or the shipment must be prepaid by the consignee. Prepayment must be by credit card.
- (2) Invoices for freight will, upon request be forwarded to third party freight services, however, it is the responsibility of the party designated on the bill of lading as shipper (for prepaid shipments) or consignee (for collect shipments) to ensure payment is made within the prescribed credit period. It is also the payer's responsibility to ensure accurate and updated rates are supplied to the freight payment service. The name, address and any account numbers of the freight service plan must be clearly stated on the bill of lading. For third party payment shipments, ACE FORWARDING will invoice the shipper's broker, bank or other agent for freight charges. ACE FORWARDING reserves the right to bill and collect freight charges from the shipper on prepaid shipments or the consignee on collect shipments in the event full payments of freight charges is not received pursuant to third party billing. A shipment in which charges are to be paid by a party other than the consignor or consignee will be accepted provided recourse to the consignor is preserved with ACE FORWARDING picking the shipments up at origin. The consignor and consignee guarantee to pay the charges if the third party fails to do so in the time allotted under the applicable credit regulations. Any such shipment will not be accepted if the consignor executes a non-recourse provision of the bill of lading. If such a provision is executed and the shipment is inadvertently accepted, the non-recourse provision will be ineffective.
- (3) Freight charges for prepaid shipments must be paid by check or ACH. Excluded are shippers or receivers who have established credit terms with ACE FORWARDING prior to delivery.
- (4) Additionally, when arrangements are made with intermediaries for transportation services provided by ACE FORWARDING and the intermediary in turn bills the shipper or beneficial owner of the goods for freight charges inclusive of ACE FORWARDING's rates, the following rules apply:
 - (i) The intermediary will segregate money due owing to ACE FORWARDING from other accounts.
 - (ii) Intermediary will pay ACE FORWARDING without offset from funds received and shall not commingle, pledge, encumber or hypothecate funds received by it intended for payment of freight charges to ACE FORWARDING.
 - (iii) When the arranger of transportation is a carrier or freight forwarder, a constructive interline trust shall apply.
 - (iv) When the arranger of transportation is a property broker, the regulations set forth at 49 C.F.R §371 et seq. shall apply and monies received by the broker shall be segregated from its other assets and liabilities.
 - (v) In no event shall accounts receivable pledge or encumber by any intermediary be inclusive of freight charges billed by it to the extent those freight charges are due and owing to ACE FORWARDING.
 - (vi) ACE FORWARDING preserves recourse for payment of all freight charges to the consignor, unless Section 7 of the bill of lading is signed and to the consignee unless prior notice is given that the consignee is not to be responsible for freight charges in accordance with the bill of lading.

ITEM 510 COLLECTION AND PAYMENT OF CHARGES

Shipper shall pay ACE FORWARDING in full, within 7 calendar days of receipt of ACE FORWARDING's invoice, for all transportation and related services according to the addendum(s) and schedule(s) of rates negotiated between ACE FORWARDING and shipper, and included by reference herein. In the event payment is not made within fifteen days, shipper agrees that interest will accrue daily and be made payable to ACE FORWARDING at the lesser of 1.5% per month or the maximum legal rate and, in addition, shipper may lose any discounts offered by ACE FORWARDING under any contract agreement.

ITEM 520-

ITEM 530 RESERVED.

ITEM 540 JURISDICTION AND VENUE OF COLLECTION SUIT

All action or proceedings instituted by ACE FORWARDING for the collection of freight charges owed by the shipper, consignor, consignee or third party involved in the movement who has failed to pay such charges within 30 days of presentation of the freight bill, shall be governed by Item 180 of this Agreement .

ITEM 550 LIEN FOR FREIGHT CHARGES

ACE FORWARDING shall have a possessory lien on shipments in its dominion and control for the payment of current and past due freight charges. Shipper's goods will be held and sold following issuance of an On Hands Notice. ACE FORWARDING reserves the right to convert any shipment to a collect shipment.

ITEM 560 PAYMENT WITHOUT OFFSET

Shipper, Consignor and/or Consignee, or its broker or agent, shall pay all freight charges when due without offset for any cause, including but not limited to, cargo claims. All claims for loss or damage shall be governed by this Agreement and shipper, consignor, or consignee shall not deprive ACE FORWARDING of the claims process by unilateral deduction of claims from payment of freight charges due.

ITEM 570 PRECEDENCE OF RATES AND CHARGES

- A. When shipper, consignee or third party each has a pricing agreement or contract with rates applicable to its linehaul charges on a given shipment, those provisions applicable to the payer of the freight charges will apply. This priority or application will apply whether or not the total charges are higher, lower or unchanged from those that might result if provisions applicable to a non-paying party were applied.

Payer shall mean:

- 1) Shipper on prepaid shipments (except when a third party has been designated on the original bill of lading).
- 2) The consignee on collect shipments.
- 3) A third party (party other than shipper or consignee) as designated on the original bill of lading.

Freight payment plans will not be considered as payer.

- B. On accounts which have contractual provisions and ship from a location not listed in their contract, the shipment will be rated using class rates with no applicable discount.

ITEM 580 THIRD PARTY BILLING.

ACE FORWARDING will invoice the shipper's broker, bank or other agent for freight charges. ACE FORWARDING reserves the right to bill and collect freight charges from the shipper on prepaid shipments or the consignee on collect shipments in the event full payments of freight charges is not received pursuant to third party billing.

A shipment in which charges are to be paid by a party other than the consignor or consignee will be accepted provided recourse to the consignor is preserved with ACE FORWARDING picking the shipments up at origin. The consignor and consignee guarantee to pay the charges if the third party fails to do so in the time allotted under the applicable credit regulations. Any such shipment will not be accepted if the consignor executes a non-recourse provision of the bill of lading.

ACE FORWARDING drivers executing bills of lading do not have authority to vary or change these provisions.

ITEM 590 UNDERCHARGE/OVERCHARGE CLAIMS

Any claim for overcharges of freight bills must be submitted within 180 days of shipment date and must be submitted by the responsible party of the freight charges. Any claim for undercharges of freight bills must be submitted by ACE FORWARDING to the payor of the freight charges within 180 days of the shipment date.