

OY CONTAINERTRANS SCANDINAVIA LTD
TRANSPORT AND FORWARDING SERVICE TERMS
25.03.2015

1. GENERAL SCOPE

1.1 These Transport and Forwarding Service Terms (hereafter Service Terms) shall apply to railway and multimodal import, export and transit transportation involving but not limited to the territory of Finland and Russia organized by Oy ContainerTrans Scandinavia Ltd. (hereafter CTS).

Under these Service Terms, for remuneration and at the expense of the Customer, CTS organizes transportation of goods by rail and provides other transport and forwarding services by using third-parties, in which case CTS acts as an intermediary between the Customer and the third parties, or by its own means.

2. ORDERING PROCEDURES AND OBLIGATIONS OF THE PARTIES

2.1 Ordering of transport and forwarding services shall take place according to the following procedures, unless otherwise agreed between CTS and the Customer in writing:

- 2.1.1 Customer submits to CTS a written request for quotation. In case of incompleteness or insufficiency of information contained in the request CTS may request additional information from the Customer.
- 2.1.2 After receiving a request for quotation CTS issues a written Offer. The Offer specifies services and prices of the services, which can be rendered by CTS, validity of the Offer as well as any other additional information and special conditions if such are present.
- 2.1.3 The Customer submits to CTS a Transport Order (hereafter Order) using transport order form available for download from CTS website (www.containertrans.fi). Submission of the Order and rendering of the corresponding transport services shall take place during period of validity of the Offer.
- 2.1.4 Upon receipt of the Order CTS confirms acceptance of the Order (or refuses acceptance of the Order) in writing. In case of Order acceptance CTS assigns it an order number (CTS-code) and agrees on timeframe for fulfillment of the services included in the Order with Customer in writing.
- 2.1.5 Any changes to a confirmed Order must be submitted by the Customer to CTS in writing. The Customer is responsible for covering all reasonable costs and possible damages associated with making the changes.

2.2 Obligations of CTS:

- 2.2.1 after receiving a request for quotation to inform the Customer about pricing and availability of transport and forwarding services, which can be rendered by CTS.
- 2.2.2 upon receipt of an Order to notify the Customer about all revealed flaws in received information and to request from the Customer any additional information, which may be necessary.
- 2.2.3 to confirm acceptance (refuse acceptance) of the Order to the Customer in writing within 2 (two) working days from the date of receiving the Order.

- 2.2.4 acting as an intermediary and without any liability as a carrier to organize transportation of goods, rendering of forwarding services and fulfillment of Customer assignments in accordance with confirmed Order.
 - 2.2.5 to provide the Customer (shipper) with containers and/or wagons, which are technically fit for transport.
 - 2.2.6 to enter into required contracts with carriers and other possible subcontractors involved in the transport for the purpose of fulfillment of assignments of the Customer and to make any settlements for services rendered by them at the expense of the Customer.
 - 2.2.7 to invoice the Customer for amount of services specified in the Order, additional amounts of services, which may exceed agreed amounts, and for indemnification of charges specified in paragraphs 4.3 – 4.5 of these Service Terms in timely manner.
 - 2.2.8 subject to the Customer meeting payment terms defined in paragraph 3.1., to provide the Customer with written instructions for filling of transport documents, including individual variable codes (sub-codes), which must be precisely followed by the Customer.
 - 2.2.9 upon his request to provide the Customer with numbers of telegraph permits for shipments and confirmation of transport payments.
 - 2.2.10 upon Customer request and for additional payment to provide services for organizing insurance for the goods to be transported.
- 2.3 Obligations of the Customer:
- 2.3.1 to place Order with CTS in time sufficient for CTS to agree terms and conditions of transport with organizations involved in transportation of goods but not less than 10 (ten) working days before expected date of shipment, unless otherwise agreed with CTS. Placing an Order with CTS shall not release the Customer from responsibility of submitting an application for transport of goods to railway carrier in accordance with the Regulations of Railway Transports except for cases when responsibility for submitting such application has been explicitly assigned to CTS.
 - 2.3.2 to provide in the Order all information required for rendering of transport and forwarding services, including information about the goods, quantity and ownership of containers and/or wagons.
 - 2.3.3 to pay for services specified in the Order as well as to make any other payments within timeframes defined in the Service Terms.
 - 2.3.4 to pay any additional expenses, which may arise after payment of services rendered by CTS in accordance with the Order (associated with preparation, shipping and delivery of the goods, delay of wagons and/or containers in the border points etc.), in cases of exceeding of agreed amounts of services and in cases specified in paragraph 7.2 of Service Terms within 5 (five) banking days from the date of receiving an invoice for additional expenses from CTS, provided CTS supplies documents confirming such expenses.
 - 2.3.5 to fulfill instructions of CTS associated with transport and forwarding services to be rendered.
 - 2.3.6 to draw railway bills and any prepare other transport and forwarding documents for agreed volumes and itineraries only after receiving written instructions from CTS, except for cases when preparation of transport and forwarding documents shall be performed by CTS upon request from the Customer.

