

**GENERAL CONDITIONS OF CARRIAGE**  
FOR INTERNATIONAL TRANSPORTATION OF CARGO



**CHINA CARGO AIRLINES LTD.**

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# GENERAL CONDITIONS OF CARRIAGE

## FOR INTERNATIONAL TRANSPORTATION OF CARGO

### Article 1: Definitions

For the purpose of these Conditions, except as otherwise specified or where the context otherwise requires, the expressions below shall have the following meanings:

1.1 "AGENT".

Any person who has been authorized by CARRIER to act for or on behalf of CARRIER in relation to the carriage of cargo.

1.2 "AIR WAYBILL".

A document made out by or on behalf of the SHIPPER, which shall be prima facie evidence of the conclusion of the contract, of the receipt of the goods by CARRIER and of the conditions of transportation.

1.3 "CONVENTION".

Whichever of the following instruments is applicable to the carriage:

1.3.1 the Convention for the Unification of Certain Rules Relating to International Carriage by Air, signed at Warsaw, 12 October 1929 (hereinafter referred to as the Warsaw Convention);

1.3.2 the Convention as amended at The Hague on 28 September 1955 (hereinafter referred to as the Hague Protocol);

1.3.3 the Convention as amended at The Hague 1955 and by Montreal Protocol No.1,2 or 4(1975) as the case may be.

1.3.4 the Convention for the Unification of Certain Rules for International Carriage by Air, done at Montreal on 28 May 1999. (hereinafter referred to as the Montreal Convention).

1.4 "CARGO" (which is equivalent to the term "goods"). Anything carried or to be carried in an aircraft except mail, or baggage carried under a passenger ticket and baggage check, and includes any item (such as baggage carried as cargo) which moves under an air waybill.

1.5 "CARRIER". Includes the air CARRIER issuing the air waybill and all CARRIERS that carry or undertake to carry the cargo or to perform any other services related to such carriage.

1.6 "CHARGES COLLECT". The charges entered on the air waybill for collection from the CONSIGNEE against delivery of the shipment.

1.7 "CONSIGNEE". The person whose name appears on the air waybill as the party to whom the shipment is to be delivered by CARRIER.

1.8 "CKK". Means China Cargo Airlines Ltd.

1.9 "CUSTOMS CONSIGNEE". Which is equivalent to the term "Customs

Clearance Agent", means a Customs Broker or other agent who performs customs clearance services for the CONSIGNEE.

1.10 "DAYS". Full calendar days, including Sundays and legal holidays; provided that for purposes of notification the balance of the day upon which notice is dispatched shall not be counted.

1.11 "DELIVERY SERVICE". The surface carriage of inbound shipments from the airport of destination to the address of the CONSIGNEE or that of his designated agent or to the custody of the appropriate government agency when required.

1.12 "PICK-UP SERVICE". The surface carriage of outbound shipments from the point of pickup at the address of the SHIPPER or that of his designated agent to the airport of departure.

1.13 "SHIPMENT"(which is equivalent to the term "consignment"). One or more pieces of cargo accepted by CARRIER from one SHIPPER at one time and at one address, receipted for in one lot and under a single air waybill for carriage to one CONSIGNEE at one destination address.

1.14 "SHIPPER" (which is equivalent to the term "consignor"). The person whose name appears on the air waybill as the party contracting with CARRIER for the carriage of cargo.

1.15 SPECIAL DRAWING RIGHT(SDR). A Special Drawing Right as defined by the International Monetary Fund.

1.16 "TARIFF". Includes the published rates, charges and related rules.

1.17 "International Carriage by Air". (hereinafter referred as "International Carriage")The transportation in which, according to the contract of carriage, either the agreed place of departure or destination or the agreed place of stopover, whether or not there is a break or transfer in the course of carriage, is not situated in the territory of the People's Republic of China. (with Hong Kong, Macau and Taiwan area )

## **Article 2 : Applicability**

### **2.1 GENERAL**

2.1.1 These Conditions shall apply to international carriage of cargo, including all services incidental thereto, performed by or on behalf of CKK; provided however that if such carriage is "International Carriage" as defined in the Convention, such carriage shall be subject to the provisions of the Convention.

2.1.2 The carriage of cargo shall also be subject to:

2.1.2.1 the provisions of other applicable Conventions or legal instruments;

2.1.2.2 applicable laws, government regulations, orders or requirements;.

2.1.2.3 these Conditions (these Conditions, applicable tariffs, rules,

regulations and timetables may be inspected at any of CKK's offices and at airports from which it operates regular services);

2.1.2.4 the provisions or agreed conditions as preprinted on the air waybill, including but not limited to:

the dangerous goods carriage;

2) the provisions, reference and agreed conditions defined in the Notice Appearing on the Face of the Air Waybill;

3) the provisions prescribed in Conditions of Contract, which is prefaced by the Notice Concerning CARRIERS' Limitation of Liability and appears on the reverse of the air waybill.

## **2.2 GRATUITOUS CARRIAGE**

To the extent permitted by the Convention and law, CKK reserves, with respect to gratuitous carriage, the right to exclude the application of some part of these Conditions.

## **2.3 CHARTER AGREEMENT**

2.3.1 With respect to carriage of cargo performed pursuant to a charter agreement with CKK, such carriage by charter flight(s) under the charter agreement shall be subject to the relevant provisions of these Conditions.

2.3.2 In case of divergence between the applicable tariff provisions of these Conditions and the tariff provisions contained or referred to in the charter agreement, the latter shall prevail.

2.3.3 The SHIPPER, by concluding with CKK a charter agreement for the carriage of cargo, agrees to be bound by the applicable terms thereof.

2.3.4 For the purpose of carriage of cargo pursuant to the charter agreement, the SHIPPER shall:

2.3.4.1 make out or have made out on his behalf an air waybill;

2.3.4.2 be responsible for the correctness of particulars and statements that he is required to insert in the air waybill;

2.3.4.3 comply with other relevant provisions of these Conditions.

2.3.5 The provisions of 2.3.1 through 2.3.4 shall apply mutatis mutandis to the blocked-space agreement concluded between the SHIPPER and CKK for the carriage of cargo.

## **2.4 CHANGE WITHOUT NOTICE**

These Conditions and the published rates and charges are subject to change without notice except to the extent otherwise provided by applicable law or government regulations or orders; provided however that no such change shall apply to a contract of carriage after the date of conclusion of the contract of

carriage.

