

**APL LOGISTICS TRANSPORTATION MANAGEMENT
SERVICES, LTD. TERMS AND CONDITIONS**

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APL LOGISTICS TRANSPORTATION MANAGEMENT SERVICES, LTD.
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1. INTRODUCTION

These Terms and Conditions (“Terms”) govern the ramp to ramp/intermodal transportation services provided by APL Logistics Transportation Management Services, Ltd. (“APLL”). These Terms contain the explanation of, and requirements for, services that may be requested by the shipper, consignee or third party payer and will apply on all shipments moving under pricing publications and agreements, including individual customer agreements, where these Terms are shown as a governing publication. Provisions in these Terms are subject to change without prior notice. Any exceptions will be noted in specific account pricing provisions.

These Terms may also sometimes referred to as a “tariff”, subject to amendment, and shall be applicable to all common and contract carriage, except to the extent (1) prohibited by law, or (2) expressly agreed to otherwise by APLL and its Customer in writing by specific negative reference hereto. APLL is not bound to transport property in any particular vehicle, in time for any particular market or markets, other than to transport the merchandise with reasonable dispatch.

2. DEFINITIONS

- a) APLL means APL Logistics Transportation Management Services, Ltd.
- b) Customer shall mean that entity which retains APLL for the purpose of the ramp to ramp/intermodal transportation services covered by these Terms.
- c) Terms means the then current version of these Terms and Conditions.
- d) Services means those ramp to ramp and intermodal transportation services provided by APLL under these Terms.
- e) Servicing Carrier means those third party motor or rail carriers retained by APLL to perform the Services. A Servicing Carrier may be either a Servicing Motor Carrier or a Servicing Rail Carrier.

3. GOVERNING PUBLICATIONS

The Services are subject to the then-current versions of the following named publications. To the extent that provisions of any such publication or circular are inconsistent with the express terms of these Terms, the terms of these Terms shall govern. The rules tariff of the underlying Servicing Rail Carrier will govern the commodity accordingly while in the custody and control of that Servicing Rail Carrier. In the event of a conflict between the rules tariff of the Servicing Rail Carrier and these Terms, the terms of the Servicing Rail Carrier’s tariff shall prevail.

- AAR Circular 43 – Terms for Blocking and Bracing
- Bureau of Explosive Tariff No. BOE 6000
- Intermodal Safe Container Amendments Act of 1996, Effective April 9, 1996
- Loss and Damage Claims Tariff ICC 6001-A
- Standard Transportation Commodity Code STCC 6001
- Uniform Freight Classification 6000
- AAR Intermodal Interchange Terms
- Director of Hazardous Materials Shipping Descriptions (RAILINC)
- Intermodal Loading guide (RAILINC)

4. TERMS APPLICABLE TO HAZARDOUS COMMODITIES

Hazardous materials are subject to acceptance by APLL at its sole discretion. A hazardous materials charge will be imposed for each accepted move. All hazardous materials shipments are subject to the terms of the Hazardous Commodities Addendum, the terms of which are incorporated as though fully set forth herein.

5. SHIPMENTS REQUIRING PERMITS OR BONDS

5.1 Policy

Customer or its consignee must make all arrangements when federal, state or municipal regulations or laws require special permits or bonds for shipments. Customer or its consignee must pay all additional costs involved in securing or providing such permits, bonds or escorts.

5.2 Shipments In Bond In The U.S.

The following requirements must be met when handling shipments in bond in the U.S.:

- a) Customs Form 7512, "Transportation Entry and Manifest of Goods Subject to Customs Inspection," must be delivered with the shipping instructions to APLL at origin, or
- b) Customs Form 7512 may be sent via U.S. Mail, express courier, or EDI to the carrier that will supervise or be responsible for customs clearance.