- 2.3.7 to provide goods for transportation in packaging that shall protect the goods against damage during transportation and trans-shipment. To load, place and secure the goods on wagons and/or containers in accordance with the Regulations of Railway Transports, Specifications of placing and fixing of the goods on wagons and in containers, conditions of transport of hazardous goods and any other norms.
- 2.3.8 to ensure that container and/or wagon is fit for transportation prior to the loading. If container and/or wagon is unsuitable for transport the Customer must immediately notify CTS and the respective carrier.
- 2.3.9 after unloading the goods the consignee should within the unloading time reattach removable parts of the wagon, as well as clean and disinfect the container and/or wagon when needed.
- 2.3.10 to provide the goods to be transported, empty wagons and/or containers in accordance with timeframes, volumes and itineraries agreed with CTS.
- 2.3.11 within 24 hours from the time of dispatch of export-import shipment the Customer to provide CTS by fax, e-mail or by any other means detailed loading information including:
- date of loading (as appears on railway bill), variable sub-code of transport, shipper, consignee;
 - station of dispatch, destination station, itinerary information, border crossings;
 - container numbers, wagon numbers, railway bill numbers;
 - description of the goods and gross weight in every container/wagon in kilograms.
 - any other additional information for needed for performing calculations and transportation.
- In case of transit shipments of goods using JSCo "RZD" rail network detailed loading information shall be provided to CTS no later than three days before arrival of the goods to the entrance frontier station of JSCo "RZD". The Customer is responsible for all reasonable expenses incurred by CTS due to delay of wagons and/or containers in railway stations in cases stated in paragraph 4.3 of the Service Terms.
- 2.3.12 for submission to tax and customs authorities in accordance with the law of Russian Federation and/or Finland upon request from CTS to provide documents confirming transportation of goods under customs control and declaration verifying new customs status of the goods immediately after arrival to the destination station;
- 2.3.13 to indemnity to CTS all charges and expenses to be paid by CTS (or its subcontractors) for transportation of the goods:
- charges specified by the pricelist no. 10-01, Tariff Policy of Railway of the Countries-Partners of the Commonwealth of Independent States for transports in international communication (hereafter referred to as TP CIS) MTT, ETT and any other existing documents, including charges for sealing, declaration of value of goods, de-freezing, for additional pages of customs declarations shipments with large number of commodity codes of External Economic Activity and any other charges to be paid by payers of transits.
 - charges incurred during fulfillment of tasks (providing, clearing of wagons, containers, loading and unloading of the goods, storing, payment for using of the wagons and containers etc.) at frontier stations according to requests or instructions of customs authorities or state control authorities (supervision) at railway station during transportation of the goods declared by the Customer.
- 2.3.14 to provide CTS with copies of transport documentation upon request.
- 2.3.15 The Customer is responsible for ensuring that shipper, consignee and/or other parties involved in the transportation of goods from the Customer's side are fully aware of all provisions of current Service Terms related to their actions.