## **2.5 EFFECTIVE RULES**

All carriage of cargo governed by these Conditions shall be subject to CKK's rules, regulations and tariffs in effect on the date of the conclusion of the contract of carriage, provided that in the event of inconsistency between these Conditions and CKK's rules, regulations and tariffs, these Conditions shall prevail. Nevertheless, for reasons of safety CKK's rules or regulations may, in its appropriate regulatory regime, have more restrictive requirements.

## **Article 3 : Acceptability of Goods for Carriage**

### **3.1 GENERAL**

3.1.1 The SHIPPER is responsible for the completion of all formalities of the customs and other appropriate government authorities before the shipment is tendered to CKK for carriage.

3.1.2 CKK undertakes to transport, subject to the availability of suitable equipment and space, all shipments, unless otherwise excluded by CKK's regulations and provided:

3.1.2.1 the transportation, or the exportation or importation thereof is not prohibited by the laws or regulations of any country to be flown from, to, through or over;

3.1.2.2 they are packed in a manner ready for carriage by air in an aircraft as required by the CARRIERS participating in the carriage;

3.1.2.3 they are accompanied by the requisite shipping documents;

3.1.2.4 they are not likely to endanger aircraft, persons or property;

3.1.2.5 they are not likely to cause annoyance to passengers or crew members.

3.1.3 To the extent permitted bylaw CKK reserves the right without assuming any liability to refuse carriage of cargo when circumstances so require.

### **3.2 DECLARATION OF VALUE FOR CARRIAGE AND CHARGE**

3.2.1 For international carriage, SHIPPER may make a special declaration of value for carriage and pay a supplementary sum for the shipment valued in excess of the applicable liability limit of 19 SDRs or its equivalent currency

3.2.2 The value per gross kilogram shall be determined by dividing the SHIPPER'S declared value for carriage by the actual gross weight of the



shipment. The declared value for carriage applies only for the actual gross weight of the entire shipment, excluding the weight of the unit load device(s). The value declared by the SHIPPER for carriage can be no greater than the actual value of the shipment at delivery.

3.2.3 The declaration of value for carriage shall be made at the time when the shipment is handed over to CKK, and shall not be entered or (if already entered on the air waybill) amended after dispatch of the shipment from the airport of departure shown on the air waybill.

3.2.4 If the declared value of Cargo for carriage per kilo in Gross Weight exceeds 19 SDRs or its equivalent currency, the Shipper shall pay the valuation charges. The calculation formula of valuation charge is as below:  
Valuation Charge=[Declared value of Cargo for carriage-(Gross Weight of the Cargo x 19 SDRs or its equivalent currency)] x 0.75%

3.2.5 The SHIPPER must declare a value for carriage on the air waybill regardless of whether or not charges based on value are applicable. This declaration may be a specific amount or NVD (No Value Declared).

### **3.3 VALUATION LIMITS**

3.3.1 A consignment having a declared value for carriage in excess of CNY 4,000,000.00 or its equivalent currency will not be accepted for carriage unless arrangement therefor has been made in advance.

3.3.2 The limit of value of one consignment or group of consignments to be carried in one aircraft shall be CNY 20,000,000.00 or its equivalent currency. If, in exceptional circumstances, this limit needs to be exceeded, arrangement therefor shall be made in advance with the prior approval obtained from CKK.

### **3.4 CASH ON DELIVERY**

CKK provides C.O.D. service according to the effective TACT rules Published by IATA.

### **3.5 PACKING AND MARKING OF CARGO**

3.5.1 The SHIPPER is responsible for ensuring that the cargo is packed in an appropriate way for carriage so as to ensure that it can be carried safely with ordinary care in handling and so as not to injure or damage any persons, goods or property. Each package shall be legibly and durably marked so as to identify name and full street address of the SHIPPER and CONSIGNEE.

3.5.2 CKK reserves the right to refuse the transportation of cargo that is not suitably packed and/or marked.

3.5.3 Shipments containing valuables as defined in CKK's rules tariff must

be packed and sealed in a method approved by CKK. Each seal must show a distinct and perfect impression of the sealing instrument.

### **3.6 CERTAIN SPECIAL PROVISIONS**

3.6.1 The special goods or restricted articles as defined by CKK will only be accepted for carriage subject to the provisions governed by the applicable Conventions, laws and government regulations and under the restrictions set forth in CKK's tariffs or regulations and in these Conditions applicable to the carriage of such cargo. Such special goods or restricted articles shall include but not limited to:

- 3.6.1.1 munitions of war and implements of war;
- 3.6.1.2 human remains;
- 3.6.1.3 live animals, including livestock, birds, reptiles, fish, shellfish, insects and pets, etc.;
- 3.6.1.4 perishables;
- 3.6.1.5 valuables;
- 3.6.1.6 fragile goods;
- 3.6.1.7 dangerous goods.

3.6.2 Shipments will be accepted for carriage by GKK normally on a charges prepaid shipment basis, But for International Carriage, shipment can also be accepted on a charges collect shipment basis. For purpose of shipments on charges Collect basis, the charges collect fees will not be entered on the air waybill, but are assessed at the airport of destination in accordance with the applicable tariff.

CKK will decline to transport the following on a charges collect shipment basis unless advance arrangement therefor has been made and prior approval has been obtained from CKK:

- 3.6.2.1 shipments of which the consignee is the same as the shipper;
- 3.6.2.2 shipments addressed to government agencies, except when shipped by government agents presenting proper credentials;
- 3.6.2.3 shipments not equal in resale value to transportation charges thereon;
- 3.6.2.4 shipments of perishable commodities;
- 3.6.2.5 shipments to countries where currency regulations and CARRIER'S tariffs or regulations do not permit shipments to be delivered upon a charges collect shipment basis;
- 3.6.2.6 live animals, including but not limited to, livestock, birds, reptiles, fish, shellfish, insects and pets;
- 3.6.2.7 shipments of human remains;
- 3.6.2.8 unaccompanied baggage;
- 3.6.2.9 diplomatic cargo;
- 3.6.2.10 other similar shipments as described in CKK's rules tariff as not being accepted on a charges collect basis.

### **3.7 CERTAIN PROVISIONS OF DANGEROUS GOODS OFFERING FOR SHIPMENT**

3.7.1 For consignment of dangerous goods, SHIPPER shall comply with all applicable regulations of any country concerned in the course of transportation, IATA DGR, CCAR-276 published by Civil Aviation Administration of China and CKK's DG regulations.