5.3 Shipments In Bond Destined For Canada Or Mexico

When handling shipments moving in bond originating in the U.S. and destined to points in Canada or Mexico the "Shipper's Export Declaration" must be:

- a) delivered with the Shipping Instructions to APLL at origin, and
- b) sent via U.S. Mail, express courier or EDI to the exporting carrier at the point of exit from the U.S, or
- c) sent by Express Courier or U. S. Mail when APLL is the exporting carrier to:[NEED ADDRESS]

5.4 Shipping information

On a shipment moving in bond in the U.S., the shipping information must include:

- a) the number of the applicable Customs Form 7512, "Transportation Entry and Manifest of Goods Subject to Customs Inspection"
- b) the number of the applicable "Shipper's Export Declaration", and
- c) the shipment consigned to "Director of Customs for [name of consignee]" at the interior port of entry where customs clearance will be accomplished.

5.4.1 Required information

Shipping instructions must include the pieces of information identified in Exhibit 1 to these Terms.

6. General Terms and Conditions

6.1 Generally Applicable Provisions

APLL will pay all claims for loss or damage to freight transported by a Servicing Carrier in accordance with the terms in this Section 6 and subject to the liability restrictions and limitations in Section 6, the provisions of the applicable Bill of Lading, and all claim and suit filing requirements outlined in these Terms. The terms in this Section 6 supersede any inconsistent provisions elsewhere in these Terms.

6.2 Principles of Liability.

APLL offers two alternative liability provisions: "Standard" liability and "Carmack" liability. **UNLESS LANGUAGE EXPRESSLY SELECTING "CARMACK" IS INCLUDED IN THE ORIGINAL SHIPPING INSTRUCTIONS, ANY TENDER OF FREIGHT FOR TRANSPORTATION UNDER THIS CIRCULAR WILL BE ACCEPTED UNDER "STANDARD" LIABILITY**

COVERAGE PROVIDED AND NOT UNDER "CARMACK" COVERAGE. Other levels of reimbursement for cargo loss or damage are available only by written contract signed by an authorized APLL official.

6.3 Standard Liability Provisions and Restrictions

6.3.1 Extent of Liability

APLL will not entertain liability for any loss or damage to cargo unless the cargo was moved under these Terms and Customer establishes that both: (a) Customer or its designee can substantiate that the cargo was loaded in closed, locked and secure trailer and/or container, and the cargo was properly loaded, blocked and braced, and (b) the damage occurred while the cargo was in possession of either APLL or its subcontractor.

6.3.2 Exclusions from Liability

The following provisions apply to all claims:

a) Neither APLL nor its Servicing Carriers will be held liable for any claims or losses resulting from delay nor does the Servicing Carrier guarantee services on any schedules, published, projected or implied.

b) Neither APLL nor its Servicing Carriers guarantee adherence to any particular transit or train schedule. APLL will not be liable for failure to transport any shipment by any particular train or in time for any particular market.

c) Neither APLL nor its Servicing Carriers will be liable to the extent of loss, damage, or delay caused by a condition of force majeure including but not limited to an act of God, public enemy, the authority of law, riots, strikes or acts of civil disobedience, an inherent quality or characteristic in the commodity, natural shrinkage, any act or default of shipper, consignor, consignee, owner, or any contracting party, the stoppage and holding in transit of lading at the request of the shipper, consignor, consignee, owner, or any contracting party, or any other cause reasonably beyond the control of APLL or its Servicing Carriers.

d) The liability of APLL or its Servicing Carriers will not extend beyond the actual physical loss or damage to the cargo itself, plus any costs reasonably incurred in efforts to mitigate the loss or damage. APLL will not be liable for attorney fees, for interest, or for special, consequential, indirect or punitive damages. Unless amended by written agreement signed by an authorized APLL official prior to shipment, APLL's liability for loss, damage or delay to any shipments under these Terms shall be based on the replacement value of the cargo plus a pro-rated portion of freight and duties and will be limited to the lesser of the liability assumed by the Servicing Carrier responsible for the claim, or \$100,000 per Container, whichever is less.