2.4. Both Parties shall not commit any actions, which may cause damage of interests of the other Party.

3. PAYMENT PROCEDURES

- 3.1 Customer shall make prepayment of 100% of transport and forwarding services based on invoices issued by CTS within 3 (three) working days before the transportation unless otherwise agreed in writing.
- 3.2 Payment of transport and forwarding services in accordance with general and additional invoices issued by CTS shall be made by the Customer in full by non-cash method to bank account of CTS in accordance with invoices issued by CTS.
- 3.3 All payments shall be made in Euro.
- 3.4 The date of payment shall be the date when the money is received on the bank account of CTS.
- 3.5 All bank expenses associated with making payments under Service Terms including commission of correspondent bank shall be paid by the Customer.
- 3.6 Upon CTS request Customer shall provide CTS with a copy of payment order.
- 3.7 Upon Customer request CTS shall provide the Customer with confirmation concerning funds received from the Customer to CTS bank account.
- 3.8 Should circumstances not depending on CTS and influencing cost of rendered service be discovered within 6 (six) months from the date of rendering the service, CTS shall issue additional invoice for the amount of additional service(s), which shall be paid by the Customer within 5 (five) banking days.
- 3.9 If the Customer refuses the services of CTS in full or partly money paid to CTS shall be returned upon written request of the Customer or may be used as prepayment for future transports. CTS shall return the money within 30 (thirty) calendar days from the date of receiving confirmation from all parties involved in the transport that transport has not been made (not been made in full). All actual expenses, remuneration of CTS for actually rendered services, and fines specified in Service Terms shall be deducted from the amount to be returned.

4. LIABILITIES OF THE PARTIES

- 4.1 Each party shall bear the liability to compensate the other party's direct damage from non-compliance with or other neglect under the Service Terms. Acting as an intermediary between the Customer and the carriers or other subcontractors, CTS shall not be liable for any losses or damages arising from restrictions on usability of the railroads or transport equipment, from availability of rolling stock or due to technical reasons nor for possible damage or loss of the goods or delay in transportation. Any claims concerning aforementioned items shall be address directly to the carrier or subcontractor having performed the service. Neither party shall be liable for the other party's consequential and indirect damages, such as a loss of profit.
- 4.2 CTS's maximum liability shall always be limited as defined in the NSAB 2000 terms and conditions and in the Russian-Finnish Direct Rail Traffic Agreement. According to the provisions referred to in section 24 of the NSAB 2000, CTS is not liable for acts or omissions of third parties in performing transport, loading, unloading, delivery, customs clearance, storage, payment collection, or other additional services rendered by CTS as an intermediary, provided CTS has acted with due diligence in choosing such third parties. CTS liability under any circumstances shall not exceed SDR 50,000 per assignment according to NSAB 2000 and EUR 50,000 per delivery according to the Russian-Finnish Direct Rail Traffic Agreement.

- 4.3 Customer shall compensate to CTS authorities' and carriers' fees, demurrage of wagons and containers with Customer's goods at railway stations, including frontier and port stations, as well as charges for convoy of the goods in the following cases:
- if due to reasons attributable to the Customer transit or import goods (wagons/containers) arrive from foreign railways or through ports to railway stations of JSCo "RZD" without telegrams (confirmations) of JSCo "RZD" confirming the payment of this transportation;
 - if there are mistakes or discrepancies in transport or other accompanying documentation; or if any documentation necessary for customs, sanitary and any other control of the goods declared by the Customer is missing;
 - if the Customer has not provided shipping information in full or has not provided shipping information in good time.

The Customer shall also arrange for immediate rectifying of the above mentioned omissions and documentation deficiencies.

- 4.4 Free time for loading, unloading, return of containers and/or wagons and liability of the Customer for exceeding the free times for reasons attributable to the Customer (his shipper or consignee), unless otherwise agreed in writing, shall be:
- in accordance with Appendix No.1 of the Service Terms for loading or unloading taking place on the rail network of Russia, other CIS member states or Mongolia;
 - in accordance with Appendix No. 2 for loading or unloading taking place on the rail network of Finland.

The free times and Customer liability for exceeding them for transports outside the scope of Appendix 1 and Appendix 2 shall be explicitly agreed in writing. In case such agreement has not been explicitly made, the Customer is liable to compensate to CTS verifiable stand-still, demurrage and detention expenses.

- 4.5 For full or partial cancellation of an Order Customer shall pay CTS a cancellation fee in the amount of 165 euro per wagon or container plus any additional costs, including but not limited to the cost of positioning the container and/or wagon and incurred demurrage and stand-still charges.

