

**Approved
by the General meeting
of association "Ukrzovnishtrans"
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GENERAL CONDITIONS OF THE UKRZOVNISHTRANS - ASSOCIATION OF TRANSPORT FORWARDING ORGANIZATIONS OF UKRAINE, KIEV / UKRAINE

Art. 1. General provisions and applicability

These General Conditions of Ukrainian freight forwarders of "Ukrzovnishtrans" Association, hereinafter referred to as the "General Conditions":

- shall regulate the relations between the freight forwarder and the customer;
- shall have the legal force and shall be applied only when they are included (in writing) in the freight forwarding contract or when there is a written reference in the contract;
- shall cancel the terms and conditions of the freight forwarding contract which are in conflict with these General Conditions;
- shall be printed on the back side of FIATA Documents and Forms except Negotiable Multimodal Transport Bill of Lading (FBL) and Non-negotiable Multimodal Transport Waybill (FWB).

2. Types of freight forwarding services.

The freight forwarders shall render their services under the legislation of Ukraine and the states the territory of which is crossed by the carriage, according to the services listed in the rules of freight forwarding activity as well as other services agreed by the parties in the contract.

Freight forwarding services shall be rendered to the customer under export from Ukraine, import to Ukraine, transit via the territory of Ukraine or other states, inner carriage via the territory of Ukraine.

The freight forwarder under the customer's order:

- shall ensure the adequate transport services and arrange the carriage of the goods by different modes via Ukraine and foreign states according to the contracts which meet the requirements of International rules for interpretation of trade terms INCOTERMS;
- shall charter national, foreign vessels and involve other vehicles and ensure their supply in the ports, railway stations, warehouses, terminals and other facilities for timely shipment;
- shall perform the works related to the acceptance, consolidation, separation, handling, sorting, warehousing, storage and carriage of the goods;
- shall keep record of delivery and shipment of goods from the ports, rail stations, warehouses, terminals and other facilities;
- shall ensure the security of goods during their carriage, transshipment and storage;
- shall arrange the goods examination;
- shall issue transport documents and distribute them;
- shall provide the parties with the applications for shipments and orders for dispatch under the legislation in force;
- shall ensure the shipment of rejects, spoilage, damaged goods, goods in non-standard package or in package that does not meet the carrier's requirements;
- shall insure goods and its own liability;
- shall prepare vehicles and goods according to the corresponding legislation;
- shall ensure optimization of financial circulation from consigner to consignee to minimize the costs;
- shall perform the mutual payments with ports, transport companies for carriage, transshipment and storage;
- shall issue the documents and perform their work in compliance with the customs, quarantine and sanitary requirements;
- shall provide the prepared transport modes with the additional facilities under the corresponding legislation;
- shall provide other auxiliary and associated services agreed in the contract and not contradicting the applicable law.

3. Freight forwarding contract and its execution

3.1. Under the freight forwarding contract the party on the one hand (freight forwarder) shall perform the services relating to the carriage of the goods, agreed in the contract, at the cost and for the remuneration of the other party (customer).

3.2. The freight forwarding contract shall be concluded in writing.

3.3. Other long-term (general) contracts are allowed.

If the freight forwarder involves the third party, the freight forwarder may act on his own or on the customer's

behalf.

3.4. The freight forwarding contract may stipulate the freight forwarder's obligations to arrange the carriage of the goods by the vehicle and under the route agreed with the freight forwarder or the customer; to execute the carriage contract on behalf of the customer or on his own behalf; to ensure the shipment and delivery of goods; acceptance of documents for export, import, transit, customs clearance and other formalities; expertise of quality, quantity and condition of the goods; loading and unloading, payment of duties and other expenses, and also performance of other works and services connected with carriage of the goods. These rules shall act also in those cases when according to the contract the carrier's obligations are performed by the freight forwarder.

3.5. Under the freight forwarding contract the customer shall cover the costs arisen from contract performance and remunerate the freight forwarder.

3.6. If the freight forwarder's obligations are threatened by possible challenges or risks caused by freight forwarder's mistakes and negligence that may have been avoided, the freight forwarder shall be entitled to reject the carriage of the goods under the executed contract and may transfer the goods or their part to the customer in the safe and suitable place. The freight forwarder's liability may be ceased and the freight forwarder shall be entitled to obtain the agreed remuneration and compensation and the customer shall cover the additional costs arisen from such circumstances.