e) APLL shall not be liable for any claims of less than a minimum claim amount of \$250.

f) APLL does not make any representations as to the suitability of cargo for rail transportation. The Shipper acknowledges also that there are significant differences in the forces exerted on the cargo in rail transportation that may require additional packing measures for the cargo to move safely. APLL does not provide mechanical protective service under these Terms. APLL is not liable for temperature related damage to cargo itself or to the container or trailer or other equipment, regardless of whether shipper requested mechanical protective service or made such arrangement with another carrier or company, and no failure to take any action with regard to protective service shall constitute carrier negligence.

g) APLL will not be liable for any loss or damage arising from any defect in any trailer or container (including chassis and tie down devices and equipment) except where such trailer or container was supplied by APLL and only to the extent the defect is the proximate cause of the damage or loss.

h) When Customer controls the drayage selection, the Customer will be responsible for all damage to the container and chassis while in the custody or control of the drayman.

i) APLL will not be liable for more than \$250 per shipment for that portion of any claim attributable to federal or state taxes or duties on distilled spirits, wine, or beer

j) In no event shall either party be liable for incidental, consequential (including lost profits, "chargebacks", or other penalties for late delivery), special, punitive or exemplary damages in connection with the cargo or the services rendered hereunder even if notice was given of the possibility of such damages and even if such damages were reasonably foreseeable.

6.3.3 Liability Disclaimer- Mexico.

Pursuant to Articles 66 and 67 of the Mexican Federal Law of Roads, Bridges and Auto-Transportation, Article 84 of the Mexican Regulation of Federal Auto-transportation and Ancillary Services, Articles 51 and 52 of the Mexican Railroad Service Regulatory Law, and Articles 2 and 3 of the Law to Determine the Value of the Unit Measure, as applicable, APLL shall have no liability whatsoever for any loss, damage or destruction to goods carried in Mexico except to the extent that such loss, damage or destruction was caused by the sole or gross negligence of APLL, in which case APLL's liability shall be limited by ton to 15 times the average daily minimum wage applicable in Mexico City, unless (1) a higher valuation is declared in advance by Customer for the load, and (2) Customer has procured, or APLL has procured on Customer's behalf and at Customer's expense, prior to the load(s) being tendered to APLL for shipment, insurance coverage adequate in nature and kind to cover the declared value of the goods.

6.3.4 Indemnity

Each party shall indemnify and hold the other party harmless from all fines, costs, penalties, liabilities and claims of every kind, to which a party may be subjected on account of loss or destruction or damage to any property (excluding cargo), or injury to, or death of, persons to the extent caused by the: 1) negligence or intentional misconduct; 2) violation of applicable laws or regulations (including those governing the proper identification of hazardous materials); or 3) breach of these Terms, by the indemnifying party, its agents, or employees. A party's indemnification obligation shall not apply to any extent that any claims, lawsuits, proceedings, judgments, costs, charges, expenses, losses, or liability of every type and kind or any combination thereof, arise from or relate in any way to the negligent or intentional acts or omissions of the party to be indemnified, its employees, agents, consignors, consignees, or customers. Should there be shared liability resulting in such loss, liability, damage, claim or expense, the responsible parties shall contribute to such claim in the ratios of their respective fault.

6.4 Claims

6.4.1 Standing to File Claim. APLL will not be liable for any loss, damage, or delay to lading to any party other than the Customer. APLL will not be under any obligation to process any claim by any person other than the Customer.

6.4.2 Notification Timing. Claims for loss, damage or destruction must be filed by the earlier of: (i) nine (9) months from the date of delivery (or if no delivery occurred, the date upon which delivery should have occurred), or (ii) time frame established by the Servicing Carrier responsible for the claim. Any suit arising from such a claim must be filed by the earlier of: (i) two (2) years of the date of APLL's or the Servicing Carrier's denial of all or any part of the claim; or (ii) the time frame established by the Servicing Carrier responsible for the claim. Customer must mitigate all damages and further loss to the cargo. All evidence material to the claim investigation must be retained and made available to APLL. APLL must be afforded a reasonable opportunity to survey damaged goods.