If the Customer failed to provide loading within 7 (seven) days from the time of positioning of container and/or wagon and has not provided exact information regarding loading schedule CTS reserves the right to cancel the Order and invoice the Customer the cancellation fee and additional costs as in case of Order cancellation by the Customer.

- 4.6 When necessary CTS shall send telegrams (payment confirmations) to station of departure or station of destination for transportation in question. Upon Customer's written request CTS will make amendments (addendums) of telegrams (payment confirmations) to be sent to the railways. In such cases Customer shall pay a penalty in the amount of 31 euro for every amendment (addendum). In case amendments (addendums) are necessary as a result of mistake by CTS, CTS shall cover the costs of making amendments (addendums).

- 4.7 In case of regular (more that two times within a calendar month and/or five times within a calendar year) filling of railway bills with breach of written instructions from CTS the Customer shall pay a penalty in the amount of 150 (one hundred fifty) euro for every wagon/container.

- 4.8 CTS reserves the right to suspend fulfillment of services if the Customer has breached terms and conditions of the Service Terms specified in paragraphs 2.3.2 – 2.3.6 until the Customer fulfills all terms and conditions defined in these paragraphs.

- 4.9 If CTS reveals unauthorized shipments (e.g. shipments in containers and/or wagons provided by CTS or shipments using CTS [its subcontractor's] freight codes without placing an Order, or after expiry of transport period specified in the Order, or exceeding volumes agreed in the Order) CTS shall be entitled to invoice the Customer double the transportation fee and the Customer shall pay for the services in accordance with invoices issued by CTS.

- 4.10 The Customer shall be liable for damage to containers and/or wagons provided by CTS for the transportation to the extent the damage is attributable to the client. Amount of the liability shall be determined by cost of repair and transportation cost of the damaged equipment to and from place of the repair. In cases when restoring of damaged equipment is impossible or in case of full loss of the equipment the Customer shall be liable for repurchase price of the containers and/or wagons.
- 4.11 CTS shall not be liable for losses of the Customer arising from non-fulfillment of customs, tax, sanitary and any other requirements of government authorities of the countries where the transports take place, which shall be met by the holder of the goods (Customer, shipper or consignee).
- 4.12 Payment of penalty shall not release the guilty Party from fulfillment of obligations under the Service Terms.

5. FORCE MAJEURE

- 5.1 Neither Party shall be liable before the other Party for non-fulfillment or improper fulfillment of its obligations in accordance with Service Terms due to force majeure, i.e. extraordinary circumstances or circumstances, which can not be prevented, including declared war or war in fact, civil troubles, acts of terrorism, floods, fires, earthquakes, storms and any other natural distresses, as well as issue of public authorities' deeds.
- 5.2 In the cases of force majeure the term of fulfillment of obligations by the Parties shall be put off for the time, during which such circumstances are in effect.
- 5.3 The Party, which can not fulfill its obligations defined in Service Terms due to force majeure, shall notify the other Party in writing when such circumstances occur and inform of expected length of duration and expected time of termination of such circumstances immediately but no later than five working days from the date of arising of such circumstances. The evidence of existence and period of validity of such circumstances shall be a document of appropriate authorized authority (for the Russian Federation – Commercial and Industrial Chamber).
- 5.4 Not notifying or notifying in improper time shall forfeit the Party's right to refer to the circumstances of force majeure as a ground for releasing the Party from responsibility for non-fulfillment or improper fulfillment of its obligations under the Service Terms.

6. SETTLEMENT OF DISPUTE

- 6.1 All disputes and disagreements shall be settled by the Parties through negotiations.
- 6.2 Before submission of any dispute for arbitration the initiating Party shall send a written claim to the other Party.
- 6.3 All claims shall be filed within six months from the date of occurrence of circumstances leading to the claim. All claims shall be made in writing and signed by authorized representatives of the Party filing the claim and sent together with all necessary documents to the other Party by registered mail with notification of delivery. The date of a claim is a date of post stamp made upon acceptance of the letter.
- 6.4 A claim shall be considered within 30 (thirty) days from the date of receipt. In case the claim is accepted by Party receiving the claim, the Party shall fulfill its obligations in full in accordance with the claim within five (5) days.

