

Valid since	1 March 2017
To whom the rules apply	Current and new clients

RULES GOVERNING THE CARRIAGE (FORWARDING) OF CARGOES

These service rules (*hereinafter – the Rules*) govern the general conditions under which the services of the carriage (forwarding) of cargoes shall be provided by the Carrier, either a natural person or legal entity, referred to in the Order.

The terms used herein shall coincide with the terms used in the contract of carriage (forwarding) of cargoes (*hereinafter – the Contract*).

These Rules shall be an integral part of the Contract.

1. PLACING OF ORDERS.

- 1.1.** The Client undertakes to place an Order with the Carrier in writing. The Order shall be considered placed in writing if it has been sent to the Carrier by fax or email. In exclusive cases, the Order (data thereof) may be sent to the Carrier by SMS message on the mobile.
- 1.2.** Orders are placed with the Carrier for the carriage of cargoes on national and international routes.
- 1.3.** The Order shall be considered accepted by the Carrier without any separate confirmation thereof in writing or orally and the Contract shall be deemed concluded in writing if the Carrier has delivered a vehicle for the loading of the cargo offered by the Client.
- 1.4.** The Order shall come into force as of the moment it is placed with the Carrier, unless the Carrier notifies in writing within 2 (two) hours of the non-delivery of a vehicle for loading.
- 1.5.** Any amendments to the conditions of the Contract or text of the Order shall be invalid, unless both Parties have confirmed them in writing. If the Carrier has adjusted, deleted or supplemented the conditions of the Order but the Client has not confirmed such amendments in writing and the Carrier has delivered a vehicle for loading, it shall be deemed that the Contract and Order have come into force without any amendments, deletions and supplements, and any of the Carrier's amendments shall have no impact on the performance of the Contract. Should the Carrier disagree with the text of these Rules, Contract or Order, he shall inform the Client of the non-delivery of a vehicle for loading within 2 (two) hours as of the moment of placing the Order.

2. RIGHTS AND OBLIGATIONS OF THE PARTIES.

2.1. The Client's obligations:

- 2.1.1. When placing the Order, the Client shall provide all and any information about the cargo, its maintenance, accompanying documents and any other information and instructions to be followed by the Carrier in the course of performing the Order. The Client may instruct the Carrier where he should take the accompanying documents or what other additional actions he should perform with the accompanying documents.
- 2.1.2. The Client undertakes to inform the Carrier about any changes in the conditions of the Order for the carriage of the cargo. If the Client exercises the right to re-direct the cargo to another Receiver during the carriage of the cargo, the Client must provide new instructions to the Carrier related to such carriage.
- 2.1.3. The Client undertakes to pay the Carrier the cargo carriage price referred to in the Order for the carriage following the Carrier's invoice.
- 2.1.4. The Client shall be responsible for the vehicle downtime where such downtime lasts more than one working day and only if it has arisen through the direct fault of the Client. This obligation shall not be valid if the Carrier has breached the loading and delivery terms of the cargo referred to in the Order, delivered damaged or incomplete cargo, lost all or some of the accompanying documents and in other cases where the Contract has been performed improperly. In the case of delayed loading or unloading, the Client shall pay the Carrier the penalties for each downtime day referred to in the Order where the fact of such downtime has been confirmed by the Sender's/Receiver's entries in the consignment note

or separate document (downtime sheet, etc.). Weekends and holidays shall be excluded from the downtime period.

2.1.5. Having received the Carrier's notification of the problems that arose during the carriage, the Client undertakes to cooperate with the Carrier to solve such problems expeditiously and provide necessary instructions to the Carrier.

2.2. The Client's rights:

2.2.1. The Client shall have the right to demand the discontinuation of the carriage of the cargo, change the delivery place or pass the cargo to another Receiver, which is not referred to in the Order and carriage documents (a consignment note). The Client shall be deprived of this right as of the moment the second copy of the consignment note is submitted to the Receiver. As of this moment, the Carrier shall follow the Receiver's instructions.