3.7.2 Dangerous goods must be consigned with proper shipping names, appropriate packages and required marks and labels.

3.7.3 SHIPPER must make full reservation of flight for dangerous goods covering the course from the place of departure to the final destination.

3.7.4 SHIPPER must make declaration for dangerous goods consigned as required (including the cargo using dangerous goods as its supplementary packaging materials). SHIPPER or its agents shall indemnify CKK or its party for any loss, damage or penalty due to SHIPPER's failure to make declaration, violation of regulations or even fraud.

### **3.8 RESPONSIBILITY FOR NON-OBSERVANCE OF CONDITIONS RELATING TO CARGO**

Responsibility for non-observance of the conditions relating to the carriage of cargo rests upon the SHIPPER who shall indemnify CKK for any loss, damage, delay, liability or penalties CKK may incur because of carriage of any such cargo.

### **3.9 CARRIER'S RIGHT OF INSPECTION**

CKK reserves the right to examine the packaging and contents of all shipments and to enquire into the correctness or sufficiency of information or documents tendered in respect of any shipment but CKK shall be under no obligation to do so.

### **3.10 UNIT LOAD DEVICES**

When SHIPPER undertakes to load a unit load device (ULD) he must comply with CKK's loading instructions and shall be liable for and indemnify CKK against all consequences of any non-compliance with such instructions.

### **3.11 CARGO OF UNUSUAL WEIGHT, SHAPE OR SIZE**

3.11.1 Packages or pieces of unusual weight, shape or size may only be

accepted for carriage when permitted in accordance With CKK's regulations and subject to the availability of equipment or devices necessary for loading and stowage at point of origin and unloading at point of destination; and provided further that arrangements therefor must be made in advance with CKK.

3.11.2 Shipments with a floor-bearing weight per unit square in excess of the floor load limitation specified in CKK's regulations must be furnished with a suitable skid or base, for use in available aircraft, which will reduce the floor-bearing weight to such floor load limitation or less. The weight of such skid or base will be included in the weight of the shipment.

## **Article 4: Documentation**

### **4.1 AIR WAYBILL**

4.1.1 The SHIPPER shall make out or have made out on his behalf, an air waybill in the form, manner and number of copies prescribed by CKK, and shall deliver such air waybill to CKK simultaneously with the acceptance of the cargo by CKK for carriage. However, charges for carriage and other charges, insofar as they have been ascertained, shall be inserted in the air waybill by CKK.

4.1.2 CKK may require the SHIPPER to make out, or have made out on his behalf, separate air waybills when the consignment cannot be covered by one air waybill or carried in one aircraft without breach of government requirements or CKK's regulations.

### **4.2 PREPARATION, COMPLETION OR CORRECTION BY CARRIER**

4.2.1 CKK may at the request of the SHIPPER, make out the air waybill in which event, subject to proof to the contrary, CKK shall be deemed to have done so on behalf of the SHIPPER.

4.2.2 If the particulars or statements inserted by the SHIPPER in the air waybill contain any error or are incomplete, CKK is authorized to complete or correct it without being under any obligation to do so.

### **4.3 APPARENT CONDITION OF THE CARGO AND OF THE PACKING**

If the apparent order and condition of the cargo and/or packing is in any way defective the SHIPPER shall include on the air waybill a statement of such apparent order and condition. However, if the SHIPPER fails to do so, or if such statement is incorrect CKK may insert in the air waybill a statement of the

apparent order and condition of the cargo or note a correction thereon.

#### **4.4 VERIFICATION BY CARRIER OF STATEMENT OF WEIGHT**

4.4.1 Every shipment is subject to verification by CKK of the statement of weight inserted by SHIPPER in the air waybill at the point of tender, or when circumstances so require at the point of destination.

4.4.2 If there is a discrepancy between the weight shown on the air waybill as entered by the SHIPPER and the weight as shown on CKK's scales, the SHIPPER agrees that CKK, in its sole discretion, may use the weight shown on CKK's scales to re-enter the freight charges. In the case of a charges prepaid shipment, the SHIPPER will be so notified by CKK of a credit if weight measured by CKK's scales is less than the weight entered on the air waybill by the SHIPPER, and if the weight measured by CKK is more than the weight noted on the air waybill by the SHIPPER, the SHIPPER shall be invoiced for the additional charge resulting from the corrected weight; with respect to a charges collect shipment, the SHIPPER will be notified of such incorrect statement of weight, and the handling procedures for the revised freight charges will be in accordance with CKK's regulations. Each of the foregoing shall be subject to the relevant provisions under Article 5 of these Conditions.

#### **4.5 RESPONSIBILITY FOR PARTICULARS AND STATEMENTS**

4.5.1 The SHIPPER shall insert in the air waybill all required particulars and statements in compliance with the provisions of the Convention, other relevant legal instrument and CKK's tariffs or regulations.

4.5.2 The SHIPPER is responsible for the correctness of the particulars and statements relating to the cargo inserted by him or on his behalf in the air waybill. The SHIPPER shall indemnify CKK against all damage suffered by him, or by any other person to whom CKK is liable, by reason of the irregularity, incorrectness or incompleteness of the particulars and statements furnished by the SHIPPER or on his behalf.

#### **4.6 Rejections**

Air waybills, if the writing on which has been altered or erased or if any part of it is mutilated, need not be accepted by CKK.

## **Article 5 : Rates and Charges**

### **5.1 APPLICABLE RATES AND CHARGES**

5.1.1 Except as otherwise provided in applicable tariffs, rates and charges for carriage governed by these Conditions are those duly published by CKK and in effect on the date the contract of carriage has been concluded.

5.1.2 For the purpose of these Conditions, the rate is the amount charged by CKK for transport of a unit of weight (or volume) of goods, whereas the charge for carriage is the amount to be paid for transport of cargo, based on applicable tariffs for such transport. Except as otherwise provided in CKK's regulations, rates and charges for carriage apply only from airport to airport and do not include the following ancillary services or charges:

5.1.2.1 pick-up, delivery and city terminal service to and from the airport from which CKK operates;

5.1.2.2 storage charges;

5.1.2.3 insurance charges;

5.1.2.4 advanced charges;

5.1.2.5 dangerous goods fee;

5.1.2.6 fuel surcharge fee (which will be non-commissionable);

5.1.2.7 expenses incurred by CKK in clearing the cargo through customs, or incurred by any other person whether acting as agent for the SHIPPER, the CONSIGNEE, the owner of the cargo, or CKK;

5.1.2.8 charges or penalties imposed or collected by government authority, including duties and taxes;

5.1.2.9 expenses incurred by CKK in repairing faulty packing;

5.1.2.10 charges for carriage of cargo forwarded, transshipped or reforwarded by any other transportation service, or returned to the point of origin ;

5.1.2.11 any other similar services or charges.

