



LIMA BINTANG LOGISTICS
GENERAL TERMS AND CONDITIONS OF SERVICE 2012
(Please read carefully)

This 'General Terms and Conditions of Service 2012' shall apply to Lima Bintang Group of Companies covering:

- a. Lima Bintang Logistics Sdn Bhd
- b. Lima Bintang Logistics (KL) Sdn Bhd
- c. Lima Bintang Heavy Cargo Solution Sdn Bhd
- d. Lima Bintang Shipping & Forwarding Sdn Bhd
- e. Lima Bintang Logistics (S) Pte Ltd

All shipments to or from the Shipper (which term includes the customer, exporter, importer, sender, receiver, owner, consignor, consignee, transferor or transferee of the shipments) will be handled by **LIMA BINTANG GROUP OF COMPANIES** (referred to as "the Company"). No agent or employee of either party may alter, vary or waive any of the following terms and conditions:-

- 1) The services provided by Lima Bintang Group of Companies above are exclusive of:
 - Cargo taxes, duties, port charges, customs clearance, and documentation charges (if any), insurance and any incidental and consequential charges if required.
 - Any freight taxes (if required).
 - Any removal of obstacles or reinforcement for jetty/road/bridge/site/ground etc (if required) for the above operation unless specifically stipulated in the service contract.

- 2) All goods are to be insured by client, the coverage of which shall include the Company and all sub-contractors as the insured parties for all risk on the overall operation and with the clause - "Waiver of Subrogation right against "LIMA BINTANG LOGISTICS SDN BHD" in the event of any loss or damage to cargo/goods. The Company will not insure the goods unless specific written instructions from Shipper providing the kind and amount of insurance is received by the Company in sufficient time prior to shipment from point of origin. The Company does and will not undertake or warrant that such insurance can or will be placed on such goods. Unless the Shipper instructs the Company to insure the goods under the Shipper's own open marine policy, the insurance is to be effected with one or more insurance companies or other underwriters to be selected by the Company. Any insurance placed on such goods shall be governed by the certificate or policy issued in respect thereof and will only be effective when accepted by such insurance companies and underwriters. Insurance cover provided by Company will be assessed at a rate negotiated between the parties separately from any freight charges. The insured value is not to exceed the actual value of the goods. Shipments must be packaged to withstand the normal hazards of transportation for any claim to be valid. In the event the Shipper does not elect to insure all or part of a shipment, the Company's liability for any loss, damage or delay to such shipment shall be limited in accordance with the provisions of Paragraph 3. Should an insurer dispute its liability for any reason, the insured shall have recourse against the insurer only and the Company shall not be under any responsibility or liability in relation thereto, notwithstanding that the premium upon the policy may not be at the same rate as that charged or paid to the Company by the Shipper, or that the shipment was insured under a policy in the name of the Company. Insurance premiums and the charges arising therefrom which are borne by the Company for arranging the same shall be at the Shipper's expense. Insurance coverage is not available through the Company for the shipment of furs, gold, works of art, personal effects, used equipment or used machinery. If for any reason the goods are held in a warehouse or elsewhere, the same will not be covered by any insurance, unless the Company receives written instructions from the Shipper and the same is provided in accordance with Paragraph 2. Unless specifically agreed in writing by the Company, the Company assumes no responsibility to effect insurance on any export or import shipment which it does not handle.

- 3). Limitation of Liability Per Shipment.

The Shipper agrees that the Company shall in no event be liable for any loss, damage, expense or delay to the goods for any reason except to the extent caused by its negligence or wilful misconduct. The amount of such liability for any reason, including as a result of gross negligence or other fault of the Company shall be limited as follows:

- (a) In connection with single-country shipments or with goods tendered for storage in a warehouse, the Company's liability is limited to RM1.00/kg or RM250.00/shipment or the invoice value, whichever



is less, and any partial loss or damage for which the Company may be liable, shall be adjusted pro rata on the basis of such valuation.

(b) In connection with any international shipments, the Company's liability is limited to the amounts set forth in the applicable international accord, or if no international accord applies to the shipment, the greater of RM250.00 per shipment or RM3.00/kg, unless a higher value is declared as provided for herein and the applicable charges are duly paid.