2.2.2. The Client's demands to discontinue the carriage of the cargo, change the delivery place, change the Receiver or other data referred to in the Order and consignment note of the cargo shall be submitted to the Carrier in writing (by fax or email) at the contact addresses indicated in the Contract.

2.2.3. Where several copies of the consignment note have been issued with respect of separate parts of the cargo, the Client shall have the right to request the Carrier to divide the cargo into separate parts and deliver the cargo to different Receivers.

2.2.4. The Client shall have the right to offset against the carriage price unilaterally.

2.3. The Carrier's obligations:

2.3.1. The Carrier undertakes to accept the Order to carry a specific cargo placed with the Client and send back to the Client his confirmation of the Order within 2 (two) hours as of the receipt of the Order at the latest. The Order shall be considered received as of the dispatch of the Order if it has been sent to the Carrier to the email address or fax number referred to in the Contract. The Carrier undertakes to submit his confirmation at the Client's email address or fax number referred to in the Contract.

2.3.2. The Carrier undertakes to carry the cargo to the designated delivery place and pass it to the Receiver together with relevant carriage documents of the cargo.

2.3.3. The Carrier undertakes to deliver in a timely manner a sufficient number of vehicles in a good technical condition, which are suitable for carrying a specific cargo and meet the requirements laid down in the Order. The Client shall have the right to reject the Carrier's vehicle if it does not meet the general vehicle requirements as set out in the Rules or special vehicle requirements as set out by the Client in the Order. The delivery of a vehicle which does not meet the requirements laid down in 2.3.4 above shall be treated as the non-delivery of a vehicle.

2.3.4. The Carrier undertakes to deliver the vehicles for the carriage of the cargo, whose condition and parameters meet the following general requirements set by the Client:

- the cargo platform shall be no shorter than 13.60 meters;
- the vehicle and height thereof shall be suitable for carriage, loading and unloading in footlights;
- a moisture proof tent with a possibility of re-planning (removing) it;
- the cargo platform shall be suitable for load works and must be cleaned;
- the vehicle shall be suitable for loading and unloading using a forklift truck whose weight is up to 10.5 tonnes;
- the vehicle shall be equipped with at least 20 tightening belts and 24 protective corners (brims), 2 transverse cargo fastening boards, 48 side boards of a semitrailer, all requisite safety clothes (helmet, glasses, shoes, etc.), fastening equipment for dangerous cargoes (if applicable);
- the vehicle shall have a valid technical inspection certificate;
- the vehicle must be clean, sealed and odour-free.

2.3.5. Before the confirmation of the Order, the Carrier shall make sure that the Order contains these data:

- the Sender's name and address;
- the Receiver's name and address;
- the loading place and time;
- the delivery/unloading place and time;
- information about the cargo: quantity/weight, labelling, packaging, display of the cargo and numbers, value;
- special carriage conditions (if applicable);
- instructions for customs clearance and other formalities;
- the carriage price;
- other relevant information;