### **5.2 BASIS OF RATES AND CHARGES**

5.2.1 Rates and charges for carriage will consist of the total of the weight or volume charge, whichever is higher, and, if applicable, the valuation charge as specified in CKK's tariffs. Unless otherwise provided in mandatory regulations, low density shipment the volume of which averages more than 6000 cubic centimeters per gross kilogram shall be charged on volume basis. The rounding off procedures concerning the greatest length, width and height for the purpose of obtaining cubic volume, and the calculation and rounding off procedures for determining volume weight of the shipment shall be in accordance with CKK's tariffs.

5.2.2 The weight or volume charge for carriage to be inserted on the face of

the air waybill shall correspond appropriately to the particulars of total or sum shown in the air waybill Total box as required under applicable tariffs.

### **5.3 PAYMENT OF CHARGES**

5.3.1 Rates and charges are paid for in the currency shown in the applicable rate tariffs.

5.3.2 Subject to currency exchange laws, government regulations and acceptability to CKK, payment of charges may be in a currency other than the currency in which

the rate or charge is published. The rate of exchange established by CKK, which is available for inspection upon first request at CKK's office where payment is made, will be used to convert the rates and charges into the selling currency as specified below:

5.3.2.1 in the case of a charges prepaid shipment, the rate of exchange in effect on the date of issuance of the air waybill;

5.3.2.2 in the case of a charges collect shipment, the rate of exchange in effect on the date on which notification of the arrival of the shipment has been dispatched to the CONSIGNEE.

5.3.3 Full applicable charges, whether prepaid or collect, fees, duties, taxes, charges, advances and payments, made or incurred or to be incurred by CKK and any other sums payable to CKK, will be deemed fully earned, whether or not the cargo is lost or damaged, delayed or fails to arrive at the destination specified in the air waybill. All such charges, sums and advances will be due and payable upon receipt of the cargo by CKK, except that they may be collected by CKK at any stage of the service performed under the contract of carriage and may be collected at any time upon demand of CKK. It is further provided that no claim for loss or damage to a shipment will be entertained until all transportation charges specified by the contract of carriage have been paid, except that when no part of the shipment is delivered, a claim with respect to such shipment will be entertained even though transportation charges thereon are unpaid. The amount of claims may not be deducted from such charges.

5.3.4 With respect to any charges, expenses or disbursements which cannot be determined at the time when the cargo is handed over for carriage, CKK may require the SHIPPER to deposit with CKK a sum estimated by CKK to be sufficient to cover such charges, expenses and disbursements. Settlement of balance in connection with such deposit shall be made after completion of the contract of carriage or determination of the exact amount of such charges, expenses and disbursements.

5.3.5 Except when CKK has extended credit to the CONSIGNEE without the written consent of the SHIPPER, the SHIPPER undertakes the obligation and guarantees payment of the freight rate, storage charges and all other unpaid charges, unpaid charges collect, advances and disbursements of CKK. The

SHIPPER also guarantees payment of all costs, expenditures, fines, penalties, loss of time, damage and other sums which CKK may incur or suffer by reason of the inclusion in the shipment of articles the carriage of which is prohibited by law, or the illegal, incorrect or insufficient marking, numbering, addressing or packing of packages or descriptions of the cargo, or the absence, delay or incorrectness of any export or import license or any required certificate or document, or any improper customs valuation, or incorrect statement of weight or volume. By taking delivery or exercising any other right arising from the contract of carriage, the CONSIGNEE agrees to effectuate the payment of all such charges, sums and advances, except prepaid charges; but this shall not discharge the SHIPPER'S guarantee to pay the same. CKK shall have a lien on the cargo for each of the foregoing and, in the event of non-payment thereof or failure to make such payment within the time required by CKK, shall have the right to dispose of the cargo at public or private sale made in accordance with legal procedures (provided that prior to such sale CKK shall have dispatched registered mail notice thereof to the SHIPPER or to the CONSIGNEE at the address stated in the air waybill) and to pay itself out of the proceeds of such sale any and all such amounts. No such sale shall, however, discharge any liability to pay any deficiencies, for which the SHIPPER and the CONSIGNEE shall remain jointly and severally liable. No such lien or right of sale, and no right of CKK to collect any of the foregoing shall be in any way affected, lost or prejudiced by reason of the acknowledgement of payment, If not actually paid, or, so far as concerns the right of CKK to collect any of the foregoing, even if by reason of the delivery of the cargo or the surrender of the possession thereof.

5.3.6 If the gross weight, measurement, quantity or declared value of the cargo exceeds the gross weight, measurement, quantity or declared value on which charges for carriage have been previously computed, CKK shall be entitled to require payment of the charge on such excess.

5.3.7 All charges applicable to a shipment are payable in cash or by other means acceptable in accordance with CKK's tariffs or regulations at the time of acceptance thereof by CKK in the case of a prepaid shipment, i.e. a shipment on which the charges are to be paid by the SHIPPER, or at the time of delivery thereof by CKK in the case of a collect shipment, i.e. a shipment on which the charges are to be paid by the CONSIGNEE. If the CONSIGNEE fails to pay said charges the SHIPPER remains obligated to pay these charges.

5.3.8 CKK may cancel the carriage of the shipment upon refusal by the SHIPPER, after demand by CKK, to pay the charges or portion thereof so demanded, without CKK being subject to any liability therefor.



## **Article 6 : Shipments in Course of Carriage**

### **6.1 COMPLIANCE WITH GOVERNMENT REQUIREMENTS**

The SHIPPER shall comply with all applicable laws and government regulations of any country to or from which the cargo may be carried, including those relating to the packing, carriage or delivery of the cargo, and shall furnish such information and attach such documents to the air waybill as may be necessary to comply with such laws and regulations. CKK is not liable to SHIPPER and SHIPPER shall indemnify CKK for loss or expense due to SHIPPER's failure to comply with this provision.