- 6.5 Refusal of the claim shall be motivated and sent to the claimant in writing. The claim shall be deemed as accepted if the claimant doesn't receive a motivated reply regarding the claim within 10 (ten) days from the date of expiration of the period provided for consideration of the claim in accordance with paragraph 6.4. of Service Terms.
- 6.6 Should it not be possible to settle the dispute by negotiations or through claims, the dispute shall be finally settled by arbitration in accordance with the Arbitration Rules of the Finnish Central Chamber of Commerce.

7. OTHER CONDITIONS

- 7.1 In case of changes in tariffs, surcharges, and fines determined by carriers or public authorities of the countries where the transports take place CTS shall notify the Customer of such changes within 3 (three) working days from the date of announcement of such changes. Price for transport, which has been accepted by the carrier by the moment of such changes going into effect, shall not be changed except for cases defined in paragraph 7.2. of the Service Terms.
- 7.2 In case of changes in tariffs and surcharges during combined transportation by different types of transport CTS reserves the right to reconsider the price of transportation and forwarding services. In this case the Customer shall reimburse all additional expenses to CTS in accordance with paragraph 2.3.4. of the Service Terms.
- 7.3 If Customer orders to halt transportation or in case transportation has become impossible due to reasons not attributable to CTS and the Customer does not provide CTS with continuation instructions within two days, CTS shall have the right to unload the cargo and transfer it to a warehouse or into a care of a third party in the Customer's name and at risk and expense of the Customer.
- 7.4 All rates appearing in the Service Terms, appendices to the Service Terms and in the Offers do not include value-added tax (VAT). In case, a service is subject to VAT, amount of VAT shall be added to the rates.
- 7.5 Unless otherwise stipulated in the Service Terms, CTS and the Customer shall agree to follow the General Conditions of the Nordic Association of Freight Forwarders (NSAB 2000).
- 7.6 International rail transports shall be governed by the Russian-Finnish Direct Rail Traffic Agreement, by the loading regulations applicable to the Finnish-Russian Direct Rail Traffic Agreement, by the regulation for the transportation of hazardous substances in the Finnish-USSR railway transit traffic, and by the SMGS and CIM treaties.
- 7.7 In case of absence in the Service Terms and applicable regulatory documents provisions governing relations of the Parties, the Parties shall follow Finnish Law, international contracts and agreements, and normal business practices.
- 7.8 All appendixes to the Service Terms shall be an integral part thereof.
- 7.9 Service Terms and any other documents pertaining to fulfillment of obligations by CTS and the Customer according to the Service Terms (with exception of claims) may be produced and transferred electronically and shall have the same validity as original documents, provided original is presented at request.
- 7.10 CTS reserves the right to revise these Service Terms from time to time. Service Terms revisions shall not affect Orders accepted prior to the revision date. Current version of the Service Terms is available at CTS website (www.containertrans.fi) or can be provided to the Customer by email on request.

Appendix No. 1 to the Service Terms

Liability of the Customer for delay of containers and/or wagons provided by CTS during loading and unloading of the goods at common-use and private tracks on the territory of Russian Federation, other CIS member states or Mongolia

1. In case of transportation of goods using wagons provided by CTS

1.1 The customer is obligated to provide goods in containers of the Customer or empty containers of the Customer for transportation on wagon provided by CTS in accordance with terms agreed in the Order. In case of a delay with providing the goods due to reasons dependent on the Customer, the Customer shall pay CTS a fine at the following rate:

- 30 euro per day for 40-foot container;
- 15 euro per day for 20-foot container.

The time for determining amount of fine shall be counted from 24.00 of a day when the goods shall be provided for transportation according to the agreed Order. An incomplete day shall be counted as a full day.

The Customer shall also compensate CTS all confirmed expenses resulting from the delay of wagons provided by CTS at common-use places resulting from the delay of providing the goods for transportation due to reasons dependent on the Customer.

1.2 If container of the Customer shall be transported with wagon provided by CTS to a consignee located on private tracks, the Customer shall return the wagon on terms and conditions agreed with CTS before 24.00 of the day following the day of arrival of the wagon to the destination. The Customer shall pay to CTS a fine for every day exceeding this term at the following rate:

- for first - third day – 30 euro/day;
- for fourth - seventh day – 34 euro/day;
- for eighth day and thereafter – 51 euro/day.