- the Client's responsible contact person.
- 2.3.6. As a professional participant on the market, the Carrier, having received information about the cargo, shall find out additional information necessary for the proper carriage of the cargo: details about the Receiver/Sender, weight of the cargo, volume, characteristics, dates, technical requirements set for the vehicle, additional necessary equipment, procedures, prohibition to reload the cargo, etc.
- 2.3.7. Should the Client's information be inaccurate or insufficient, the Carrier shall clarify all inaccuracies and missing information which is necessary. The Carrier shall find out all necessary and special carriage conditions of the cargo; otherwise, the Carrier shall be considered liable for the improper carriage of the cargo and deteriorated quality and/or decreased value thereof, and/or loss of the cargo or a part thereof as a result of such an improper carriage.
- 2.3.8. The Carrier shall ensure that his agent (driver) has all relevant documents and equipment on the trip, including, but not limited to, a copy of the CMR insurance policy, compulsory civil liability insurance policy in respect of the use of a motor vehicle (including the Green Card), forms of CMR consignment notes, permission to engage in the activities of an international carriage by road issued by the European Community, all licences, travel permits, attestation of the driver's professional competence, devices necessary to effectuate the payment of the road tolls, belts and other harnesses referred to in the Order, etc.
- 2.3.9. The Carrier shall ensure that his drivers are equipped with mobile telephones, which operate abroad, sufficient amount of money to purchase fuel, pay for parking and cover other expenses while they are on the trip.
- 2.3.10. When accepting the accompanying documents, the Carrier shall make sure that all accompanying documents, which must be handed over by the Client or the Sender, have actually been handed over, and they have been filled in properly. Should the Carrier fail to submit his comments, it shall be considered that the Carrier confirms that no documents are missing, and documents have been filled in properly.
- 2.3.11. The Carrier shall have a duty to take care of all relevant accompanying documents, except for the documents the submission of which falls within the responsibility of the Client or the Sender. The Carrier also undertakes to ensure at his own expense that the carriage of the cargo meets national and international legislative requirements. Should the Carrier be obliged to have certain certificates as provided for by the legal acts, the Carrier undertakes to obtain such certificates during the term of the Contract at his own expense. The Carrier also undertakes to ensure that the carriage is carried out only after the receipt of all compulsory permits and/or licences. Should the carriage of the cargo delay or be detained as a result of some documents missing or inaccuracies in filling in of the documents, the Carrier shall be liable for all and any damages incurred by the Client as a result of it.
- 2.3.12. The Carrier shall act carefully and honestly, in keeping with the standards of a person who is well aware of his activities and carries them out as a professional, and take all possible measures necessary to preserve during the carriage the characteristics the cargo had at the moment of loading.
- 2.3.13. The Carrier undertakes to ensure during the carriage of the cargo the non-infringement of the legal acts of Lithuania and any other foreign state through which the cargo is carried, including the minimum driver's salary requirements set forth in other states and applicable to the carriage of the cargo (for example, in the Federal Republic of Germany, there is an effective law on the minimum salary (in German, *Mindestlohngesetz – MiLoG*).
- 2.3.14. The Carrier shall strictly follow all and any instructions as regards the carriage of the cargo which are set out in the Order. Specific carriage requirements must be set out in the Order. The Parties have agreed that the Carrier has become familiar with all and any requirements for the carriage of the cargo as of the confirmation of the Order.
- 2.3.15. During the carriage, the Carrier shall never leave the loaded vehicle and accompanying documents unattended. The Carrier may stop to have a rest only in the parking lots where in the case of a theft the coverage under the Carrier's CMR insurance policy would be valid and events would be recognized as insured events, and insurance benefit would be paid in full. In the case of a loss of the cargo or damage caused to it through the gross negligence of the Carrier, the latter shall be liable for the Receiver's damages to full extent, regardless of the insurer's decision to limit the compensation for the Receiver's damages under Article 23(3) of the CMR Convention.
- 2.3.16. Should the Carrier deliver damaged cargo to the Receiver, he shall not limit his liability under Article 17(4)(a) of the CMR Convention.
- 2.3.17. The Carrier undertakes to strictly follow the "neutrality requirement" with respect to the Sender and Receiver, *i.e.* the Carrier shall strictly follow the instructions set out in the Order/ carriage instructions during the carriage of the cargo which is subject to this "neutrality requirement" (the requirements for

the carriage of a “neutral cargo” are listed in Chapter 7 hereof). The Order to carry a “neutral cargo” shall be considered completed properly only if the Carrier has submitted all compulsory carriage documents referred to by the Client and all such required documents referred to by the Client have been filled in properly. The Parties agree that where the Carrier fails to submit all requisite documents of the carriage of a “neutral cargo” or where all such documents have been submitted but all or some of them have not been filled in properly, the Carrier shall pay the Client a fine in the amount set forth in Chapter 7 of the Contract for each and every document of the carriage of a “neutral cargo” which has not been submitted or filled in properly. The Parties agree that the Client shall have the right to deduct the fine set forth in this Clause from the cargo carriage price payable by the Client to the Carrier.

