

TERMS AND CONDITIONS OF CARRIAGE - INTERNATIONAL SERVICE. LIMITATION OF LIABILITIES

Applicability of Warsaw Convention and FREIGHT SYSTEMS INTERNATIONAL, INC. OR FSI CARGO, CORP.

Contract Rules

The rules relating to liability established by the Convention of Certain Rules Relating to International Carriage by Air signed at Warsaw. Poland of October 2, 1929, shall apply to the carriage of shipments internationally insofar as the same is governed thereby. Provided there is not conflict with the foregoing, international carriage is subject to:

Carriage is subject to:

- A. - Applicable laws (including national laws implementing the Convention), government regulations, orders and requirements;
- B. - Provisions herein set forth;
- C. - **FREIGHT SYSTEMS INT'L / FSI CARGO** Waybill;
- D. - Applicable tariffs, rules, condition of carriage and regulations of **FREIGHT SYSTEMS INTERNATIONAL / FSI CARGO** which are made part thereof and which may be inspected in any office of **FREIGHT SYSTEMS INT'L / FSI CARGO**. Their terms and conditions shall be applicable to **FREIGHT SYSTEMS INT'L / FSI CARGO** its agents and affiliated companies.

LOSS, DAMAGE, OR NON-DELIVERY OF SHIPMENT.

Except as otherwise provided herein **FREIGHT SYSTEMS INT'L / FSI CARGO**, is not liable for loss, customs seizure, damage or non-delivery on an international shipment. If merchandise is insured, all claims have to be with insurance only. The insurance policy covers the shipment ONLY from airport to airport or port to port.

LIABILITY FOR DELAY. Due to nature of the business, **FREIGHT SYSTEMS INT'L / FSI CARGO** will not be liable for failure to pickup or delivery an international shipment by a stipulated time or date.

CONSEQUENTIAL, INCIDENTAL & SPECIAL DAMAGES

NOTWITHSTANDING THE FOREGOING, **FREIGHT SYSTEMS INT'L / FSI CARGO** IN NOT EVENT SHALL BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL OR SPECIAL DAMAGES WHICH MAY ARISE FROM LOSS, DAMAGE, NON-DELIVERY, MISSED PICK UP OR DELAYS OF ANY SHIPMENT. THIS LIMITATION SHALL APPLY TO AND INCLUDE, BUT NOT BE LIMITED TO DAMAGES FOR LOSS OF PROFIT, LOSS OF INCOME, LOSS OF INCOME, LOSS OF BARGAIN, LOSS OF BUSINESS OR LOSS OF INTEREST.

BIDS. If the shipment involves a bid or other similar extremely time-sensitive material, the loss or delay of which might result in consequential, incidental, or special damages. **FREIGHT SYSTEMS INT'L / FSI CARGO** will accept such shipment, but subject to the limitations contained herein. The shipper should prominently identify such shipment as a bid or similar document and where possible, call **FREIGHT SYSTEMS INT'L / FSI CARGO** attention to the special nature of the shipment, in view of **FREIGHT SYSTEMS INT'L / FSI CARGO** limitations on consequential damages, the shipper is advised to contact its own insurance broker agent or company to obtain coverage against such risk.

FREIGHT SYSTEMS INT'L / FSI CARGO will make all reasonable efforts to deliver each shipment to the recipient at the address specified.

If a shipment is undeliverable the Sender will be notified. Upon the Sender's instructions, the shipment will be held for pickup. All subsequent attempts of delivery will be charge to the shipper or consignee.

If no instructions are received from the shipper within 5 days from the date of the shipment. **FREIGHT SYSTEMS INT'L / FSI CARGO** will dispose of the shipment in any way the company find suitable.

LIABILITIES NOT ASSUMED: FREIGHT SYSTEMS INT'L / FSI CARGO shall in no event be liable for any loss, damage, delay misdelivery, non-delivery or missed pickup which is not solely caused by its own acts, omissions or negligence or which is caused by or results from:

1. - The acts of the shipper consignee or other party involved with the shipment or to any of their agents or employees.
2. - The inherent nature of the shipment, including defect, perishability. **FREIGHT SYSTEMS INT'L / FSI CARGO** accepts no responsibility for loss or damage to goods caused by inadequate or inappropriate packaging. It is the sole responsibility of the shipper to address adequately each consignment of goods to enable effective delivery to be made. **FREIGHT SYSTEMS INT'L / FSI CARGO** shall not be liable for delay in forwarding or delivery resulting from the shipper's failure to comply with its obligation in this respect.
3. - Acts of God, including but not limited to inclement weather, which interface with **FREIGHT SYSTEMS INT'L / FSI CARGO** liability to accomplish normal transportation.
4. - Hostile or warlike action in time of peace or war, including acts by any government or authority using military or police forces in launching, hindering, combating of defending any actual, impending or expected attack.
5. - Insurrection, rebellion, revolution civil war, insurgency, terrorist action, riot usurped power of any action take by government or other authority in hindering, combating or defending against such occurrence; any seizure or destruction under guaranties or Customs regulations; confiscation by order of any government of authority, or risk of contraband or illegal transportation or trade.
6. - Loss by nuclear explosion, radiation, radioactivity or radioactive contamination of any kind.

