

North Sea Standard Conditions of Carriage

APPLICABILITY

The provisions set out and referred to in these Standard Conditions shall apply to every contract concluded with the Carrier for the performance of the entire transport as undertaken by the Carrier, whether evidenced by the issue of a document or not.

I. GENERAL PROVISIONS

1 Definitions

"Carrier" means the party who has undertaken to perform or to procure the performance of the entire transport from the place of receipt or port of loading to the port of discharge or the place of delivery, whichever respectively applies.

"Merchant" includes the Shipper, Receiver, Consignor, Consignee, Holder of any document evidencing the Contract of Carriage and the Owner of the goods.

"Article of Transport" includes, unless otherwise indicated, any vehicle, container, flat, pallet, trailer, transportable tank and similar items used for the consolidation of goods as well as timber packages.

"Goods" includes, unless otherwise indicated, the Article of Transport as well as the contents thereof.

2 Tariff

The terms of the Tariff applicable at the date of shipment are incorporated herein. Copies of the relevant provisions of the Tariff are available from the Carrier upon request. In the event of inconsistency between these Standard Conditions and the Tariff, the former shall prevail.

3 Time Bar and Notice of Loss in Combined Transport

All liability whatsoever of the Carrier shall cease unless suit is brought within nine months after delivery of the Goods or the date when the Goods should have been delivered. Unless notice of loss of or damage to the Goods and the general nature of it be given in writing to the Carrier at the place of delivery before or at the time of the removal of the Goods into the custody of the person entitled to delivery thereof, or, if the loss or damage be not apparent, within three consecutive days thereafter, or within six days after discharge whichever is the earliest, such removal shall be prima facie evidence of the delivery by the Carrier of the Goods as described on the receipt.

4 Law and Jurisdiction

Disputes arising under or in relation to the Contract of Carriage shall be determined at the option of the Plaintiff by the competent court and subject to the provisions of these Standard Conditions in accordance with the law at:

- a. the principal place of business or, in the absence thereof, the habitual residence of the Defendant;
- b. the place where the Contract of Carriage was made provided the Defendant has there a place of business, branch or agency through which the Contract of Carriage was made; or
- c. the place where the Goods were taken in charge by the Carrier or the place designated for the delivery or the place where the Goods were actually delivered.

No proceedings may be brought before any other court unless the Parties expressly agree on both the choice of another court or arbitration tribunal and the law to be then applicable.

II. PERFORMANCE OF THE CONTRACT

5 Sub-contracting

- 1 The Carrier shall be entitled to sub-contract on any terms, the whole or any part of the carriage, loading, unloading, storing, warehousing, handling and any and all duties whatsoever undertaken by the Carrier in relation to the Goods.
- 2 For the purposes of the Contract of Carriage and subject to the provisions in these Standard Conditions, the Carrier shall be responsible for the acts and omissions of any person whose services he makes use of for the performance of the Contract of Carriage.

6 Methods and Routes of Transportation

- 1 The Carrier is entitled to perform the transport in any reasonable manner and by any reasonable means, methods and routes.
- 2 In accordance herewith, for instance, in the event of carriage by sea, vessels may sail with or without pilots, undergo repairs, adjust equipment, dry-dock and assist vessels in all situations.

7 Carrier's Consolidation, Carriage of Articles of Transport on or under deck

- 1 Goods may be consolidated by the Carrier in Articles of Transport.
- 2 Articles of Transport, whether consolidated by the Carrier or received by the Carrier in a consolidated condition from the Merchant, may be carried on or under deck without notice to the Merchant.

8 Delivery

If the Merchant does not take delivery of the Goods within a reasonable time after the Carrier calls upon him or his agents so to do, and in any event within two months after discharge, the Carrier shall be at liberty to store the Goods on behalf of the Merchant at the Merchant's risk and expense subject, if requisite, to the lien provisions of clause 18 hereof. Such storage shall constitute delivery for the purposes of section III of these Standard Conditions.

9 Hindrances etc. Affecting Performance

- 1 The Carrier shall use reasonable endeavors to complete the transport and to deliver the Goods at the place designated for delivery.
- 2 If at any time the performance of the Contract of Carriage is or will be affected by any hindrance, risk, delay. Difficulty or disadvantage of whatever kind including strike and if by virtue of sub-clause (1) the Carrier has no duty to complete the performance of the Contract, the Carrier whether or not the transport has commenced may elect to:
 - a. treat the performance of the Contract of Carriage as terminated and place the Goods at the Merchant's disposal at any place which the Carrier shall deem safe and convenient; or
 - b. deliver the Goods at the place designated for delivery.