2.3.18. The Carrier shall have the following obligations with regards to the loading/unloading of the cargo:

1) The Carrier’s agent (driver) shall be present during the loading of the cargo and inspect the quantity, labelling and numbering of the cargo to be carried in accordance with the data set out in the accompanying documents, inspect the exterior condition of the cargo and packaging thereof. If the Carrier’s agent (driver) is not allowed to attend the loading or for any other reasons it is impossible to inspect the compliance of the cargo, which is being loaded, with the data set out in the consignment note, the Carrier shall inform the Client thereof before leaving the loading site, wait for the Client’s instructions, make relevant comments in all copies of the CMR consignment note, including the copy which remains at the disposition of the cargo’s Sender. The Carrier (his driver) shall be responsible for an orderly placement of the cargo inside the vehicle. The Carrier shall load the cargo in the manner that prevents the deterioration of its quality during the carriage. The Carrier also undertakes to monitor the loading works carried out by third persons and reliability of the fastening of the cargo.

2) The Carrier shall strictly follow the loading order and take care that the cargo is loaded properly. Where the cargo has been loaded improperly through the Carrier’s lack of care or negligence and as result of it the cargo must be re-loaded, all and any re-loading expenses shall be borne by the Carrier, and the Carrier shall not be able to claim any downtime expenses. In the case of uncertainties, the Carrier undertakes to contact forthwith the Client’s responsible person indicated in the Order.

3) Should damage be caused to persons and/or property as a result of disorderly loading and/or unloading equipment of the Carrier, the Carrier shall be liable for this damage. The Carrier shall also be liable for the damage or damages arising from any other lack of care of the Carrier in the course of loading and/or unloading of the cargo.

4) Should it be noticed that the quantity, labelling of the cargo or numbering of the places thereof does not meet the data set out in the CMR consignment note, or the cargo or packaging has been damaged, is missing, is excessive, the Carrier shall inform the Client thereof forthwith before leaving the loading site, wait for the Client’s instructions, make relevant comments in all copies of the CMR consignment note, including the copy which remains at the disposition of the cargo’s Sender. It is prohibited to accept for carriage the damaged cargo or cargo in the damaged packaging, or cargo whose quantity, labelling or numbering does not the data set out in the CMR consignment note without a written instruction of the Client. Should the Carrier fail to perform the obligations referred to in this Clause or make relevant comments in the consignment note, it shall be considered that damage to the cargo and/or other damages arose during the carriage. Comments on the condition of the cargo and/or packaging thereof, other circumstances shall be motivated and described briefly. All and any comments shall be made until the end of the loading of the cargo.

5) The Carrier’s agent (driver) shall inspect whether the Sender of the cargo has loaded the cargo in the manner that ensures secure transportation thereof and avoid the breach of permissible loads and fasten the loaded cargo properly using belts and any other necessary fastening measures. In case of concerns with regards to the placing or fastening of the cargo, or upon learning about any improper loading and display of the cargo in the vehicle, any risky actions related to the loading and/or reloading, and/or unloading of the cargo, any other obstacles, events, actions or omissions that prevent the performance of the Carrier’s obligations referred to herein, the Carrier shall contact the Client forthwith and obtain relevant instructions.

6) If the Carrier is unable to deliver the vehicle for loading or delays in delivering it, the Carrier shall inform the Client thereof forthwith. Having received the said information, the Client shall inform the Carrier forthwith whether he agrees to the delivery of the vehicle later or wishes to discontinue the performance of the Order. Should the performance of the Order be discontinued as a result of the Carrier’s delay in delivering the vehicle, the Carrier shall pay the Client the fine in the amount set forth in Chapter 7 of the Contract. Should the Client agree to the delivery of the vehicle later, the Carrier shall pay a fine for the delay as set forth in Chapter 7 of the Contract; in the case of higher damages, the Carrier shall cover them, too.

