

**AIT WORLDWIDE LOGISTICS, INC.**  
**DOMESTIC TERMS AND CONDITIONS OF CONTRACT OF CARRIAGE**

**Introduction**

AIT Worldwide Logistics, Inc. (AIT) is licensed as and operates as a Freight Forwarder. In tendering shipment(s) for transportation within the United States or to or from Puerto Rico and/or other U.S. Territories, Customer agrees to be bound by these Terms and Conditions of Contract of Carriage; and indicates its understanding that the AIT waybill, bill of lading or other shipping document utilized is non-negotiable. No agent or employee of the parties may alter these Terms and Conditions, unless in writing and signed by both parties.

NOTE: "Customer" in these Terms and Conditions means the party from whom the shipment is received, and any party who requested the shipment be transported by AIT, any party having an interest in the shipment, and any party who acts as an agent for any of the above.

These Terms and Conditions constitute the contract of carriage between AIT and all parties having an interest in the shipment; and these Terms and Conditions shall supersede and prevail over any conflicting terms and conditions contained on any bill of lading, waybill, shipping document, shipping receipt, or other purported contract of transportation under which any shipper, carrier, person or entity undertakes to tender freight to AIT for transportation. The signature of AIT's driver or the driver of any of its agents on any such document shall be solely for the convenience of the party tendering such shipment and shall not constitute an acceptance by AIT or AIT's agent of any terms which vary from these Terms and Conditions. In the event that a shipment is tendered on a domestic air waybill that is intended for international transport, then those applicable terms and conditions posted on [www.aitworldwide.com](http://www.aitworldwide.com) will apply.

Customer warrants and represents to AIT that the information set forth on the face of the AIT waybill, bill of lading(s) or other shipping document or the information supplied to AIT electronically regarding any shipment(s) is complete and accurate; and that each package and/or article in the shipment(s) is properly and completely described, is adequately packaged to protect the enclosed goods to ensure safe transportation with ordinary care in handling, is properly classified, described, packaged, marked and labeled and is in proper condition for transportation according to the applicable regulations of the U.S. Department of Transportation and the Transportation Security Administration, including without limitation all regulations governing the transportation of hazardous materials, regardless of mode of transport. Customer's violation of any of these warranties will excuse AIT from any liability whatsoever for damage to any item(s) incurred as a result of such violation and shall also cause Customer to be liable to AIT for all claims, fines, penalties, damages, costs or other sums, including reasonable attorneys' fees, incurred by AIT as a result of such violation.

**Liability**

1. At time of delivery, the consignee must note on the delivery receipt any exceptions to the condition of the shipment or the shipping containers. AIT shall not be liable for concealed damage not noted on the delivery receipt unless Customer is able to prove that such loss or damage occurred while the

shipment was in AIT's or its agent's possession. A clear delivery receipt shall be prima facie evidence of ordinary care in handling and receipt of the shipment(s) in good condition. Notations such as "subject to inspection or count" will not be considered evidence of damage or shortage.

2. Unless a higher value is declared at time of shipment and excess value charges of \$0.65 for each \$100.00 of declared value are paid, AIT's liability for loss or damage to any shipment or portion thereof is limited to the lesser of (A) for used products, \$0.10 per pound per piece lost or damaged with a minimum of \$10.00 per shipment; (B) for new products, \$0.50 per pound per piece lost or damaged with a minimum of \$50.00 per shipment; (C) the replacement value of an item of like kind and quality; (D) Customer's cost of the article or articles lost or damaged; or (E) repair cost in the event that a claimed item can be repaired. If a claimed item cannot be repaired, Customer shall provide, at its own expense, a third party assessment and/or technician report which details the extent of the damage and why an item is unable to be repaired. In the event that a higher value is declared and the excess value charge paid, AIT's liability shall be measured by repair cost if the claimed item can be repaired; and in no event shall AIT's liability be greater than the declared amount.
3. In the event AIT approves a damage claim for payment, AIT shall be entitled to possession of the portion of the shipment for salvage for which claim was made and payment approved, with the exception of food products that may cause harm if sold in a damaged state. The failure to provide the damaged goods to AIT shall be a bar to recovery of any claim.
4. Articles and/or shipments with a declared value in excess of \$25,000 will not be accepted for transportation unless Customer makes advanced arrangements therefor with AIT by notifying the local AIT office handling the shipment on behalf of Customer via electronic notification, email or U.S. postal service. In no event shall AIT's liability for aggregate losses at any one time at any one place exceed \$100,000 unless mutually agreed upon in writing by both parties prior to tender of the shipment(s).
5. Should AIT inadvertently accept for transportation (A) any article(s) as defined in Section 12 herein or (B) articles with a declared value in excess of \$25,000 as to which Customer has not secured AIT's prior approval as required in Section 4 above, AIT's liability for loss or damage thereto shall be limited pursuant to the terms of Section 2 above for shipments on which no excess value has been declared.
6. It is agreed upon and understood that the C.O.D. amount of the shipment stated on the face of the shipping document(s) or transmitted to AIT via electronic means, if applicable, does not constitute the declared value of the shipment.
7. Where Customer seeks to declare a value for a shipment consisting of more than one piece, it shall be Customer's responsibility to have a numbered label affixed to each such piece and then to declare a value correlating to each such number in the space provided on the face of the shipping document(s). Failing compliance with this requirement, AIT's liability for loss or damage to any part of such shipment shall be limited to the average declared value of the shipment times the number of the piece(s) lost or damaged.