In any event the Carrier shall be entitled to full freight for any Goods received for transportation and additional compensation for extra costs resulting from the circumstances referred to above.

III. CARRIER'S LIABILITY

10 Basic Liability

- 1 The Carrier shall be liable for loss of or damage to the Goods occurring between the time receipt and the time of delivery.
- 2 The Carrier shall, however, be relieved of liability for any loss or damage if such loss or damage arose or resulted from:
 - a. The wrongful act or neglect of the Merchant.
 - b. Compliance with the instructions of the person entitled to give them.
 - c. The lack or insufficiency of or defective condition of packing in the case of Goods, which, by their nature, are liable to wastage or to be damaged when not packed or when not properly packed.
 - d. Handling, loading, stowage or unloading of the Goods by or on behalf of the Merchant.
 - e. Inherent vice of the Goods.
 - f. Insufficiency or inadequacy of marks or numbers on the Goods.
 - g. Strikes or lock-outs or stoppages or restraints of labour from whatever cause whether partial or general.
 - h. Fire, unless caused by the actual fault or privity of the Carrier.
 - i. Any cause or event which the Carrier could not avoid and the consequence whereof he could not prevent by the exercise of reasonable diligence.
 - k. Act, neglect or default of the Master, Mariner, Pilot or the Servants of the Carrier in the navigation or in the management of the ship.
- 3 Where under sub-clause (2) the Carrier is not under any liability in respect of some of the factors causing the loss or damage, he shall only be liable to the extent that those factors for which he is liable under this Clause have contributed to the loss or damage.
- 4 The burden of proving that the loss or damage was due to one or more of the causes, or events, specified in (a), (b), (h) and (k) of sub-clause (2) shall rest upon the Carrier. When the Carrier establishes that in the circumstance of the case, the loss or damage could be attributed to one or more of the causes, or events, specified in (c) to (g) of sub-clause (2), it shall be presumed that it was so caused. The Merchant shall, however, be entitled to prove that the loss or damage was not, in fact, caused wholly or partly by one or more of the causes or events.

11 The Amount of Compensation

- 1 When the Carrier is liable for compensation in respect of loss of or damage to the Goods, such compensation shall be calculated by reference to the value of such Goods at the place and time they are delivered to the Merchant in accordance with the Contract of Carriage or should have been so delivered.
- 2 The value of the Goods shall be fixed according to the commodity exchange price or, if there be no such price, according to the current market price or, if there be no commodity exchange price or current market price, by reference to the normal value of Goods of the same kind and quality.
- 3 In combined transport, where the stage of carriage where loss or damage occurred is not known, or is known but no international convention or national law is applied by virtue of Clause 13, compensation shall not exceed 2 SDR's per kilogram of gross weight of the Goods lost or damaged. A SDR means Special Drawing Right as defined by the International Monetary Fund.

- 4 Higher compensation may be claimed only when the value of the Goods declared by the Consignor is exceeding the limits laid down in this Clause and, with the consent of the Carrier, has been stated in the Document evidencing the Contract of Carriage for the purpose of extending his liability. In that case the value declared shall be substituted for the aforementioned limits.

12 Delay, Consequential Loss etc.

- 1 Times shown in timetables, sailing plans or elsewhere are approximate and not guaranteed. They are not to be considered part of the Contract of Carriage and are subject to change without notice.
- 2 The Carrier accepts liability for consequential loss, other than loss of or damage to the Goods, only in so far as mandatory rules to this effect are applicable. In such case delay in delivery of the Goods shall be considered as existing only if it is proved that delivery of the Goods has not been made within a time limit that is not clearly unreasonable with regard to all circumstances of the case.
- 3 If the Carrier is held liable in respect of delay, consequential loss or damage other than loss of or damage to the Goods, the liability of the Carrier shall be limited to the freight for the transport or to the value of the Goods as determined in Clause 11, whichever is the lesser.