7. - Strikes and labor disturbances, including but not limited to any involving **FREIGHT SYSTEMS INT'L / FSI CARGO** shipper or consignee.

8. - Any Liability because of loss or damages, misdelivery, non-delivery delay, involving any item listed as not acceptable.

9. - Compliance with any law, statute, regulation, government order or requirements.

10. - Any other cause beyond **FREIGHT SYSTEMS INT'L / FSI CARGO**.

SHIPMENTS NOT ACCEPTABLE FOR INTERNATIONAL TRANSPORT.

FREIGHT SYSTEMS INT'L / FSI CARGO will not accept for transport and if accepted, Money or Currency, Antiques, Firearms, Munitions, Plants, Works of Art, Explosives, Animals, Negotiable Instruments or any negotiable items, JATA restricted articles including hazardous or combustible materials, Property which is prohibited by any government of any county from, to or through which the shipment may be carried, Perishables, Foodstuffs, Precious Metals, Jewelry, Post Office Boxes, or the equivalent in a foreign language (e. g. P. O. Box 123, Post bus 123, Apartado Postal 123, Casella Postale 123, Boile postale 123, B. P Codex 123, Case Postale) CP. (123)

RIGHT OF INSPECTION. FREIGHT SYSTEMS INT'L / FSI CARGO reserves the right to open and inspect packages in transit and notify the appropriate authorities about contraband, illegal or controlled substances, firearms, munitions, explosives, etc.

DEFINITIONS. On this waybill "we", "our", "us", and **FREIGHT SYSTEMS INT'L / FSI CARGO** refer to **FREIGHT SYSTEMS INT'L / FSI CARGO**, its subsidiaries and branches, and their respective employees, agents, and independent contractor. "You" and "your" refer to the shipper and its employees, principals, and agents. If your shipment originates outside the United States, your contract of carriage is with the **FREIGHT SYSTEMS INT'L / FSI CARGO** subsidiary, branch, or independent contractor who originally accepts the shipment from you.

"Package" means any container or envelope that is accept by us for delivery, including any such items tendered by you utilizing our automated systems, meters, manifests, or waybills. "Shipment" means all packages, which are tendered to any, accepted by us on a single waybill.

AGREEMENT TO TERMS. By giving us your shipment, you agree, regardless of whether you sign the front of this Waybill, for yourself or as an agent for and on behalf of any other person having an interest in this shipment, to terms on this NON-NEGOTIABLE Waybill, and as appropriate to all terms in any **FREIGHT SYSTEMS INT'L / FSI CARGO** transportation agreement between you and **FREIGHT SYSTEMS INT'L / FSI CARGO** covering this shipment, and in any applicable tariff, and in our current Service Guide or Standard Conditions of Carriage, copies of which are available upon request.

If there is a conflict between the Air Waybill and any such document then in effect, the transportation agreement, tariff, service guide, or Standard Conditions of Carriage will control, in that order of priority. No one is authorized to alter or modify the terms of our agreement. This waybill shall be binding on us when the shipment is accepted; we may mark this waybill with an employee number as our signature, or our, printed name shall be sufficient to constitute our signature of this waybill. We reserve the right to hire a third party for various modes of transportation, warehousing, paper work, handling, etc in any country at any time.

YOUR OBLIGATIONS. You warrant that each article in the shipment's properly described on this waybill and any export documents, acceptable for transport by us, and properly marked, addressed and packed to ensure safe transportation with ordinary care in handling. Proper packaging of the merchandise is the sole responsibility of the shipper/customer. Any rates quoted by **FREIGHT SYSTEMS INT'L / FSI CARGO** for carriage are inclusive of local airport or port but exclusive of any value added tax, duties, levies, imposts, deposits or outlays incurred in respect of carriage of the shipper's goods. Shipper shall always be responsible for all charges, including transportation charges, customs, duties, penalties, fines taxes and possible surcharges, including fees related to our prepayment of the same and our lawyer's fees and legal costs, related to this shipment.

