

GLOBAL FREIGHT SOLUTIONS, INC.
TERMS & CONDITIONS OF TRANSPORTATION SERVICE
VERSION 1.3 EFFECTIVE May 15, 2019

PART 1. TERMS AND CONDITIONS

According to the terms of this agreement (the “Agreement”) and in consideration of service fees charged, the customer that accepts this Agreement electronically via GFS’s website in connection with the registration process (the “Customer”) retains GLOBAL FREIGHT SOLUTIONS, INC., a California corporation (“GFS”), as its agent to arrange transportation services and to provide logistics advice. These services include: (a) providing and/or arranging customs brokerage services; (b) preparing and/or processing delivery orders or dock receipts; (c) preparing and/or processing bills of lading; (d) arranging for and/or providing crating, packing, unpacking and warehouse storage; (e) arranging for cargo insurance; (f) handling freight or other monies advanced by shippers, or remitting or advancing freight or other monies or credit in connection with the dispatching of shipments; (g) giving advice concerning letters of credit, licenses or inspections, or other documents or issues relating to the dispatch of cargo; and (h) such other services related to the foregoing as GFS and Customer may agree.

By accepting this Agreement electronically in connection with the registration process on Warehouse’s website, Customer agrees to be legally bound by all of the terms and conditions set forth in this Agreement. If a person accepts this Agreement on behalf of an organization, such person is agreeing to this Agreement for that organization and promises that he or she has the authority to bind that organization to this Agreement.

GFS MAY REVISE THIS AGREEMENT FROM TIME TO TIME AND THE MOST CURRENT VERSION WILL ALWAYS BE POSTED ON GFSS WEBSITE. CUSTOMER IS ADVISED TO CHECK THE WEBSITE OF GFS PERIODICALLY FOR THE MOST UPDATED VERSION OF THIS AGREEMENT. IF CUSTOMER DOES NOT AGREE TO ANY REVISED TERMS, CUSTOMER MAY TERMINATE THIS AGREEMENT BY PROVIDING 30 DAYS PRIOR WRITTEN NOTICE TO GFS IN ACCORDANCE WITH SECTION 4A) BELOW. THE FAILURE TO SO TERMINATE WILL CONSTITUTE CUSTOMER’S AGREEMENT TO BE BOUND BY THE ANY AND ALL REVISED TERMS. GFS WILL ENDEAVOR IN GOOD FAITH TO NOTIFY CUSTOMER OF ANY MATERIAL CHANGES TO THIS AGREEMENT IN ADVANCE OF SUCH CHANGES BECOMING EFFECTIVE.

Customer understands that GFS is a local carrier, and that certain of the transportation services described herein will need to be outsourced to responsible carriers, warehouseman and other transportation intermediaries (“3d Parties”) who will act for and on behalf of the Customer. Customer hereby appoints GFS as its attorney-in-fact to engage such 3d Parties on behalf of Customer to carry out the applicable transportation services. Customer understands and agrees that the terms and conditions of the contracts with the 3d Parties (such as storage receipts of warehouseman and contracts of carriage of the water, road, or

air carriers) will apply to Customer as if Customer had entered into those contracts itself, and Customer will be liable to the 3d Parties under such contracts. GFS will be acting solely as an agent of the Customer with respect to the contract with 3d Parties. Under some circumstances, GFS may provide warehouse service. In such instance, the terms of GFS's warehouse receipt or bill of lading will apply as if it had been issued to the Customer, and copies of these documents will be posted on GFS's web site and will be accessible by Customer at any time. Customer shall comply with all applicable laws and government regulations of any country to, from, through or over which its goods may be carried, including those relating to the packing, carriage, or delivery of the goods, and shall furnish such information to GFS as may be necessary to comply with such laws and regulations. In no event will GFS be liable for any violations of these laws by Customer, and GFS will not be advising Customer with respect to such laws. Shipments covered by these terms and conditions are prohibited if diverted contrary to U.S. law. Customer hereby represents and warrants to GFS that the goods are properly marked, addressed, and packaged to withstand any contemplated method of transport. Customer, or such person or entity that originates and tenders goods for handling or transport, hereby consents to an inspection of the cargo.

1A) LIMITATION OF LIABILITY FOR LOSS, DAMAGE OR DELAY

GFS will not be liable to Customer or anyone else for any loss, delay or damage to goods (collectively, "Losses") caused by a third-party carrier or warehouse. GFS will assert a claim for Losses against the carrier or warehouse on behalf of Customer, but the recovery on such claims will, in nearly every case, be limited by the terms of the underlying contracts of carriage or storage. For truck transportation, warehousing and domestic air transportation, liability for damage is typically limited to \$0.50 per pound or \$40 per article, whichever is less. In international air transportation damage is typically limited to 19 Special Drawing Rights per kilogram. For carriage by water damage is typically limited to \$500 per package or customary freight unit.