### **Liabilities Not Assumed**

8. AIT SHALL NOT BE LIABLE IN ANY EVENT FOR ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, INCOME, INTEREST, UTILITY OR MARKET, WHETHER OR NOT AIT HAD KNOWLEDGE THAT SUCH DAMAGES MIGHT BE INCURRED.
9. Due to the inherent nature of the transportation business, AIT does not guarantee pick up, transportation or delivery by a special date or a special time, and shall not be liable for any claimed consequences of failure to do so.
10. AIT shall not be liable for loss, damage, delay or monetary losses of any type caused by: Acts of God; acts of public authorities acting with actual or apparent authority; strikes or labor disputes; weather; mechanical failures; aircraft failures; civil commotions or riots; acts or omissions of customs or quarantine officials; the nature of the freight or any defects thereof; acts of public enemies; hazards incident to a state of war; acts of terrorism; or acts, defaults, or omissions of Customer, the shipper or the consignee, including but not limited to improper packing, incorrect marking or incomplete or inaccurate shipping instructions, or failure to observe these Terms and Conditions or the rules relating to freight not acceptable for transportation or freight acceptable only under certain conditions as set forth in Section 12 below.
11. In addition, AIT shall not be liable for damage to exterior packaging, outside shipping containers or articles that are shipped unenclosed unless mishandling and/or loss is evident and is so noted on the delivery receipt at time of delivery.
12. AIT will not accept for transportation any shipment or commodity prohibited by law. In addition, the following items are not acceptable for carriage and will not be accepted by AIT: original works of art; antiques; bonds; coins of any kind, currency and currency equivalents; furs and fur clothing; gems and stones (cut or uncut); industrial diamonds; gold or silver jewelry (other than costume jewelry); pearls; precious metals; negotiable securities; time sensitive written materials (such as contract bids and proposals); software licenses; electronic data (i.e., data stored on computers, discs, credit cards, etc.); household goods and personal effects; one-of-a-kind articles, models or prototypes; valuable rugs (i.e., oriental rugs or Persian rugs); original prints and lithographs; bagged goods; cement; fertilizer; fishmeal; bulk commodities; fresh fruits; fresh vegetables; live animals; live plants; human remains of any kind; nuclear fuels; confectionery chocolates; ceramics; pottery; porcelain; marble; granite; china; glassware; fluorescent tubes; neon lighting; neon signs; x-ray tubes; glass mirrors; windows; glass or other inherently fragile items; and such other articles as provided in AIT's governing tariffs, individual contracts and/or service guide. Except as otherwise provided in these Terms and Conditions, no employee or agent of AIT has any authority to accept such articles for transportation or to waive the limitations contained herein.
13. AIT agrees to move a shipment of used product under the following conditions: AIT shall not be liable for any concealed loss and/or damage not noted on the delivery receipt at the time of delivery. AIT shall not be liable for any electrical and/or mechanical derangement, rust, oxidation, discoloration, or cosmetic damage of any kind to the used product shipped. Shipment must be properly packaged and/or crated in order to withstand ordinary care in handling during transit.