(c) As to any shipments under this agreement, the Shipper has the option in Paragraph 2 above by paying special compensation to increase the liability for the shipment in excess of the above stated amounts in case of any loss, damage, expense or delay, but such options can only be exercised specifically by written agreement made with the Company prior to shipment, and wherein the agreement shall indicate the limit of liability and the additional compensation for the added liability to be assumed. The Company shall not in any circumstance be liable for consequential or indirect losses and/or damages, including without limitation, damages arising from loss of profit.

4) Liability of Company.

It is agreed that any claim or demand for loss, damage, expense or delay shall only be commenced against the carriers, truckers, forwarders, customhouse brokers, agents, warehousemen or any other person in which actual custody or control the goods may be in their possession at the time of such loss, damage, expense or delay, and that the Company shall not be liable or responsible for any claim or demand for any cause whatsoever, unless in each case the goods were in the actual custody or control of Company and the damages alleged to have been suffered be proven to be caused by the gross negligence or other fault of Company, its officers or employees, in which event the limitation of liability set forth in Paragraph 3 shall apply.

5) Loss, Damage and Expenses Due to Delay.

The Company shall not be responsible for any loss, damage or expense incurred by the Shipper unless the services to be performed by the Company here are delayed by reason of the gross negligence or wilful misconduct of the Company, wherein the liability of the Company will be determined in accordance to the provisions of Paragraph 3.

6) Shipper's Duty to Furnish Information.

(a) On an Import – The Shipper shall furnish to the Company, at a reasonable time prior to entry and/or declaration of the goods to Local Customs, all invoices in accordance to proper industry standards together with other necessary documents for the preparation and approval of the Local Customs Authority entry, and such further information as may be sufficient to establish the dutiable value, classification and admissibility of the goods pursuant to the regulations and laws of Malaysia. If the Shipper fails furnish all of such information or documents in a timely manner as may be required to complete Local Customs entry, or if such information or documents are inaccurate or incomplete, the Company shall be obligated to apply and utilise its best judgment in connection with the shipment and the Shipper shall be bound by such action taken by the Company. Where a bond is required by Local Customs Authority to be given for the production of any document or the performance of any act, the Shipper shall be deemed to be bound by the terms of the bond notwithstanding the fact that the bond has been executed by the Company as principal, it being understood and accepted that the Company had entered into such undertaking on behalf and at the request of the Shipper, and the Shipper shall indemnify and hold the Company harmless for the consequences of any breach of the terms of such bond.

(b) On an Export – the Shipper shall furnish to Company, at a reasonable time prior to the exportation of the shipment, the commercial invoice in proper form and number, including valid consular declarations, weights, measures, values and other information in the language and as may be required by the laws and regulations of the Local Customs Authority and the country of destination of the goods.

(c) On both an Import and Export - the Company shall not in any way be liable for any increased duty, penalty, fine or expense, and the Shipper warrants and shall be bound by the accuracy of all invoices, documents and information furnished to the Company by the Shipper or its agents for export, entry or other purposes to complete such shipment. The Shipper agrees to indemnify and hold harmless the Company against any increased duty, penalty, fine or expense, including legal fees resulting from any inaccuracy, omission or any failure to make timely presentation of such documentation or information, even if it is not due to the negligence or fault of the Shipper.



7) Advance Payment.

The Company shall not be obligated to incur any expense, guarantee payment, advance payment or any other form of payment in connection with the importing, forwarding, transporting, insuring, storing or handling of the goods, unless there is a written agreement between the Company and the Shipper/Customer. The Company shall be under no obligation to advance freight charges, customs duties or taxes on any shipment, and any advance payment made by the Company shall not be construed as a waiver of the provisions hereof.

8) Indemnity for Freight, Duties.

In the event that a carrier, governmental agency or any other person makes a claim or institutes legal action against the Company for ocean or other freight, duties, fines, penalties, liquidated damages or other claims arising from a shipment of goods, the Shipper agrees to indemnify and hold harmless the Company for any amount that the Company may be required to pay such carrier, governmental agency or such other person together with reasonable expenses, including legal fees incurred by the Company in connection with such claim or legal action and of which shall be fully reimbursable by the Shipper. The confiscation or detention of the goods by any governmental authority shall not affect or diminish the liability of Shipper towards the Company to pay all charges or other monies due promptly on demand.