6.4.3 Supporting Documentation. In any claim for loss, damage, or delay, claimant shall include: a) equipment initials and number, shipper's name, consignee's name, notify party's name, shipping date, and commodity, b) records (such as bill of lading, shipping manifest, or purchase or sales documents) or certification to establish: (1) delivery to a APLL carrier, (2) condition and quantity of cargo at origin, (3) verification of the amount claimed, such as repair bills or certified invoices, (4) records verifying condition and quantity of the cargo when received at the destination, (5) origin and destination seal records, and (6) evidence of the current state of, or disposition of, any damaged cargo in compliance with requirements of this section.

6.4.4 Notification of Damage. The following provisions apply to notification and verification of damage:

(a) Claims for less than \$250 are not to be reported. If damage in excess of \$250 is visible or obvious upon unloading and appears to be associated with a defect in the trailer or container, claimant must notify APLL as soon as commercially practical and no later than by the end of the next working day following discovery of the damage. In all other cases of discovery of damage in excess of \$250 (including "concealed" damage) APLL must be notified within five working days after delivery.

(b) Notification of damaged cargo must comply with APLL's procedures. To properly file a claim, please contact the APLL Claims department at APLL_Claims@apllogistics.com.

(c) Customer is responsible for securing the cargo for inspection for 15 days after notification of the loss unless earlier disposition is approved in advance. APLL will not unreasonably withhold approval for prior disposition of salvage without destination inspection.

(d) Failure of APLL or its Servicing Carrier to inspect damaged cargo for any reason will not relieve the claimant from the requirement of establishing that cargo was delivered in a damaged condition and was properly blocked and braced. Failure by any party to inspect damaged cargo for any reason will not be considered an admission of liability by APLL.

6.4.5 Insurance. The following are the insurances which APLL will provide, and limits which will cap its liability:

Third Party Property and Personal injury (Auto Liability) - \$1,000,000 per occurrence
Commercial General Liability, including products completed operations, contractual liability and instantaneous pollution liability - \$1,000,000 per occurrence.

Workers compensation coverage at statutory levels depending on where the work is to be performed.

Cargo Insurance

\$100.000 per occurrence	Standard – no charge
\$100k-\$200k per occurrence	\$50 per load surcharge
\$200k-\$300k per occurrence	\$100 per load surcharge
\$300k-\$400k per occurrence	\$200 per load surcharge
\$400k-\$500k per occurrence	\$400 per load surcharge
\$500k per occurrence	Quote

7. Other Responsibilities

7.1 Origins

Unless special loading, bracing, and blocking for a particular shipment is approved in advanced and in writing by an authorized APLL official, all loading, bracing, and blocking must comply with all applicable rules of any Servicing Carrier, the AAR rules, other circulars, pamphlets and/or general information series publications and with all

applicable APLL manuals, publications and/or procedures. APLL has the right to inspect, weigh and reject shipments at origin for not complying with any applicable loading requirements.

The maximum weight to be loaded into a container is 43,500 lbs including dunnage and pallets. Customer assumes all responsibility for all costs associated with containers loaded heavier than 43,500 lbs. In the event the Customer overloads or misloads containers and re-work/trans-loading or other processing of the freight becomes necessary, Customer shall remain fully responsible for these costs.

7.2 Movements Into And Out Of Mexico

It is the duty of the Customer to arrange for and provide all necessary documents, permits, authorizations and other paperwork required for the shipment to enter or leave the United States or Mexico, APLL assumes no responsibility for any expenses or losses resulting from delays and problems in clearing Customs.