13 Special Provisions and Paramount Clause

- 1 Notwithstanding anything provided for in Clauses 10 - 11 of these Standard Conditions if it can be proved where the loss or damage occurred, the Carrier, and/or the Merchant shall, as to the liability of the Carrier, be entitled to require such liability to be determined by the provision contained in any international convention or national law, which provisions:
 - a cannot be departed from by private contract to the detriment of the claimant and
 - b would have applied if the Merchant had made a separate and direct contract with the Carrier in respect of the particular stage of transport where the loss or damage occurred and received as evidence thereof a Bill of Lading or any particular document which must be issued if such international convention or national law shall apply except that under no circumstances shall the Carrier's liability extend to live animals and/or Goods that are stated to be carried on deck and are so carried.
- 2 In so far as no provisions contained in any international convention or mandatory national law apply to the carriage by sea by virtue of the foregoing provisions of this Clause the liability of the Carrier shall be determined by the Hague Rules contained in the International Convention for the Unification of Certain Rules of Law relating to Bills of Lading, signed at Brussels on 25 August 1924 as amended by the Protocol signed at Brussels on 23 February 1968 and the protocol in relation to SDR's signed at Brussels on 21 December 1979 from the time the Goods are received at the sea terminal in the port of loading to the time the Goods are delivered or dispatched from the sea terminal in the port of discharge. The aforesaid shall also determine the liability of the Carrier in respect of coastwise carriage and/or carriage by inland waterways as if such carriage was carriage by sea. Furthermore all such Articles of Transport on deck, as described in sub-clause (2) of Clause 7, shall be carried under the same liability as stated above.

14 Defences and Limits for the Carrier and Servants etc.

- 1 The defences and limits of liability provided for in these Standard Conditions shall apply in any action against the Carrier for loss of or damage to the Goods whether the action be founded in contract or tort.
- 2 If any action for loss or damage to the Goods is brought against a servant, agent or independent contractor, including stevedores or any of those referred to in sub-clause (2) of Clause 5, such person shall be entitled to avail himself of the defences and limits of liability, which the Carrier is entitled to invoke under these Standard Conditions, as if they were expressly made for their benefit and in entering into any Contract of Carriage the Carrier does so not only on his own behalf but also as agent and trustee for such persons who shall to this extent be or be deemed to be parties thereto.
- 3 In any case the aggregate of the amounts recoverable from the Carrier and his servants, agents or independent contractors, including stevedores and any of those referred to in sub-clause (2) of Clause 5, shall in no case exceed the limits provided for in these Standard Conditions.

IV. DESCRIPTION OF GOODS

15 Carrier's Responsibility

The Document evidencing the Contract of Carriage shall be prima facie evidence of the receipt by the Carrier of the Goods as therein described in respect of the particulars which the Carrier had reasonable means of checking. In respect of such particulars proof to the contrary shall not be admissible when the Document has been transferred to a third party acting in good faith.

16 Shipper's Responsibility

The Shipper shall be deemed to have guaranteed to the Carrier the accuracy, at the time the Goods were taken in charge by the Carrier, of the description of the Goods, marks, numbers, quantity and weight, as furnished by the Shipper and he shall indemnify the Carrier against any loss, damage and expense arising or resulting from such inaccuracies in or

inadequacy of such particulars. The right of the Carrier to such indemnity shall in no way limit his responsibility and liability hereunder to any person other than the Shipper.

V. FREIGHT AND LIEN

17 Freight

- 1 Freight shall be deemed earned on receipt of the Goods by the Carrier and shall be paid in any event and is non-returnable. Pre-payable freight and charges shall be payable at the latest upon receipt of the Goods by the Carrier and freight and charges, if any, payable at destination shall be payable at the latest on the date when the Goods are delivered or should have been delivered. Interest at 1.5 per cent per month, or, in the event of mandatory national provisions, at such other rate that is compulsorily applicable, shall run from the date when freight and charges are due.
- 2 The Merchant's attention is drawn to the stipulations concerning currency in which the freight and charges are to be paid, rate of exchange, devaluation and other contingencies relative to freight and charges in the relevant tariff conditions. If no such stipulation exists or is applicable then the following clause shall apply:

If the currency in which freight and charges are quoted is devalued or an alteration in the rate of exchange occurs with the same effect as a devaluation between the date of the Contract of Carriage and the date when the freight and charges are payable, then all freight and charges shall be automatically and immediately increased in proportion to the extent of the devaluation of the said currency.

In case the Carrier has consented to payment in another currency than the above mentioned currency, then all freight and charges shall - subject to the preceding paragraph - be paid at the highest selling rate of exchange for bankers' sight draft current on the day when such freight and charges are paid. If the banks are closed on the day when the freight and charges are paid, the rate to be used will be the one in force on the last day when the banks were open.
- 3 In the event of increase in price for fuel oil all freight rates may be adjusted in order to compensate the Carrier for increased fuel and lubricating costs as from the day of such increase.
- 4 For the purpose of verifying the freight basis, the Carrier reserves the right to have the contents of Articles of Transport inspected in order to ascertain the weight, measurement, value or nature of the Goods.
- 5 If the particulars supplied by or on behalf of the Shipper are incorrect, it is agreed that a sum equal to either five times the difference between the correct freight and the freight charged or to double the correct freight less the freight charged, whichever is the smaller, shall be payable as liquidated damages to the Carrier, notwithstanding any other sum having been stated as freight payable.
- 6 The Shipper shall be liable for the payment of all freights, charges and demurrage etc. payable at destination, which the Carrier cannot obtain from the receiver.