4. Freight forwarding documents.

4.1. To perform their activity the freight forwarders-Association Members can use FIATA Documents and Forms under the agreement with the Executive Directorate.

This right shall be entitled only if the freight forwarder is a Full Member of Association.

4.2 FIATA documents and forms include:

- Forwarding Instructions.
- Shippers Intermodal Weight Certification.
- Shippers Declaration for the Transport of Dangerous Goods.
- Warehouse Receipt.
- Forwarders Certificate of Receipt.
- Forwarders Certificate of Transport.
- IATA Air way bill.

FIATA Individual Members may obtain the following documents:

Negotiable Multimodal Transport Bill of Lading.

Non-negotiable Multimodal Transport Waybill.

5. Rights, obligations and liability of the freight forwarder.

5.1 The freight forwarder shall be entitled:

- to choose or change the mean of transport and route, choose or change the order of the carriage and freight forwarding services rendering, acting in the customer's interests under the corresponding freight forwarding contract;
- to deviate from the customer's instructions in the order stipulated in the freight forwarding contract;
- to obtain the coverage of additional costs (in the agreed with customer amounts) arisen from contract performance if such costs are for the benefit of the customer;
- to retain the goods up to the moment of payments or to the moment of other guarantee of payments by the customer unless otherwise agreed in the contract;
- not to launch its obligations before the obtaining of the necessary documents and information about the goods type, conditions of carriage, etc.

5.2. The freight forwarder shall be obliged:

- to render freight forwarding services according to the freight forwarding contract and customer's instructions agreed under the contract.

If the freight forwarder needs to deviate from customer's instructions (when there is a threat to the goods, safety or health) it shall obtain the customer's consent. If there is no possibility to inform about it in advance or if the reply is not received in time, the freight forwarder shall be entitled to act at his discretion but informing the customer thereof as soon as possible.

The freight forwarding contract may stipulate the other obligations.

5.3. The freight forwarder shall be liable:

- towards the customer for number of places, weight (if the control weighing was performed in the presence of carrier's representative), package according to the transport documents certified by the signature of carrier's representative if otherwise agreed in the contract;
- for failure to perform or incorrect performance of the obligations under the contract and these rules, the freight forwarder shall be liable in compliance with the Civil Code of Ukraine, other laws and freight forwarding contract;
- for actions or negligence of the third parties involved in the performance of the contract in the same order as for his own actions.

6. Rights, obligations and liability of the customer.

6.1. The customer shall be entitled:

- to define the route and mode of transport;
- to require information about the carriage;
- to give to the freight forwarder instructions not contradicting the freight forwarding contract and documents provided to the freight forwarder;
- to change the route of delivery and the place of the final consignee informing the freight forwarder in advance covering the related costs.

The freight forwarding contract may stipulate the other rights of the freight forwarder and the customer.

6.2. The customer shall be obliged:

- to provide the freight forwarder in time with full, correct and reliable information about the name, number, quality and other nature of goods, conditions of carriage, and other information necessary for performance of the contract as well as the documents relating to the goods for ensuring of customs, sanitary and other state control and safe conditions of the goods carriage.
- to remunerate the freight forwarder and refund for the documented expenditures incurred by the freight forwarder for the benefit of the customer and for performance of the freight forwarding contract in the order stipulated in this contract.

The freight forwarding contract may stipulate the other obligations of the customer.

6.3. For failure to perform or incorrect performance of the obligations under the contract and these rules, the customer shall be liable in compliance with the Civil Code of Ukraine, other laws and freight forwarding contract.

7. Insurance while performing freight forwarding activity

The freight forwarder shall insure the goods and its liability under the legislation in force and freight forwarding contract.

8. Disputes

8.1. Freight forwarding disputes shall be settled in compliance with the legislation in force.

8.2. These General Conditions are executed in Ukrainian and English languages having equal legal force. In case of difference the Ukrainian one shall prevail.

9. Lien.

9.1. The freight forwarder at any time and in the limits of the legislation in force shall have a lien on the goods and documents relating to the goods for any amount due to the freight forwarder for the services rendered to the customer including the coverage and compensation for storage and warehousing and other costs incurred.

9.2. The freight forwarder may use the lien by any weighted actions at his discretion.

10. Obligation of the General Provisions

The General Conditions shall have the force and shall be applied only if they do not contradict the provisions of the international conventions and Ukrainian laws regulating the freight forwarding activity.