7.3 Charges and Assessorial

7.3.1 Storage Charges. Storage charges will be a direct pass through of the underlying rail charge plus a \$25 administrative fee.

7.3.2 Per Diem Charges.

Ramp to Ramp moves – No Free Time. \$18 per day from day box is pulled empty from ramp or CY yard (origin) or date of Notification (destination) for Days 1 to 10. For days 11 onward, the charge is \$100 per day. Notification is the action that APLL takes to tell the Customer that the shipment/equipment has arrived at the terminal and it's ready to be picked up. Notification may be done via telephone, fax, or electronic data interchange (EDI). Day of notification is the day APLL notifies the Customer to pick up equipment.

7.4 Payments

Payment is due within 15 days of invoice date. Customer responsible for paying freight charges may not offset any part of freight charges on any outstanding loss and damage, overcharge, or over collected claim.

APL Logistics Transportation Management Services, Ltd.
Terms and Conditions
HAZARDOUS COMMODITIES ADDENDUM

1. Hazardous Commodities

1.1 Booking Shipments. A hazardous commodity must be identified by proper shipping name and hazard class precisely and clearly on the shipping instructions and must include all other information required by regulations of the Department of Transportation. When booking a hazardous materials shipment, in addition to the items required for shipping instructions in Section 5.4 below, the following additional pieces of information must be provided:

- a) Proper Shipping Name
- b) Hazardous Class
- c) *UN/NA* Identification Number (when required)
- d) Total quantity as described in 49 CFR
- e) 24 hour emergency response telephone number (when required)
- f) Other additional shipping instructions (paper instructions) information when required by 49 CFR in 172.200 through 172.300.

1.2 Blocking and Bracing

Customer must ensure that shipments of hazardous commodities are blocked and braced in accordance with AAR Pamphlet 6-C “Approved Methods of Loading and Restraining Shipments of Hazardous Materials for Trailer/Container on flat car (TOFC/COFC) Movements” and in compliance with 49 CFR 174.55 (See BOE 6000 Tariff).

If a shipment originating with APLL and billed for interchange to a connecting Servicing Rail Carrier is rejected by the connecting Servicing Rail Carrier due to insufficient or improper blocking and bracing then Customer will: a) be notified of the rejection, b) arrange for the shipment to be picked up at the APLL facility and taken off site for proper blocking and bracing, c) arrange for the shipment to be drayed to the connecting Servicing Carrier, and d) reimburse APLL for any and all costs associated with the attempted interchange.

1.3 Removal of Hazardous Commodity Material

Customer must remove or arrange for consignee to remove completely all lading, dunnage, blocking, bracing, strapping and all material that was part of the hazardous commodity shipment, including all residue thereof or contamination therefrom prior to return of a trailer or container after movement of a hazardous commodity.

1.4 Failure to Remove Hazardous Commodity Material

APLL will take the following actions if Customer (or consignee) fails to: a) unload a hazardous commodity and all hazardous commodity material, residue, and contamination from a trailer or container before the trailer or container is returned or b) if the trailer or container must be decontaminated and repaired:

APLL will take these actions	Customer or Consignee will...
Notify Customer of requirement to pick up the container and material for remediation	Complete unloading, treatment and repair

<p>Remove and dispose of any material, residue or contamination remaining in the trailer or container, repair the trailer or container in accordance with applicable statutes and regulations</p>	<p>Reimburse APLL for the cost of:</p> <ul style="list-style-type: none"> • Unloading and removal of any hazardous commodity material, residue or contamination, • Decontamination and repair of the trailer of container, • Disposal of the hazardous commodity material, residue or contamination, • Reasonable administration of the unloading removal decontamination, and disposal and cost to repair
<p>Give the property and responsibility of the trailer/container to the Shipper if, in the sole judgment of APLL, a trailer/container furnished by carrier cannot be decontaminated or repaired</p>	<p>Pay APLL the fair market value of the trailer or container (to be valued as if not contaminated)</p> <ul style="list-style-type: none"> • Make all arrangements • Pay all transportation costs for removal of the trailer or container from APLL property • Pay all treatment, storage or disposal cost for the trailer or container

1.5 Hazardous Placard Requirements

In order to ensure visibility during the transportation of containers in double stack cars, all hazardous placards and/or UN/NA identification number markings and “marine pollutant” markings must be located in the area that is at least one (1) foot from the top of the container, four (4) feet from the bottom and at least five (5) feet from the end of the container to ensure visibility. End placards must be located with the same height restrictions.