### **6.2 DISBURSEMENTS AND CUSTOMS FORMALITIES**

6.2.1 CKK is authorized (but shall be under no obligation) to advance any duties, taxes or charges and to make any disbursement with respect to the cargo. For the purpose of these Conditions, a disbursement is an amount(s) which must be collected by CARRIER at destination from the CONSIGNEE, for provision of services incurred at origin, which incidental to the air carriage of the shipment, and are generally advanced by the SHIPPER. Such services will be limited to the trucking of shipments), handling and documentation performed prior to the air carriage from the airport of departure indicated on the air waybill. For the collection of disbursement(s) amount CKK will assess an appropriate disbursement fee in accordance with the applicable tariffs.

6.2.2 The SHIPPER, and by taking delivery or exercising any other right arising out of the contract of carriage the CONSIGNEE shall be jointly and severally liable for the reimbursement of all Such charges as under 6.2.1 of these Conditions.

6.2.3 CKK shall not be under obligation to incur any expense or make any advance in connection with the forwarding or reforwarding of the cargo except against prepayment by the SHIPPER.

6.2.4 If it is necessary to make customs entry of the cargo at any stopping place, and no customs clearance agent has been named on the face of the air waybill, the cargo shall be deemed to be consigned to CKK carrying the cargo to such place, or to such customs CONSIGNEE, if any, as CKK may designate. For any such purpose a copy of the air waybill, certified by CKK, shall be deemed original.

### **6.3 SCHEDULES, ROUTINGS AND CANCELLATIONS**

6.3.1 Unless specifically agreed otherwise and so indicated in the air

waybill/CKK undertakes to carry the cargo with reasonable dispatch.

6.3.2 CKK undertakes to complete the carriage with reasonable dispatch, where permitted by applicable laws, tariffs and government regulations. CKK may use alternative Carriers, aircraft or modes of transport without notice but with due regard to the interests of the SHIPPER. CKK is authorized by the SHIPPER to select the routing and all intermediate stopovers placed that it deems appropriate or to change or deviate from the routing shown on the air waybill.

6.3.3 Any estimated timings shown in a timetable, charter agreement, elsewhere or quoted by the charterer are approximate and not guaranteed and form no part

of the contract of carriage. No time is fixed for commencement or completion of carriage or delivery of cargo

6.3.4 CKK is not responsible for errors or omissions either in timetables or other representations of schedules. No employee, agent or representative of CKK is authorized to bind CKK by any statements or representations of the dates or times of departure or arrival, or of operation of any flight.

6.3.5 CKK may, without notice, cancel, terminate, divert, postpone, delay or advance any flight, or the further carriage of any cargo, or to proceed with any flight without all or any part of the cargo:

6.3.5.1 because of the law, government regulation, order, demand or requirement;

6.3.5.2 because of the safety and security reasons for the operation of flight;

6.3.5.3 because of the fact beyond its control, including but without limitation, meteorological conditions, acts of God, terrorism, force majeure, strikes, riots, civil commotions, embargoes, wars, hostilities, disturbances or unsettled international conditions, whether actual, threatened or reported, or because of any delay, demand, condition, circumstance, or requirement due, directly or indirectly, to such fact;

6.3.5.4 because of the fact not reasonably to be foreseen, anticipated, or predicted;

6.3.6 Provided that no laws or regulations to the contrary are applicable, in the event any flight is, pursuant to 6.3.5, cancelled, diverted, postponed, delayed or advanced or is terminated at a place other than the place of destination or in the event the carriage of any shipment is so cancelled, diverted, postponed, delayed, advanced or terminated, CKK shall not be under any liability with respect thereto. In the event the carriage of the shipment or any part thereof is so terminated, delivery thereof by CKK to any transfer agent for transfer or delivery or the placing of such shipment in storage shall be deemed complete delivery under the contract of carriage, and CKK shall be without any further liability with respect thereto, except to give notice of the disposition of the shipment to the SHIPPER or to the CONSIGNEE, at the address stated in the air waybill. CKK may, but shall not be obligated to, forward the shipment for carriage by any other route or forward the shipment

as agent for the SHIPPER or the CONSIGNEE for onward carriage by any transportation service on behalf of the SHIPPER or the CONSIGNEE. The cost of doing so attaches to the cargo.

6.3.7 Unless otherwise agreed, and subject to applicable laws, regulations and orders, CKK is authorized to determine, on a reasonable and not unjustly discriminatory basis, the priority of carriage as between shipments, and as between cargo and mail or passengers. CKK may likewise decide to remove any articles from a shipment, at any time or place whatsoever, and to proceed with the flight without them. If as a result of determining such priority, cargo is not carried or carriage thereof is postponed or delayed or if any articles are removed from a shipment, CKK will not be liable to SHIPPER or CONSIGNEE or to any other party for any consequences thereof. It is provided, however, that CKK will make reasonable arrangements for the carriage of such cargo.

## **6.4 CERTAIN RIGHTS OF CARRIER OVER SHIPMENT IN COURSE OF CARRIAGE**

If in the opinion of CKK it is necessary to hold the shipment at any place for any reasonable purpose, either before, during or after carriage, CKK may, upon giving notice thereof to the SHIPPER, store the shipment for the account and at the risk and expense of the SHIPPER, in any warehouse or other available place, or with the customs authorities; or CKK may deliver the shipment to another transportation service for onward carriage to the CONSIGNEE. The SHIPPER shall indemnify CKK against any expense or risk so incurred.

### **Article 7: Safety and Security for carriage of Cargo**

Subject to applicable laws, government regulations, orders or requirements, CKK is authorized to inspect by appropriate means the shipments including the transshipment cargo, so as to assure safety and security for the carriage of cargo and for the operation of flight(s). For the purpose of such inspection an additional fee will be assessed.

### **Article 8 : Shipper's Right of Disposition**

#### **8.1 EXERCISE OF RIGHT OF DISPOSITION**

Every exercise of the right of disposition must be made by the SHIPPER, if any,

and must be applicable to the whole shipment under a single air waybill. The right of disposition over the cargo may only be exercised if the SHIPPER produces the part of the air waybill designated as ORIGINAL 3 (FOR SHIPPER) and that was delivered to him. Instructions as to disposition must be given in writing in the form prescribed by C'KK. In the event that the exercise of the right of disposition results in a change of CONSIGNEE, such new CONSIGNEE shall be deemed to be the CONSIGNEE appearing on the air waybill.