NO WARRANTIES. We make no warranties, express or implied. ALL CLAIMS MUST BE MADE IN WRITING AND WITHIN STRICT TIME LIMITS. IT SHALL NOT EXCEED MORE THAN 5 DAYS. IF INSURED THE CONTACT WILL BE BETWEEN CUSTOMER AND INSURANCE COMPANY.

Within five (5) days after notification to us of the claim, it must be documented by sending to us all relevant information about it. **We are not obligated to act on any claim until all transportation charges have been paid;** the claim amount may not be deducted from those charges.

If the recipient accepts the shipment without noting any damage on the delivery record, we will assume the shipment

was delivered in good condition. Under no circumstances **FREIGHT SYSTEMS INT'L / FSI CARGO** is liable for the content, wrong or missing merchandise inside the package. We received closed packages and we deliver closed packages. In order for us to consider a claim for damage, the contents, original shipping cartons, and packing must be available to us for inspection.

RESPONSIBILITY FOR PAYMENT. Even if you give us different payment instructions, you will always be primarily responsible for all charges, including transportation charges, and possible surcharges, **custom and duties** assessments including fees related to our prepayment of the same, government penalties and fines, and our lawyers' fees and legal costs related to this shipment. You also will be responsible for any cost we may incur in returning your shipment to you or warehousing it pending disposition.

CUSTOMS CLEARANCE. By giving us this shipment, you hereby appoint us as your agent solely for transportation of the merchandise to the port of destination, all custom related issues in any foreign country are the solely responsibility of the customer. **The customer has to provide customs in the country of destination with all necessary documentation for custom clearance.** The customer is responsible for designating a customs broker to perform custom clearance. It is your responsibility to provide proper documentation and confirmation when required.

You are responsible for and warrant your compliance with all applicable laws, rules, and regulations, including but not limited to customs laws; import, export, and re-export laws; and governmental regulations of any country to, from, through or over which your shipment may be carried. You agree to furnish such information and complete and attach to this waybill such documents as are necessary to comply with such laws, rules, and regulations. We assume no liability to you or any other person for any losses or expenses due to your failure to comply with this provision.

You are also responsible for all charges, including transportation charges, and all duties, customs assessments, governmental penalties and fines, taxes, and our lawyer's fees and legal costs, related to this shipment.

Our charges per shipment are only to the City of Caracas - Venezuela, all other charges to any city in Venezuela are under the customer responsibility. Under no circumstances, **FREIGHT SYSTEMS INT'L / FSI CARGO** will be responsible for any losses, damage merchandise, wrong deliveries for the local freight company chose by the customer.

The shipper acknowledge the nature of the service, not knowing or ignoring the rules or regulations regarding this service or custom laws of any country, is the solely responsibility of the shipper/customer/consignee.

We are not responsible for merchandise left or abandoned in our premises for a period of time of more than 10 consecutive days. All abandoned cargo left in our premises will be dispose at our convenience. The validity of this waybill begins just by us receiving the customer cargo in our premises. The validity of these conditions applies even when the way bill is not signed by an employee of **FREIGHT SYSTEMS INTERNATIONAL, INC. OR FSI CARGO, CORP.**

We are not responsible for any typographical errors. THIS IS A CONTRACT, YOU AGREED ON ALL CONDITIONS WRITTEN HERE AND RELEASE FREIGHT SYSTEMS INTERNATIONAL, INC OR FSI CARGO, INC. OF ANY RESPONSIBILITY OR LIABILITY ARISING FOR NON-DELIVERY OF ANY CARGO. WE RESERVE THE RIGTH TO ACCEPT CARGO FROM ANY CUSTOMER.

DISCLAIMER

U.S. Law recognizes that people in different roles have different duties imposed on them by virtue of their particular role. We are acting as a freight forwarder for customers in South America who have hired us for those services, and we have accepted the duty to ensure goods tendered to us by the U.S. suppliers on behalf of our customers is then forwarded to our customer. Our role is to act as the local agent of our South American customers, which means that our duties are only to our South American customers. Once goods have been tendered to our custody by the US suppliers, then our customers own the goods and have an obligation to pay for them. We do not have any duty to a supplier which may have extended credit to our customers or otherwise dispatched goods prior to receipt of all funds. In the absence of any other information given to us with regard to this issue, it is evident to us that our activities as a freight forwarder should continue unimpeded while the supplier and consignee (our customers) settle the question of how payment is to be confirmed. We do not have any independent right to withhold performance of our agreed duty to our customers (shipment of the cargo to South America).