1.6 Hazardous Material Accidents/Incidents Responsibilities

Except as otherwise stated in these Terms, if a shipment is involved in an accident or incident during transportation by APLL or a Servicing Carrier or on the property of APLL or a Servicing Carrier during which a hazardous commodity is released as a result of, in whole or in part, unauthorized packaging, improper blocking and bracing, inherent nature or defect in the hazardous commodity, or a latent defect in equipment owned or leased by Customer, the Customer will assume the defense of any and all claims or lawsuits, administrative actions or other proceedings brought in connection therewith and be held responsible for any necessary clean up and disposal of any material and for all damage and contamination to or repair of (including decontamination or disposal of) the trailer/container.

APL Logistics Transportation Management Services, Ltd.
Terms and Conditions
Exhibit 1 – Shipping Instructions

A Essential Elements – Shipping Instructions. Shipping instructions must include the following pieces of information. Acceptance of a booking by APLL does not constitute a waiver of APLL's right to insist on receipt of all of the following. Any loss or damage resulting from failure to accurately and timely provide this essential information shall be the responsibility of the Shipper.

1. Origin and Destination Intermodal Terminal
2. Actual Origin and Destination
3. Complete route including junctions if required for rating purposes
4. Name of Customer
5. Name of beneficial owner of cargo
6. Name of actual shipper and receiver
7. Name of consignee
8. Address and telephone number of consignee when Servicing Carrier is required to perform destination drayage
9. Name and fax-telephone number of the notify party at destination terminal (company name or individual)
10. Trailer/container initial and number
11. Whether container shipment is to be with chassis or flush on car without chassis
12. Length (outside measurement) of trailer/container
13. Railroad origin and actual origin if Servicing Carrier performs origin drayage
14. Railroad destination and actual destination if Servicing Carrier performs destination drayage
15. Service Code
16. APLL contract number, if any
17. Prepaid or collect status
18. Name and address of the Bill-To-Party if different from the name and address of the Customer
19. Valid seven-digit Standard Transportation Commodity Code (STCC) number for determination of applicable rate. The proper STCC for movement of an empty container is 42-211-30.
20. Actual description of predominant commodity
21. Actual gross weight of lading. *Note: the Intermodal Safe Container Act requires additional specific documentation of lading weights greater than 29,000 pounds.*

B For Shipments destined to Mexico or Canada. In addition to the items described above:

1. Piece count and specific commodity description ("FAK" or "Freight All Kinds" is not acceptable) for ALL commodities in the container or trailer. *Note: Canadian customs requires very specific commodity descriptions. For example: "Baseball Bats", not "Sporting Goods".*
2. Name of Customs Broker
3. US Port of Exit
4. Canadian Customs port of clearance.

C Incomplete, inaccurate, or erroneous shipping instructions. APLL will apply the following terms to any shipment accepted by or moved by an APLL Servicing Carrier with incomplete or inaccurate shipping instructions:

- Customer shall be responsible for all extra charges, fines or penalties applicable to shipments misrouted or delayed including those imposed by the applicable Servicing Carrier. Changes in shipping instructions after a shipment has been forwarded from the origin terminal or interchange point shall not relieve the Customer from responsibility for these charges, fines or penalties, or, if charges are partially paid by another party, for the difference between Customer's rate and the charges paid by the third party.