18 Lien

The Carrier shall have a lien on the Goods and the right to sell the same by public auction or otherwise at his discretion for all freight, charges and expenses of whatever kind and nature due to the Carrier under the Contract of Carriage and also in respect of any previously unsatisfied amounts of the same nature and for the same costs and expenses of exercising such a lien and such sale. Such lien and liability shall remain notwithstanding the Goods have been landed, stored or otherwise dealt with. If on the sale of the Goods the proceeds fail to realise the amount due, the Carrier shall be entitled to recover the difference from any of the parties included in the term Merchant.

VI. MISCELLANEOUS PROVISIONS

19 General Average

- 1 General Average shall be adjusted according to York - Antwerp Rules 1974 as amended in 1994 at any port or place at the option of the Carrier whether declared by the Carrier or a subcontractor of the Carrier. This provision shall cover all Goods whether carried on or under deck as well as deck cargo and live animals. The Merchant shall deliver such cash deposit and/or other security as the Carrier may deem sufficient to cover the estimated general average contribution of the Goods before delivery if the Carrier requires, or, if the Carrier does not require, within three months of the delivery of the Goods, whether or not at the time of the delivery the Merchant had notice of the Carrier's lien. If a salvaging vessel is owned or operated by the Carrier, salvage shall be paid for as fully as if the said salvaging vessel belonged to strangers.
- 2 If the Carrier delivers the Goods to the Merchant without claiming any average bond or other security for contribution to General Average the Merchant - by receiving the Goods - becomes personally liable for the contribution up to the CIF value of the Goods provided the Carrier notifies the Merchant within three months after receipt by the Merchant of the Good of his intention to declare General Average.

The Merchant undertakes, if so requested by the Carrier, to disclose the CIF value of the Goods and the name and address of the Underwriter. Unless the Merchant provides the Carrier with an undertaking from such Underwriter to pay General Average contribution the Merchant shall give the Carrier such other security as he may approve.

20 Both-to-Blame Collision Clause and New Jason Clause

The Both-to-Blame Collision Clause and New Jason Clause as adopted by BIMCO are considered incorporated herein.

21 Dangerous & Marine Polluting Goods

- 1 The attention of the Consignor and Shipper is drawn to the International Maritime Dangerous Goods (IMDG) Code Amendment 27, 1994 and supplements on Emergency Procedures for Ships Carrying Dangerous Goods (EmS) and Medical First Aid Guide for Use in Accidents Involving Dangerous Goods (MFAG).

The following information is *always* required on dangerous goods shipping documentation and *always* in this order:

- a Proper Shipping Name.
- b Class (and Division when applicable).
- c United Nations (UN) number. (The IMDG page number must *never* appear on documents)
- d Packaging Group (PG).
- e Number and kind of packages.
- f Total quantity of dangerous Goods.
- g Declaration signed on behalf of the shipper.

Further information is sometimes required on shipping documentation depending on the nature of the Goods

- h For Goods in classes 1, 6.2 and 7, and for certain substances in classes 4.1 and 5.2 - and for Articles of Transport under fumigation.
- i Specific reference to empty uncleaned Articles of Transport and waste dangerous Goods.
- j Minimum flashpoint if 61 degrees Celsius or below.
- k Subsidiary hazards not communicated in Proper Shipping Name.
- l The words "Marine Pollutant" if applicable.
- m The words "Limited Quantity" if applicable.
- n Other information considered necessary by National Authorities.

In certain circumstances special certificates are required:

- o Container Packing Certificate.
 - p Vehicle Declaration.
 - q Weathering Certificate.
 - r Exemption Certificate
 - s Classification etc. Certificate for certain substances in classes 4.1 and 5.2.
- 2 Where combined transport is involved the European Agreement for the International Carriage of Dangerous Goods by Road (ADR) and Annex 1 (RID) to the contract for International Carriage of Goods by Rail (CIM) or special arrangements made between the contracting parties in respect hereof apply to the appropriate leg.
 - 3 Dangerous Goods must be removed from the port of discharge as soon as is practicable unless specific permission has been obtained for the Goods to remain in the port.
 4. Dangerous Goods which have not been declared to, or declared incorrectly to, the Carrier and dangerous Goods which subsequently become a risk to the method of transport, other cargoes or the environment may be discharged, destroyed or be rendered harmless and be disposed of by the Carrier. Such undertaking shall be at the Merchant's risk and expense, except when General Average is declared.
 - 5 The Merchant shall be liable for any damage, loss and expense, howsoever caused, if the foregoing provisions, as applicable, are not complied with.