## **8.2 SHIPPER'S OPTION**

8.2.1 Subject to his liability to carry out all his obligations under the contract of carriage, the SHIPPER may dispose of the cargo either:

8.2.1.1 by withdrawing it at the airport of departure or destination; or

8.2.1.2 by stopping it in the course of the journey on any landing; or

8.2.1.3 by calling for it to be delivered at the place of destination or in the course of the journey to a person other than the CONSIGNEE named in the air waybill; or

8.2.1.4 by requiring it to be returned to the airport of departure.

8.2.2 The SHIPPER may dispose of the cargo at his own expense and only to the extent permitted by the Convention and the applicable law. If in the opinion of CKK, it is not reasonably practicable to carry out the order of the SHIPPER, CKK shall so inform him promptly and CKK shall thenceforth be under no obligation to carry out any such order.

## **8.3 PAYMENT OF EXPENSES**

The SHIPPER'S right of disposition shall not be exercised in such a way as to prejudice CKK or other SHIPPERS. The SHIPPER shall be liable for and shall indemnify CKK for all loss or damage suffered or incurred by CKK as a result of the exercise of his right of disposition. The SHIPPER shall reimburse CKK for any expenses occasioned by the exercise of his right of disposition.

## **8.4 EXTENT OF SHIPPER'S RIGHT**

The SHIPPER'S right of disposition shall cease at the moment when that of the CONSIGNEE begins in accordance with Article 13 of the Convention. Nevertheless, if the CONSIGNEE declines to accept the air waybill or the cargo, or if he cannot be communicated with, such right of disposition shall continue to vest in the SHIPPER.

## **Article 9 :Delivery**

### **9.1 NOTICE OF ARRIVAL**

Unless the shipment is to be reforwarded in accordance with Article 11 of these Conditions, notice of arrival of the shipment will, in the absence of other instructions, be sent to the CONSIGNEE and any other person whom CKK has agreed to notify as evidenced in the air waybill; such notice will be sent by ordinary methods. CKK is not liable for non-receipt or delay in receipt of such notice.

### **9.2 DELIVERY OF SHIPMENT**

9.2.1 Except as otherwise specifically provided in the air waybill, delivery of the shipment will be made only to the CONSIGNEE named on the face of the air waybill or his agent. Delivery to the CONSIGNEE shall be deemed to have been effected:

9.2.1.1 when CKK has delivered to the CONSIGNEE or his agent any authorization from CKK required to enable the CONSIGNEE to obtain release of the shipment; and

9.2.1.2 when the shipment has been delivered to customs or the other government authorities as required by applicable law or customs regulation.

9.2.2 delivery of the shipment shall be made by CKK only upon written receipt of the CONSIGNEE, and upon complying with the terms and conditions of the air waybill and 9.6 of these Conditions.

### **9.3 PLACE OF DELIVERY**

Except as provided in 10.2, the CONSIGNEE must accept delivery of and collect the shipment at the airport of destination or the respective facility as designated by CKK.

### **9.4 FAILURE OF CONSIGNEE TO TAKE DELIVERY**

9.4.1 Subject to the provisions of 9.5 hereof, if the CONSIGNEE refuses or fails within the prescribed time to take delivery of the shipment after its arrival at the airport of destination, CKK will endeavour to comply with any instructions of the SHIPPER set forth on the face of the air waybill. If such instructions are not so set forth or cannot reasonably be complied with, CKK shall notify the SHIPPER by registered mail of the CONSIGNEE'S failure to take delivery and request his instructions. If no such instructions are received

within thirty (30) days, CKK may, after giving notice to the CONSIGNEE, sell the shipment in one or more lots at public or private sale, or destroy or abandon such shipment in accordance with the legal procedures.

9.4.2 The SHIPPER is liable for all charges and expenses resulting from or in connection with the failure to take delivery of the shipment, including, but not limited to, storage charges and carriage charges incurred in returning the shipment if so required by the SHIPPER'S instructions. If the shipment is returned to the airport of departure and the SHIPPER refuses or neglects to make such payments within fifteen (15) days after such return, CKK may in accordance with the legal procedures dispose of the shipment or any part thereof at public or private sale after giving the SHIPPER at the address stated on the air waybill ten (10) days notice by registered mail of its intention to do so.

## **9.5 DISPOSAL OF PERISHABLES**

9.5.1 When a shipment containing perishable articles as defined in CKK's regulations is delayed in the possession of CKK, is unclaimed or refused at place of delivery, or for other reasons is threatened with deterioration, CKK may immediately take such steps as it sees fit for the protection of itself and other parties in interest, including but not limited to, the destruction or abandonment of all or any part of the shipment, the sending of communications for instructions at the cost of the SHIPPER, the storage of the shipment or any part thereof at the risk and cost of the SHIPPER, or the disposition of the shipment or any part thereof at public or private sale without notice. The disposal of any perishables shall be subject to the legal procedures.

9.5.2 In the event of the sale of the shipment as provided for above, either at the place of destination or at the place to which the shipment has been returned, CKK is authorized to pay to itself and other transportation services out of the proceeds of such sale all charges, advances, and expenses of CKK and other transportation services plus costs of sale, holding any surplus subject to the order of the SHIPPER. The sale of any shipment shall, however, not discharge the SHIPPER and/or owner of any liability hereunder to pay any deficiencies.

## **9.6 RESPONSIBILITY FOR CHARGES**

By accepting delivery of the shipment the CONSIGNEE shall become liable for payment of all costs and charges in connection with the carriage. Unless otherwise agreed the SHIPPER shall not be released from his own liability for these costs and charges and will remain jointly and severally liable with the CONSIGNEE. CKK may make delivery of the shipment and the air waybill

conditional upon payment of these costs and charges.

## **Article 10 : Pick-up and Delivery Services**

### **10.1 GENERAL**

10.1.1 Shipments are accepted for carriage from their receipt at CKK's cargo terminal or airport office at the place of departure to the airport at the place of destination or the respective facility as designated by CKK.

10.1.2 Pick-up service and delivery service will be available at the points, to the extent in accordance with CKK's regulations and subject to the rates and charges established for such services by CKK.

### **10.2 REQUEST FOR SERVICE**

Pick-up service and delivery service, if available, will be provided when requested by the SHIPPER or CONSIGNEE.