GFS will not be liable to Customer or anyone else for any Losses resulting from or caused by acts of God, public authorities, strikes, labor disputes, weather, mechanical failures, civil commotion, acts of terrorism, hazards incident to a state of war, acts or omissions of customs, or defects in the goods being shipped.

GFS WILL NOT BE LIABLE TO CUSTOMER OR ANYONE ELSE FOR ANY PUNITIVE OR EXEMPLARY DAMAGES NOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES INCLUDING LOST INCOME, PROFITS, INTEREST, OR LOSS OF MARKET, WHETHER OR NOT GFS HAD KNOWLEDGE THAT SUCH DAMAGES MIGHT BE INCURRED. UNLESS OTHERWISE AGREED TO IN WRITING BY GFS, IT SHALL BE PRESUMED THAT THE VALUE OF CUSTOMER'S GOODS DOES NOT EXCEED \$0.50 PER POUND OR \$40 PER ARTICLE (THE "VALUE LIMITS"), WHICHEVER IS LESS, AND CUSTOMER AGREES THAT GFS'S LIABILITY FOR ANY LOSS, DAMAGE, OR DELAY TO THE GOODS RESULTING FROM GFS'S NEGLIGENCE OR OTHER FAULT, IF ANY, WILL BE LIMITED BY THIS PRESUMPTION.



CUSTOMER HAS THE OPTION OF PAYING SPECIAL COMPENSATION TO PROCURE INSURANCE COVERAGE FOR PHYSICAL LOSS OR DAMAGE IN EXCESS OF THE VALUE LIMITS BY INITIALING THE "I DO" SPACE IN 1B BELOW AND DECLARING THE ACTUAL REPLACEMENT VALUE OF THE GOODS IN ACCORDANCE WITH THE TERMS OF PARAGRAPH 1B BELOW. CUSTOMER IS ENCOURAGED TO PURCHASE FREIGHT INSURANCE OR TO INSTRUCT GFS TO PURCHASE FREIGHT INSURANCE ON ITS BEHALF IF THE VALUE LIMITS POSE UNACCEPTABLE RISKS TO THE CUSTOMER. GFS WILL ONLY HONOR INSURANCE CLAIMS WHEN A PREMIUM IS CHARGED ON AN INVOICE AND COLLECTED BY GFS FOR THE SHIPMENT IN WHICH THE CLAIM OCCURRED.

1B) SERVICE FEES DO NOT INCLUDE CARGO INSURANCE UNLESS REQUESTED (PREMIUM PAID); DECLARATION OF VALUE FOR INSURANCE PURPOSES

GFS's fees and charges may include the cost of insurance covering physical loss or damage of goods with a deductible of 5% of shipment value but not less than \$750 or more than \$2,500, provided that the \$2,500 deductible will not apply for shipments valued in excess of \$100,000. GFS reserves the right to increase the deductible, but such increase would be mutually agreed on with the applicable shipper. This insurance will be procured by GFS, when requested by and for the benefit of Customer. However, Customer understands that GFS may decline Customer's request to procure insurance. Customer agrees, in those instances in which GFS accepts Customer's request to procure insurance, to pay additional compensation in order to procure insurance in excess of GFS's limit of liability for physical loss or damage to the actual replacement value of the goods and understands that failure to pay insurance fees shall result in the loss of coverage. Customer shall inform GFS in writing of the actual replacement value of each shipment it wishes to insure; the failure of Customer to so advise GFS shall result in there being no insurance coverage procured.

1C) CUSTOMER WARRANTIES; INSPECTION OF SHIPMENTS

Customer represents and warrants to GFS that Customer shall not tender to GFS any shipment containing explosives, destructive devices, hazardous material or illegal substances for transport, handling or storage. Customer shall review and comply with all Customer Supply Chain Security Recommendations and Guidelines issued by GFS. Customer agrees that GFS is allowed to inspect, through physical or any other means, any shipment tendered to GFS for transport, handling or storage, including shipments in sealed packaging. GFS has the right to reject and return to Customer, at Customer's expense, any shipment tendered to GFS in violation of the Customer's warranties as set forth herein or that GFS believes, in its sole discretion, would be illegal to ship. Customer shall make no claim nor bring suit against GFS or any person or entity acting on behalf of GFS arising from an inspection. Customer shall hold harmless GFS from and shall defend and indemnify

GFS against any damage, loss, claim or suit arising from any breach of the Customer's warranties as set forth herein.