9) No Responsibility For Governmental Requirements.

It is the Shipper's responsibility to obtain all information and comply with the marking and other requirements of the Local Customs authority, including the requirements of any country having jurisdiction over a shipment and which extends to the regulations of any applicable governmental agency, including Customs authority, Inland Revenue Board, and all other requirements, laws and regulations of any applicable country or governmental agency. The Company shall not be responsible for any action commenced, fines or penalties imposed by any governmental agency against the shipment as a result of the failure of the Shipper to comply with the laws, requirements or regulations of any country or governmental agency or pursuant to any notification issued to the Shipper by any such agency.

10) Indemnity Against Liability Arising From the Importation of Merchandise:

The Shipper/Customer agrees to indemnify and hold the Company harmless from any claims and/or liability arising from the importation of merchandise which violates any federal, state and/or other laws or regulations and further agrees to indemnify and hold the Company harmless against any liability, loss, damage, cost, claim and/or expense, including but not limited to legal fees, which the Company may hereafter incur, suffer or be required to pay by reason of claims or demands by any government agency or third party. In the event that any action, suit or proceeding is brought against the Company by any government agency or any third party, the Company shall give notice in writing to the Shipper/Customer by ordinary mail at the last known address on file with the Company. Upon receipt of such notice, the Customer shall immediately and at its own cost and expense defend against such action and take all steps as may be necessary or proper to prevent any judgment and/or order from being made against the Company.

11) Costs and Charges of Company.

The costs and charges for the services provided by the Company shall be included together and is in addition to the rates and charges of all carriers and other agencies selected by the Company to transport and deal with the goods. Such costs and charges shall be exclusive of any brokerage, commission, dividends or other revenue received by the Company from carriers, insurers and others in connection with the shipment. Fuel, Security, and Peak Season surcharges may apply. The Company's surcharge policies may change from time to time at the sole discretion of the Company. In any referral for collection or action against the Shipper for monies due to the Company, and upon recovery by the Company, the Shipper shall pay the expenses for collection and/or litigation (including reasonable legal fees), and the Shipper shall pay 18% interest per annum compounded on a daily rest basis or the rate prescribed and allowable by law, whichever is higher. All billing or invoice inquiries or disputes must be presented to the Company within seven (7) days of receipt of invoice. All payment inquiries or disputes must be presented to the other party within thirty (30) days of receipt of such payment. Any inquiries or disputes not presented within the time frames set forth herein shall be deemed waived by the party concerned. Notwithstanding the foregoing, the Company may at any time set-off any amounts owed or paid by the Shipper to the Company against any amounts owed by



Company to the Shipper, including, but without limitation to, unidentified payments and credits in the Shipper's favour, duplicate payments by the Shipper, and accounts payable to the Shipper.

12) The Company shall not assume responsibility for any delays caused by unforeseen circumstances or by force majeure (eg. rain, flood, typhoon, etc).

13) Additional cost will be imposed if further requests are made by the Shipper/Customer during operations for the Company to provide its services to assist in expediting the shipment or other related or incidental matters.

14) Price Validity :

Unless specifically agreed to in writing, all quotations issued by the Company shall be valid for a maximum period of seven (7) days only.

15) Cancellation and Termination Charges.

The services to be provided by the Company to the Shipper/Customer are deemed to be accepted upon the receipt of booking confirmation in writing from the Shipper/Customer (either by email, purchase order, booking confirmation, services agreement, acceptance signing on quotation, fixture note or on any documentation to the Company to express the intention to engage the services of the Company). In the event the Customer terminate the Agreement/Booking Confirmation/Contract due to reason other than provided in clause 20.0. The Company shall impose Cancellation Charges equivalent to 100% of the the agreed service fees as stated in the quotation, email, or whichever commercial correspondence either documented or not documented previously. [This clause is applicable to shipments incurring Dead Freight charges].

Both the Company and the Customer are entitled to terminate all or part of the Contract, subject to 10 (ten) working days' notice, in the event of a circumstance or fact that constitutes force majeure as provided for in clause 20 and if the performance of the Contract is permanently impossible or is temporarily impossible for a period that is expected to last at least 60 (sixty) days. Notice of termination of this kind may be given only after the relevant circumstance constituting force majeure has lasted for at least 30 (thirty) consecutive days.