### **10.3 SHIPMENT FOR WHICH SERVICE IS UNAVAILABLE**

Pick-up service and delivery service will only be provided by CKK with special arrangement and with prior approval for the shipment which, in the opinion of CKK, because of its volume, nature, value or weight is impractical for CKK to handle in normal course.

### **10.4 LIMITATIONS ON SERVICE**

10.4.1 Pick-up and delivery services will not be provided when it is impractical to operate vehicles, or when the address of the SHIPPER or CONSIGNEE is not directly accessible to normal vehicles.

10.4.2 Consignments will not be handled beyond loading platforms or doorways directly accessible to vehicles.

### **10.5 HANDLING**

Pick-up, delivery services will not be provided for pieces which cannot be handled by one man unless advance arrangements have been made, including, where necessary, the furnishing of additional men and equipment at the risk and expense of the SHIPPER or CONSIGNEE.

## **10.6 HOURS OF SERVICE**

Except by prearrangement made between CKK and SHIPPER or CONSIGNEE, pick-up and delivery service will be provided only during regular business hours.

## **10.7 TENDER OF DELIVERY**

Consignments which through no fault of CKK cannot be delivered on the first tender of delivery to the CONSIGNEE, will be returned to CKK's terminal and the CONSIGNEE will be so notified.- Further tenders will be made only upon request of the CONSIGNEE, and an additional charge based on established rates will be made for each subsequent tender of delivery.

## **10.8 LIABILITY**

If pick-up service or delivery service is performed by CKK, such transportation shall be upon the same terms as to liability as set forth in these Conditions unless otherwise provided by mandatory regulations.

## **Article 11: Forwarding and Reforwarding**

### **11.1 GENERAL**

If so specifically agreed, the cargo described on the face of the air waybill, is also accepted for forwarding or reforwarding which, as herein used, appropriately refers to preliminary surface transportation to the airport of departure, or to subsequent surface transportation from the airport of destination.

### **11.2 LIABILITY AND AUTHORIZATION FOR ARRANGEMENTS**

If such forwarding or reforwarding is by carriage operated by CKK, such carriage shall be upon the same terms as to liability as set forth under Article 13 of these Conditions. In any other event, when CKK is the issuing CARRIER or last CARRIER under the agreement to carry, respectively, in forwarding or reforwarding the cargo, CKK shall do so only as agent of the SHIPPER, CONSIGNEE or owner, as the case may be, and shall not be liable for any damage arising out of such additional carriage, unless proved to have been caused by its own negligence or willful fault. The SHIPPER, owner and



CONSIGNEE will authorize CKK to do all things deemed advisable to effect such forwarding or reforwarding, including, but without limitation, selection of the means of forwarding or reforwarding and the routes thereof (unless these have been specified by the SHIPPER in the air waybill), execution and acceptance of documents of carriage (which may include provisions exempting from or limiting liability) and consigning of cargo with no declaration of value, notwithstanding any declaration of value in the air waybill.

## **Article 12 : Successive Carriers**

Carriage to be performed by several successive air CARRIERS is deemed to be one undivided carriage, if it has been regarded by the parties to the contract of carriage by air as a single operation, whether it had been agreed upon under the form of a single contract or of a series of contracts.

## **Article 13 : Carrier's Liability**

### **13.1 LAWS AND PROVISIONS APPLICABLE**

13.1.1 International carriage of cargo performed by CKK is subject to laws, provisions and conditions applicable under 2.1.1 and 2.1.2 of these Conditions.

13.1.2 "International carriage" as defined in the Convention means any carriage in which, according to the contract made by the parties, the place of departure and the place of destination, whether or not there be a break in the carriage or a transshipment, are situated either within the territories of two High Contracting Parties to the Convention or within the territory of a single High Contracting Party if there is an agreed stopping place within the territory of another State, even if that State is not a High Contracting Party to the Convention.

13.1.3 For the purpose of the Convention, the agreed stopping places (which may be altered by CARRIER in case of necessity) are those places, except the place of departure and place of destination, set forth in the air waybill or shown in CARRIER'S timetables as scheduled stopping places for the route.

### **13.2 EXCLUSION AND LIMITATION OF LIABILITY**

Except as the Convention or other applicable law may otherwise require:

13.2.1 CKK is liable to the SHIPPER, CONSIGNEE or any other person for damage sustained in the event of destruction or loss of, or damage to, or delay

in the carriage of cargo only if the occurrence, which caused the damage so sustained, took place during the carriage by air. For the purpose of these Conditions, the carriage by air shall comprise the period during which the goods are in charge of CKK, whether in an airport or on board an aircraft, or in the case of a landing outside an airport, in any place whatsoever. The period of the carriage by air shall not extend to any transportation by land, by sea or by river performed outside of an airport. If, however, such transportation takes place in the performance of a contract for carriage by air, for the purpose of loading, delivery or transshipment, any damage is presumed, subject to proof to the contrary, to have been the result of an event which took place during the carriage by air.

13.2.2 CKK is not liable for any destruction, loss, damage or delay directly or indirectly arising out of compliance with laws, government regulations, orders or requirements, or from failure of the SHIPPER, CONSIGNEE or any other person to comply with the same, or out of any cause beyond CKK's control.

13.2.3 Except in the case of acts or omissions of CKK, his employees or agents done with intent to cause damage or recklessly and with knowledge that damage would probably result, CKK's liability shall be limited to a sum specified in the Convention.

13.2.4 Except as may be otherwise provided for in the Convention, CKK is not liable to the SHIPPER, CONSIGNEE or to any other person for any damage, destruction, delay or loss of whatsoever nature arising out of or in connection with the carriage of cargo or other services performed by CKK, his employees or agents, unless such damage, destruction, delay or loss is proved to have been caused by the negligence or willful misconduct of CKK, his employees or agents.

13.2.5 CKK is not liable if the destruction, loss of or damage to cargo is proved to have resulted solely from:

13.2.5.1 the inherent defect, quality, nature or vice of that cargo;

13.2.5.2 the defective packing of that cargo performed by a person other than CKK, his employees or agents.

13.2.6 CKK will not be liable for any loss, damage or expense arising from death due to natural causes or death or injury of any animal caused by the conducts or acts of the animal itself or of other animals such as biting, kicking, goring or smothering, or for that caused or contributed to by the condition, nature or propensities of the animal, or, by defective packing of the animal, or by the inability of the animal to withstand unavoidable changes in its physical environment inherent in the carriage.