1D) PROMPT NOTICE OF LOSS, DELAY OR DAMAGE REQUIRED

Customer agrees to inspect its shipment upon delivery and to give prompt notice of any loss or damage within 3 days of delivery for ocean shipments and within 5 days of delivery for air or ground shipments. Any oral notice of claim must be followed by written notice of claim. Customer agrees that GFS will not be held responsible for any loss or damage if written notice of damage is not provided to GFS within 10 days of delivery or in the event of loss within 15 days of when the goods should have been delivered. Customer agrees to monitor its shipment and to immediately give notice in writing to GFS of any delay. Any notice of delay must be made in writing no later than 5 days after the Customer's anticipated date of delivery. Customer agrees that notification of delay does not invalidate GFS's limitation of liability set forth in paragraph 1A above.

1E) PAYMENT OF INVOICES REQUIRED BEFORE CONSIDERATION OF CLAIMS

Customer agrees that GFS has no obligation to consider or file claims against carriers or warehousemen on behalf of Customer if Customer is not current on GFS's invoices (i.e., GFS has not received all amounts due under such invoices).

1F) GFS GIVEN A LIEN ON INSURANCE PROCEEDS

Customer agrees that GFS shall have a lien in the amount of any unpaid invoices on any insurance proceeds issuing as a result loss, delay or damage to Customer's cargo. Customer agrees to execute such documents and take such actions are requested by GFS in order to evidence or perfect such lien.

1G) CLAIMS EXPIRE AFTER ONE-YEAR

Any suit brought against GFS must be commenced within one year of the date of this Agreement or after completion of the services performed, whichever is later. In the event of delay or non-delivery, the scheduled delivery date shall be deemed as the day on which services were completed for purposes of computing the one-year time limit.

PART 2 - PAYMENT TERMS AND CREDIT AGREEMENT

2A) PAYMENT GUARANTEED BY CUSTOMER

Customer guarantees payment for all services rendered and carriage arranged by GFS on Customer's behalf, no matter what person ordered the services or benefited therefrom.

2B) CUSTOMER BEARS RISK OF FOREIGN EXCHANGE FLUCTUATIONS

Estimates of service charges may have been given by GFS using current exchange rates. Actual charges may differ in accordance with variations in the currency exchange rate at the time service is provided. Customer will be liable for the actual services charges and agrees that GFS will not be bound by estimates or fluctuations in currency rates.



2C) SERVICE FEES ACCRUE ON LATE PAYMENTS

Customer agrees to pay GFS's invoices in accordance with the terms stated on the invoices or, if no such terms are stated, in accordance with GFS terms & conditions. Customer agrees that GFS will be entitled to an additional 1.5% of the outstanding amount in accruing interest for each month or fraction thereof from the invoice due date.

2D) GFS ENTITLED TO ATTORNEY FEES INCURRED IN COLLECTION

Customer agrees to pay GFS's attorney fees, costs and other expenses incurred in the event this account requires that an attorney be engaged for purposes of collection.

2E) GFS GIVEN A LIEN ON GOODS FOR UNPAID CHARGES

The Customer and the consignee or holder of or assignee on any bill of lading shall be jointly and severally liable for all unpaid charges for services provided under this Agreement. When GFS is instructed to collect charges from any person or entity other than the Customer, the Customer shall remain liable for the charges and interest if GFS is not paid.

GFS SHALL HAVE A LIEN ON ANY GOODS SHIPPED UNDER THIS AGREEMENT FOR FAILURE TO PAY CHARGES ON BOTH CURRENT AND PRIOR SHIPMENTS, REGARDLESS OF CREDIT ARRANGEMENTS, OWED BY THE CUSTOMER OR CONSIGNEE OR HOLDER OF OR ASSIGNEE ON ANY BILL OF LADING. CUSTOMER AGREES THAT GFS'S LIEN CONTINUES IN EFFECT AFTER THE GOODS ARE DELIVERED AND UNTIL ALL CHARGES ARE PAID.

Customer agrees that GFS shall be permitted to file a UCC-1 financing statement to perfect the security interest granted to GFS hereunder. Further, GFS may take such other actions as it deems necessary or appropriate to take and perfect a security interest in the good shipped under this Agreement, and Customer agrees to cooperate with and assist GFS in connection therewith (including signing any documents or instruments if requested by GFS). Customer appoints GFS as its attorney-in fact to sign any such notice on Customer's behalf in the event Customer fails to sign a security document or instrument provided by GFS.

2F) PERMISSION TO RECEIVE CREDIT INFORMATION

Customer authorizes GFS to obtain credit reports on Customer or any individuals listed below or to obtain credit and funding information from Customer's bank, or other persons or entities listed as references below. It is understood that any such credit information will be held in strict confidence and used only for GFS's business purposes. Customer further agrees to supply such additional information as may be required by GFS to warrant future extensions of credit or to enable GFS to perfect liens or to recover upon any bond issued.