## **Claims Process**

14. Claims for loss or damage must be filed in writing with AIT within nine (9) months after the delivery of the shipment, except that claims for failure to make delivery must be filed within nine (9) months after a reasonable time for delivery has elapsed. In addition, as a prerequisite for filing claims, within 48 hours of delivery, written notice must be given to AIT of concealed damage or concealed loss discovered after delivery and after a clear delivery receipt has been given; and verbal notice must be given to AIT of any claim for damage to perishables. In the case of claims for loss or damage to shipment(s), AIT must be allowed the privilege to make inspection of the shipment(s), container(s) and packaging material(s) at the place of delivery. Failure to afford AIT the privilege of inspection of claimed product and all related packaging shall be a bar to recovery of any claim.
15. Overcharge claims must be filed in writing with AIT within 180 days of Customer's receipt of the original bill from AIT; and, provided that such a claim has been timely filed, any action or proceeding by Customer against AIT to recover such charges shall be commenced not more than eighteen (18) months after Customer's receipt of AIT's applicable invoice.
16. Any claim for damage to Customer's, the shipper's and/or the consignee's premises incurred during performance of services by AIT will be deemed untimely unless noted on the bill of lading or delivery receipt or reported to AIT in writing within 24 hours of service at that location. Failure of Customer, the shipper and/or the consignee to notify AIT's Corporate Office of any such damage in a timely manner will be grounds for declination of any such claim; and Customer, the shipper and/or the consignee will be barred from pursuing any such claim in a court of law or otherwise. In order for AIT to consider any such claim, AIT must be allowed the privilege to make inspection of any property damage.
17. No claims will be considered until all transportation charges have been paid. Claims may not be deducted from transportation charges and no claims may be deducted from any other charges owed to AIT. AIT reserves the right to deduct claim payments from open Customer balances.
18. Formal claims, notices, and all related correspondence shall be filed with AIT at P.O. Box 66730, Chicago, IL 60666-0730 or emailed to [Claimsadmin@aitworldwide.com](mailto:Claimsadmin@aitworldwide.com).

## **Legal**

19. Customer, the shipper and the consignee shall be liable jointly and severally for all unpaid charges incurred in connection with the transportation and/or handling of any shipment tendered to AIT; and shall pay or indemnify AIT for claims, fines, penalties, damages, costs (including but not limited to those for storage, handling, reconsignment, return of freight to the shipper, and other services) or other sums which may be incurred by AIT by reason of any violation of these Terms and Conditions or any other default of Customer, the shipper or the consignee or their agents. AIT shall have a lien on any shipment shipped by Customer for failure to pay past due charges or charges payable. AIT may refuse to surrender possession of the goods until all such charges are paid.
20. All invoices not paid within 30 days of invoice date will be subject to a charge of 1-1/2% per month.
21. Customer, the shipper and the consignee shall hold AIT and its agents harmless for loss, damage, delay or any monetary losses which are a result of auxiliary services, including, but not limited to, local cartage, crating, uncrating, packing, warehousing, and unpacking. Auxiliary services are those which are performed prior or subsequent to transportation and which may be billed directly by the

provider of the services or by AIT. NOTE: Under no circumstances will the liability of AIT for any monetary loss which is a result of any auxiliary services performed by AIT or its agents be greater than the liability contained in these Terms and Conditions.

22. Customer, the shipper and the consignee agree that any assistance they or their agents, employees, contractors, or other affiliated parties may provide during the pick-up, transportation or delivery process will be at their own risk. Customer, the shipper and the consignee hereby assume the responsibility of notifying any related parties of the risks of assisting in any service being provided by AIT. Customer, the shipper and/or the consignee shall indemnify and hold harmless AIT from any liability or claims resulting from the respective participation or assistance of Customer, the shipper and/or the consignee or their agents, employees, contractors, or other affiliated parties in any service being provided by AIT.
23. Should AIT prevail in any legal action for the enforcement of these Terms and Conditions or collection of any sums due and payable under these Terms and Conditions, AIT shall be entitled to reasonable attorney's fees and costs.
24. In the event shipment(s) are international shipment(s), AIT's liability is limited to the amounts set forth in the Warsaw Convention, as amended, or other government international treaty, law, statute, regulation, order or other requirement. AIT tariff rules and regulations shall apply to any shipment or portion of any shipment which is not governed by these government laws, treaties, statutes or regulations, and AIT's maximum liability shall be the limit of liability established by the applicable conditions of contract of carriage as posted at [www.aitworldwide.com](http://www.aitworldwide.com) or Customer's cost of the loss, whichever is less, unless a higher value for carriage is declared on the bill of lading and any fees are paid for the applicable excess value charge as set forth in Section 2 above. AIT accepts the domestic shipping document(s) as a shipper's letter of instruction with authorization to prepare and sign on Customer's behalf an international shipping document. AIT reserves the option to act as agent of the carrier, instead of as a forwarder, in which event the direct carrier's tariffs shall apply to this shipment.
25. In the event a shipment is a warehouse shipment, meaning that the product is being stored by AIT for 30+ days, then AIT's "Warehouse Liability Contract Terms and Conditions" apply once the product is placed in storage; AIT accepts the waybill, bill of lading or other shipping document as a "Warehouse Receipt" with authorization to prepare and sign on Customer's behalf a warehouse document; and the liability of AIT shall be that of a storage facility, subject to the Liability and Claim provisions of its "Warehouse Liability Contract Terms and Conditions," and not a freight forwarder, at the commencement of storage.
26. In the event that Customer elects to use AIT's MYLTL Service, Customer hereby agrees that the terms of AIT's MYLTL Service Agreement will supersede any terms conflicting with these Terms and Conditions, including all terms related to claims filing, processing and liability.
27. The parties shall submit any dispute relating to or arising out of these Terms and Conditions and/or AIT's transportation services performed for Customer to non-binding arbitration by a mutually agreed-upon arbitrator for resolution in order to avoid unnecessary litigation and its associated costs. Each party to such arbitration shall bear its own costs and fees. Notwithstanding the parties' obligation to arbitrate, if it becomes necessary to submit a dispute to the courts, the parties hereby consent to the exclusive jurisdiction of the courts of the state of Illinois and waive jurisdiction of all