An incomplete day shall be counted as a full day.

2. In case of transportation of goods using wagons and containers provided by CTS

2.1 Customer shall provide goods for transportation in containers provided by CTS and on wagons provided by CTS in accordance with timeframes agreed in the Order. In case of delays in providing the goods due to reasons, which are dependent on the Customer, the Customer shall pay CTS a fine at the following rate:

- 30 euro per day for 40-foot container;
- 15 euro per day for 20-foot container.

The time for determining amount of fine shall be counted from 24.00 of a day when the goods shall be provided for transportation according to the agreed Order. An incomplete day shall be counted as a full day.

The Customer shall also compensate CTS all confirmed expenses resulting from the delay of wagons provided by CTS at common-use places resulting from the delay of providing the goods for transportation due to reasons dependent on the Customer.

2.2 If container provided by CTS shall be transported with a wagon provided by CTS to a consignee located on private tracks, the Customer shall return empty container and the wagon on terms and conditions agreed with CTS before 24.00 of the day following the day of arrival of the wagon to the destination. The Customer shall pay to CTS a fine for every day exceeding this term at the following rate:

- for first - third day – 30 euro per wagon/day, 6 euro per 40-foot container/day, 3 euro per 20-foot container/day;

- for fourth - seventh day – 34 euro per wagon/day, 10 euro per 40-foot container/day, 5 euro per 20-foot container/day;
- for eighth day and thereafter – 51 euro per wagon/day, 15 euro per 40-foot container/day, 7 euro per 20-foot container/day.

An incomplete day shall be counted as a full day.

3. In case of removal of containers provided by CTS to warehouse of the shipper/consignee

3.1 If container provided by CTS is removed from the station (terminal) of dispatch/destination to warehouse of shipper/consignee the Customer shall return laden/empty container to the terminal agreed with CTS by 24.00 of the day following the day of removal of the container from the station (terminal). For every day of delay Customer shall pay CTS a fine at the following rate:

- for the first - third day – 6 euro/day for 40-foot container and 3 euro/day for 20-foot container;
- for the fourth - seventh day – 10 euro/day for 40-foot container and 5 euro/day for 20-foot container;
- for eighth day and thereafter – 15 euro/day for 40-foot container and 7 euro/day for 20-foot container.

An incomplete day shall be counted as a full day.

Appendix No. 2 to the Service Terms

Liability of the Customer for delay of wagons and/or containers provided by CTS during loading and unloading of goods on the territory of Finland

1. Demurrage for wagons provided by CTS

- 1.1 Goods must be loaded or unloaded within 8 (eight) hours from the time the wagon is provided to the loading or unloading place or to another agreed place. Loading and unloading takes place between 6 am and 10 pm, excluding Saturdays, Sundays, public holidays.
- 1.2 Demurrage for each extra day, or a part thereof, exceeding the loading and unloading time is 76 Euros/day unless otherwise agreed in writing. Night-time, Saturdays, Sundays and public holidays are included in the demurrage time. A day is defined as a 24-hour period of time, not as a calendar day.
- 1.3 In cases when loading or unloading is performed on a private railhead the Customer is responsible for the railhead to accept an ordered wagon. If positioning of a wagon is not possible due to reasons not depending on the rail road, the time of positioning a wagon is considered to be the time when the wagon was ready to be positioned for loading or unloading.
- 1.4 If a loaded wagon has to be detained after being accepted for transport because of the consignor, or if the Customer causes the wagon to stand still at an intermediate station during transportation, the Customer will be invoiced the demurrage for the entire period.

2. Usage charges and demurrage for containers provided by CTS

- 2.1 Containers provided by CTS have to be loaded and unloaded on the day, on which they are transferred to the Customer. Demurrage is charged for each day of delay, or a part thereof. A day is defined as a calendar day. In calculating the demurrage, the arrival and the return day of the container are not taken into account.
- 2.2 Demurrage rates for containers provided by CTS:
 - 20-foot container 8 euro per day
 - 40-foot container 15 euro per day