2G) DUTIES AND TAXES

Customer acknowledges that Customer is solely responsible for collecting, reporting, and payment of any and all sales taxes, use taxes, excise taxes, Customs duties, and all other assessments on Customer's goods, regardless of the role(s) undertaken by GFS on behalf of

Customer, as required by applicable laws or as imposed by any governmental authorities. In the event a governmental authority imposes a tax, Customs duty or other assessment against GFS regarding Customer's goods, Customer shall promptly acknowledge Customer's obligation hereunder to the governmental authority and shall defend and indemnify GFS against such action and assessment.

PART 3 - SPECIAL POWER OF ATTORNEY

In addition to the general customs power of attorney attached also executed, Customer specifically grants the following export power of attorney:

POWER OF ATTORNEY GRANTED BY CUSTOMER AS U.S. PRINCIPAL PARTY IN INTEREST TO AUTHORIZED AGENT FOR EXPORT SHIPMENTS

Know all persons by these presents, that Customer is the U.S. Principal Party in Interest organized and doing business under the laws of the U.S. and having an office and place of business as indicated below hereby authorizes GFS at 1371 Charles Willard Street, Carson, CA 90746 to act for and on its behalf as a true and lawful agent and attorney of the U.S. Principal Party in Interest ("USPPI") for, and in the name, place, and stead of the USPPI, from this date, in the U.S. either in writing, electronically, or by other authorized means to: act as authorized agent for export control, U.S. Census Bureau reporting, and U.S. Customs and Border Protection purposes; also, to prepare and transmit any Electronic Export Information ("EEI") or other documents or records required to be filed by the U.S. Census Bureau, U.S. Customs and Border Protection, U.S. Department Commerce-Bureau of Industry and Security, or any other U.S. Government agency, and perform any other act that may be required by law or regulation in connection with the exportation or transportation of any goods shipped or consigned by or to the USPPI, and to receive or ship any goods on behalf of the USPPI. The USPPI hereby certifies that all statements and information contained in the documentation provided to the authorized agent and relating to exportation is and will be true and correct. The USPPI understands that civil and criminal penalties may be imposed for making false or fraudulent statements or for the violation of any U.S. laws or regulations on exportation. Customer shall hold harmless GFS from and shall defend and indemnify GFS against any action or assessment by a governmental authority arising from any breach by Customer of Customer's export compliance obligations. This power of attorney is to remain in full force and effect until revocation in writing is duly given by the USPPI and received by the authorized agent.

PART 4 - TERM OF AGREEMENT AND TERMINATION; LEGAL JURISDICTION

4A) TERM OF AGREEMENT AND TERMINATION

This Agreement shall be effective upon execution and shall remain in effect until (a) canceled by either party upon thirty (30) days written notice to the other party, (b) upon breach of the Agreement by Customer and the failure by Customer to cure such breach to the satisfaction of GFS within five (5) days following receipt of written notice thereof; or (c) upon completion of the services to be provided hereunder.

4B) APPLICABLE LAW & FORUM SELECTION

To the extent not governed by applicable federal statutes, the laws of the state of California shall govern the validity, construction and performance of this Agreement and all



controversies and claims arising hereunder, without giving effect to principles of conflicts of law. GFS and Customer hereby irrevocably and unconditionally agrees to the exclusive jurisdiction of any state or federal court located in Los Angeles County, California for any actions, suits or proceedings arising out of or relating to this Agreement and the transactions contemplated hereby (and the parties each agree not to commence any action, suit or proceeding relating thereto except in such courts and not to plead or claim that any such court is an inconvenient or otherwise improper or inappropriate forum).

4C) MISCELLANEOUS

This Agreement constitutes the entire agreement between GFS and Customer with respect to the subject matter of this Agreement and supersede all prior written and oral agreements between them regarding such subject matter. If the terms of this Agreement differ in any material way from the terms of Customer's order or other documents issued to GFS, the terms of this Agreement shall take precedence over the terms of any such order or documents. Waiver of any term or provision of this Agreement shall not be effective unless signed by the party to the bound, and shall not constitute a waiver as to any subsequent breach or failure of the same term of provision of this Agreement. Customer may not assign this Agreement without the prior written consent of GFS. If any provision of this Agreement is found to be illegal or unenforceable, the other provisions will remain effective and enforceable to the greatest extent permitted by law, provided the effect thereof does not materially change the economic benefit of this Agreement to either GFS or the Customer.

CUSTOMER SIGNATURE

The person signing this Agreement on behalf of the Customer represents and warrants that he or she has the authority to sign this Agreement on behalf of the Customer, and to assure GFS full and prompt payment.

Client Signature

Printed Name

Title

Date