13.2.7 Shipments, the contents of which are liable to deteriorate or perish due to change in climate, temperature or altitude or other ordinary exposure, or because of length of time in transit, will be accepted for carriage without any responsibility on the part of CKK for loss or damage due to such deterioration or perishability,

13.2.8 To the extent not in conflict with applicable law, CKK shall not be liable

in any event for any consequential loss or damage arising from carriage subject to these Conditions, whether or not CKK had knowledge that such loss or damage might be incurred.

13.2.9 If the damage is proved to have been caused by or contributed to by the negligence of the SHIPPER, CONSIGNEE or other claimants, CKK may be exonerated wholly or partly from its liability in accordance with the provisions of the Convention and applicable law.

13.2.10 For Carriage to which the Montreal Convention does not apply, CKK's liability limitation for cargo lost, damaged or delayed shall be 19 SDRs or its equivalent currency per gross kilogram of. If, with the agreement of CKK, the SHIPPER has made a special declaration of value at delivery and has paid the supplementary sum applicable, it is agreed that any liability shall in no event exceed such declared value for carriage stated on the face of the air waybill, but the amount so declared by the SHIPPER shall be no greater than the actual value of the goods in delivery at destination. All claims shall be subject to proof of actual value.

13.2.11 In the case of destruction, loss, damage or delay of part of the shipment, or of any object contained therein, the weight to be taken into consideration in determining the amount to which CKK's liability is limited shall be only the weight of the package or packages concerned. Nevertheless, when the destruction, loss, damage or delay of part of the shipment, or of an object contained therein, affects the value of other packages covered by the same air waybill, the total weight of such package or packages shall also be taken into consideration in determining the limit of liability. In the absence of proof to the contrary, the value of any such part of the shipment destroyed, lost, damaged or delayed as the case may be, shall be determined by reducing the total value of the shipment in the proportion that the weight of that part of the shipment destroyed, lost, damaged or delayed has to the total weight of the shipment.

13.2.12 Notwithstanding any other provisions, for "foreign air transportation" as defined by the US. Transportation code:

13.2.12.1 in the case of loss of, damage or delay to a shipment, the weight to be used in determining CKK's limit of liability shall be the weight which is used to determine the charge for carriage of such shipment; and

13.2.12.2 in the case of loss of, damage or delay to part of a shipment, the shipment weight in 13.2.12.1 shall be prorated to the packages covered by the same air waybill whose value is affected by the loss, damage or delay. The weight applicable in the case of loss or damage to one or more articles in a package shall be the weight of the entire package.

13.2.13 The SHIPPER, and to the extent permitted by applicable law, the owner and CONSIGNEE, whose property or shipment causes damage to or destruction of another shipment or of the property of CKK, shall indemnify CKK for all losses and expenses incurred by CKK as a result thereof. Cargo which, because of inherent defect, quality or vice or because of defective packing, is

likely to endanger aircraft, persons or property may be abandoned or destroyed by CKK at any time without notice and without liability therefor attaching to CKK.

13.2.14 When CKK issues an air waybill for carriage over the lines of another CARRIER, CKK does so only as agent for such other CARRIER. Any reference in the air waybill to carriage to be performed by another CARRIER shall be deemed to refer to carriage to be provided as principal by such other CARRIER. CKK shall not be liable for the destruction, loss, damage or delay of cargo not occurring on its own line except that the SHIPPER shall have a right of action for such destruction, loss, damage or delay on the terms herein provided against the first CARRIER and the CONSIGNER or other person entitled to delivery shall have such a right of action against the last CARRIER under the contract of carriage.

13.2.14 In no event will CKK be liable for wounding or injury to, or death of an animal attendant caused by or contributed to by the conditions, conducts or acts of the animals.

13.2.15 Any exclusion or limitation of liability of CKK under these Conditions shall apply to agents, employees or representatives of CKK acting within the scope of their employment and also to any person whose aircraft or other means of transportation is used by CKK for carriage and his agents, employees or representatives acting within the scope of their employment.

## **Article 14 : Limitations on Claims and Actions**

### **14.1 GENERAL**

Receipt by the person entitled to delivery of the cargo without complaint shall be prima facie evidence that the cargo has been delivered in good condition and in accordance with the contract of carriage.

### **14.2 TIME LIMITATION OF COMPLAINTS**

In the case of loss of, damage or delay to cargo, a written complaint must be made to CKK by the person entitled to delivery. Such complaint shall be made:

14.2.1 in the case of damage to the cargo, immediately after discovery of the damage and at the latest within fourteen (14) days from the date of receipt of the cargo;

14.2.2 in the case of delay, within twenty-one (21) days from the date on which the cargo was placed at the disposal of the person entitled to delivery;

14.2.3 in the case of non-delivery of cargo, within one hundred and twenty (120) days from the date of issue of the air waybill, or if an air waybill has not

been issued within one hundred and twenty (120) days from the date of receipt of the cargo for transportation by CKK

Such complaint may be made to the Carrier whose air waybill was used, or to the first Carrier or to the last Carrier or to the Carrier, which performed the carriage during which the loss, damage or delay took place.

### **14.3 TIME LIMITATION OF ACTIONS**

Any rights to damages against CKK shall be extinguished unless an action is brought within 2 years, reckoned from the date of arrival at the destination, or from the date on which the aircraft ought to have arrived, or from the date on which the carriage stopped. The method of calculating that period shall be determined by the law of the court seized of the case.

### **Article 15 : Overriding law**

To the extent that any provision contained or referred to herein is contrary to anything contained in the Convention, and in any applicable laws, government regulations, orders or requirements, such provision shall not apply. The invalidity of any provision shall not affect the validity of any other provision contained herein.

### **Article 16 : Final**

#### **16.1 MODIFICATION AND WAIVER**

No agent, employee or representative of CKK has authority to alter, modify or waive any provision of the contract of carriage or of these Conditions.

#### **16.2 HEADINGS FOR ARTICLES AND PARAGRAPHS**

Headings for Articles and Paragraphs form integral part of these Conditions.

#### **16.3 PUBLICATION**

These Conditions are filed with the General Administration of Civil Aviation of China and take effect on the day of its publication while the General Conditions of Carriage published on June 25, 2003 automatically become invalid.