other courts. The obligations in this paragraph shall survive termination of these Terms and Conditions.

28. Section headings have been included in these Terms and Conditions for convenience of reference only and are not to be considered part of, or to be used in interpreting, these Terms and Conditions.

### **Service**

29. Rates and charges for Customer's shipments will be based on actual or dimensional weight, whichever is greater.
30. Collect on Delivery (C.O.D.) service is provided under the following conditions: (A) Customer must clearly identify the shipment as a C.O.D. shipment on the shipping document(s) and enter the amount to be collected in the C.O.D. Amount box on the shipping document(s) or notify AIT of the amount to be collected in writing by email or electronically prior to tendering shipment to AIT; (B) Customer must clearly specify the type of payment to be received (e.g., cash, check, money order or cashier's check) in the Special Instructions box on the shipping document(s); (C) each shipping container must be clearly marked C.O.D. and the amount to be collected must be marked on the side of the container containing the address label; and (D) AIT and Customer agree that AIT does not guarantee or verify that a check, money order, cashier's check or other such financial instrument is valid or negotiable. All payments are collected at Customer's risk. In the event that AIT fails to collect the requested C.O.D. amount, Customer agrees to pursue its customer for payment directly and shall release AIT from all liability related to payments not collected.
31. Unless prior arrangements are made, the acceptance of cash by AIT and its agents for payment of freight charges and / or C.O.D. amounts is limited to a maximum of \$1000.00 per shipment and / or stop.
32. AIT shall have the right to: (A) substitute alternate carriers or other means of transportation and (B) select the routing or deviate from that shown on the bill of lading(s), provided, however, that no substitution, rerouting or deviation deemed by AIT to be reasonable shall serve to invalidate any otherwise applicable limitation of liability. AIT shall use reasonable care in its selection of third parties, or in selecting the means, route and procedure to be followed in the handling, transportation, clearance and delivery of a shipment. AIT is authorized to select and engage carriers, truckers, forwarders, customhouse brokers, agents, warehousemen and others as required to transport, store, deal with and deliver the shipment(s).

### **Security, Compliance, Inspection**

33. Shipments are subject to security controls by carriers and, where appropriate, by government agencies.
34. Copies of shipping documents will be retained by AIT for two years.
35. Shipments are subject to inspection by AIT at AIT's option to confirm weight, density, description and/or security clearance.
36. The TSA requires that AIT refuse to offer air transportation of any cargo where the shipper/customer does not consent to screening of the cargo. The TSA considers all cargo tendered for air transportation subject to screening by the forwarder, air carrier or the TSA. AIT, the air carriers and the TSA may conduct screening of cargo from the date of the applicable shipping

document. AIT shall not be liable for loss, damage or delay due to opening of cargo, resulting physical inspection or repackaging arising out of any such screening. This consent shall remain in effect for all cargo tendered to AIT. 49 USC §114 authorizes the collection of certain information pertaining to Customer. The information provided will be used to qualify Customer as a possible "known shipper". Providing this information is voluntary; however, failure to provide the information will prevent qualifying as a known shipper. This information will be disclosed to TSA personnel and contractors or other agents including IACs in the maintenance and operation of the known shipper program. TSA may share the information with airport operators, foreign air carriers, IACs, law enforcement agencies and others in accordance with 5 USC § 552a. For additional details, see the system of records notice for the Transportation Security Threat Assessment System (DHS/TSA 002) published in the Federal Register. Any fraudulent or intentionally false statement or certificate may be subject to both civil and criminal penalties under 49 CFR Parts 1540 and 1548 and 18 USC § 1001, in addition to those penalties that may arise as a result of violations.