16) Liability Limitations of Third Parties.

The Company is authorised to select and engage carriers, truckers, forwarders, customhouse brokers, agents, warehousemen and others as required, to transport, store, deal with and deliver the goods, all of whom shall be deemed as agents of the Shipper. The goods may be entrusted to such party subject to all conditions imposed as to limitations of liability for loss, damage, expense or delay and to all rules, regulations, requirements and conditions, whether printed, written or stamped, appearing in bills of lading, receipts or tariffs issued by such carriers, truckers, forwarders, customhouse brokers, agents, warehousemen and others. The Company shall in no event be liable for any loss, damage, expense or delay to the goods for any reason whatsoever when such goods are in the custody, possession or control of third parties selected by the Company to forward, enter and clear, transport or render other services in respect of such goods.

The Shipper agrees not to pursue or institute any claims against the Company for cost incurred at port of origin or port of destination due to any losses, damages, expenses on goods or failure to discharge such services completely.

17) Indemnity for acting as Shipper or Consignee.

The Shipper/Customer agrees to indemnify and hold harmless the Company for any amount the Company may be required to pay such carrier, governmental agency or any other person together with reasonable expenses, including legal fees incurred by the Company in connection with defending such claim or legal action. In the event that a carrier, governmental agency, or any other person makes a claim or institutes legal action against the Company for ocean or other freight duties, fines, penalties, liquidated damages or other payments arising from the Company acting on behalf as agent of the Shipper or Consignee for shipment of goods of the Shipper/Customer. The confiscation or detention of the goods by any governmental authority shall not affect or diminish the liability of the Shipper/Customer towards the Company to pay all charges or other monies due promptly as agreed and upon demand.



18) Quotations not Binding:

Subject to clause 14 above, quotations as to fees, rates of duty, freight charges, insurance premiums or other charges given by the Company to the Shipper/Customer are for informational purposes only and are subject to change without notice and shall not under any circumstances be binding upon the Company unless the Company specifically undertakes the handling or transportation of the shipment at a specific rate in writing.

19) Currency Exchange Rate: For Foreign Currency Payment

Unless specifically referred to and expressed in any quotation, commercial proposal or any form of official correspondence in writing, the Customer's intention to repay the services provided by the Company in foreign currency other than local currency in Ringgit Malaysia shall be referred to the exchange rate provided by the Johor Freight Forwarder Association (JOFFA).

20) Force majeure

'Force majeure' means any circumstances, conditions and/or occurrences which are beyond the control of either Party, are not attributable to the fault or negligence of either Party and cannot be avoided or prevented by taking reasonable measures, and which temporarily or permanently prevent the performance of any obligation (with the exception of payment obligations) under the Contract, such as trade union strikes, mutiny, quarantine, epidemics, war (whether declared or undeclared), acts of terrorism, blockades, embargos, riots, demonstrations, civil commotion or disorder, fire, storm and/or other extreme weather conditions and/or other acts of nature, provided that neither Party has caused or contributed to such occurrences.

If the performance of obligations under the Contract is temporarily prevented by force majeure, the performance of those obligations (with the exception of payment obligations) will merely be postponed and the force majeure will not constitute a reason for failing to perform the Contract.

If the performance of obligations under the Contract is permanently prevented by force majeure – or is temporarily prevented for a period that is expected to last at least 60 (sixty) days – each Party will have the right to terminate the Contract in accordance with the provisions of paragraph 15.0 of these Standard Terms and Conditions.

21) Indemnity for Working in Jobsite

For any work in progress job site, regardless loading or unloading site, whereby appropriate road condition has not been established. The Company's Public Liability Insurance and Commercial Vehicle Insurance shall not cover any losses, damages and liabilities occur to Third party due to The Company's personnel, subcontractors or equipment working in job site. As such, it shall at customer/shipper/consignee's responsibility to ensure there is present of all risk insurance for covering the Company's operation present in project job site to indemnify the Company to the fullest extent permitted by law, hold the Company harmless against all damages, liabilities claims from third party in connections with the delivery or projects.

22) The Company reserves the rights to amend the above Terms and Conditions at any time without prior notice to the Shipper/Customer.