22 Shipper's Consolidation, Reefer and Heating Machines

- 1 If an Article of Transport has not been consolidated and prepared for conveyance by the Carrier, the Carrier shall, without prejudice to the rights available to the Carrier under Clause 10 and 13 hereof, not be liable for damage to or loss of the Goods therein nor for damage to or loss of the Article of Transport itself and the Merchant shall indemnify the Carrier for any loss, damage or expense incurred by the Carrier, if such loss, damage or expense is attributable to:
 - a overloading, negligent or inadequate consolidation, securing, covering or locking the Article of Transport;
 - b the Goods being unsuitable for carriage in the Article of Transport actually used;
 - c the unsuitability or defective condition of the Article of Transport, unless the Article of Transport has been supplied by the Carrier and the unsuitability and/or defective condition would have been apparent by reasonable means of checking at the time when the Carrier accepted the Article of Transport for conveyance.
- 2 The Carrier does not accept liability for the consequences of malfunctioning of refrigeration or heating machines attached to the Article of Transport.

23 Heavy Lifts

All expenses relating to tendering, loading and discharging of Goods that require equipment, gear or appliances not permanently fitted to or available at the quayside or on the Vessel to be for the Merchant's account. Notwithstanding the provisions of sub-clause (2) of Clause 13 the liability of the Carrier in respect of heavy lifts is limited to the period from the time when the Goods are loaded until the time they are discharged from the Vessel.

VII. SPECIAL CLAUSES

24 Deck Cargo not covered by Clause 7.2

Goods which are stated in the Document evidencing the Contract of Carriage to be carried on deck are carried without responsibility on the part of the Carrier for loss or damage of whatever nature arising during carriage by sea whether caused by unseaworthiness or negligence or any other cause whatsoever.

25 Inspection of Articles of Transport

The Carrier is entitled, but not obliged, to open at any time any Article of Transport consolidated and prepared for conveyance by the Merchant in order to inspect such Article of Transport and its contents for the purposes of Clauses 21 and 22 (1) a - c or if any Article of Transport as aforesaid is opened and/or inspected by any Customs or other Government Authority at any time the costs and expenses of opening and/or inspection as aforesaid shall be for the Merchant's account and the Carrier shall not be liable for any loss, damage, delay, costs or expenses incurred or suffered by the Merchant by reason thereof and the Merchant shall indemnify the Carrier for all consequences arising from such openings and/or inspections.

The Merchant is obliged to correct at his risk and expense any inadequacy or defect found failing which the Carrier is entitled to treat the transport as terminated and place the Goods at the Merchant's disposal at any place. In such case the Carrier is entitled to full freight and indemnification as described above in this Clause.

26 Carriage governed by any of the Nordic Maritime Codes

- 1 In so far as the provisions of the Danish, Finnish, Norwegian or Swedish Maritime Code are applicable to the carriage of Goods by sea it is expressly stated that such carriage by sea is subject to the provisions of the International Convention for the Unification of Certain Rules of Law relating to Bills of Lading, signed at Brussels on 25 August 1924 as amended by the Protocol signed at Brussels on 23 February 1968 (the Hague/Visby Rules) and the protocol in relation to SDR's signed at Brussels on 21 December 1979 and that any term(s) or condition(s) in these Standard Conditions of Carriage or in the Contract of Carriage deviating from the provisions of the Hague/Visby Rules or from the compulsory provisions of the Danish, Finnish, Norwegian or Swedish Maritime Code to the detriment of the Consignor, Shipper or Consignee are null and void to the extent that it deviates, directly or indirectly, from the provisions of the Hague/Visby Rules or the applicable Danish, Finnish, Norwegian or Swedish Maritime Code. The nullity of such a term or condition does not affect the validity of the other terms and conditions of these Standard Conditions of Carriage or of the Contract of Carriage.
- 2 With respect to live animals and deck cargo stated to be carried on deck in the Document evidencing the Contract of Carriage and actually carried on deck, in so far as the provisions of the Danish, Finnish, Norwegian or Swedish Maritime Codes are applicable to the carriage by sea, the Carrier is not liable for loss, damage or delay in delivery resulting from any special risks inherent in that kind of carriage.