- 7) The Receiver shall be notified about the delivery of the cargo to the unloading site orally, by telephone or personally, or in writing by email or fax.
 - 8) When taking all possible measures, the Carrier shall make sure that the cargo is being passed to the right person, *i.e.* the Receiver referred to in the Order and other documents. Should the cargo be passed to the wrong Receiver as a result of the non-performance of this obligation, the Carrier shall be liable for the complete loss of the cargo.
 - 9) The Carrier shall be present during the unloading of the cargo and inspect the quantity of the cargo, which is unloaded, or the exterior condition of its packaging. Having learnt about any facts related to the possible damage to the cargo packaging thereof or shortage thereof, the Carrier shall suspend the unloading of the cargo forthwith and inform the Client thereof from the place of the event on the same working day at the latest and receive his instructions.
 - 10) Should the Receiver refuse accepting the cargo, the Client shall not present the first copy of the consignment note and retain the right to dispose of the cargo.
- 2.3.19. Where the Client or the Sender has provided the cargo on pallets (Euro-pallets) for carriage, the Carrier's obligations under the Contract shall be considered performed properly only after the Carrier has returned these pallets (Euro-pallets) to the Client or the Sender, respectively. The Parties agree that the cargo shall be carried only using the pallets (Euro-pallets), and the Carrier undertakes to accept only the pallets (Euro-pallets) which shall be returned. The Carrier shall also inspect the condition of the accepted pallet (Euro-pallet) at the moment of loading and unloading of the cargo; should a pallet (Euro-pallet) be in an improper condition, the Carrier, in such cases, shall inform the Client thereof, wait for the Client's instructions and strictly follow them. If the Carrier fails to return the pallets (Euro-pallets) or returns them in an improper condition, or fails to follow/follows improperly the Client's instructions, the Carrier undertakes to compensate the Client for all and any damages incurred as a result of this.
 - 2.3.20. The Carrier shall no later than 5 (five) working days beforehand inform the Client about the anticipated longer working/rest hours of the Carrier's drivers and anticipated replacement of drivers. The Parties agree that the failure to perform these obligations or improper performance thereof shall subject the Carrier to the fine set forth in Chapter 7 of the Contract payable to the Client for each non-information or improper information, and the Carrier shall also compensate the Client for any other damages incurred as a result of the non-performance of his obligations or improper performance thereof.
 - 2.3.21. During the carriage, the Carrier shall follow the Client's instructions referred to in the Order properly. Should the Carrier be unable to follow the received instructions for some reasons, he shall take all possible measures forthwith, put his best efforts to ensure the Client's interests and inform the Client forthwith about his inability to follow the instructions. The Client shall be informed about the downtime exceeding one-hour, stating simultaneously an accurate place of the existence of the vehicle and/or cargo.
 - 2.3.22. The Carrier shall inform the Client forthwith about his inability to carry the cargo in accordance with the conditions set out in the Order and ask the Client for any further instructions. Where the circumstances allow carrying the cargo by way of the derogation from the conditions referred to in the Order, the Carrier shall act in the manner that ensures the Client's interests in the best possible way. Anyways, the Carrier shall put his best efforts to receive the Client's instructions and wait for them at least 1 (one) working day, and during that time he shall ensure an absolute security of the cargo.
 - 2.3.23. Should the Carrier be unable to continue the carriage in accordance with the conditions referred to in the Order for the reasons which he could not have foreseen or control, he shall take all possible measures to protect the cargo, including the storage of the cargo at the third persons. In this case, the Carrier shall be liable for the selection of a suitable third person.
 - 2.3.24. Should the Receiver refuse accepting the cargo, the Carrier shall inform the Client thereof forthwith and receive his instructions what to do with the cargo. The Client shall have the right to select another Receiver, instruct to return the cargo to the Client or act in accordance with other instructions of the Client.
 - 2.3.25. The Carrier shall no later than within 28 (twenty-eight) calendar days as of the delivery of the cargo present to the Client all and any documents related to the carriage of the cargo/delivery thereof, which have been filled in properly and signed by the relevant party, including, but not limited to, the consignment note of the cargo. Having received a written request of the Client to submit the carriage documents of the cargo forthwith, the Carrier undertakes to submit the copies of the requested documents (by email or fax) forthwith but no later than within 24 (twenty-four) hours as of the receipt of the relevant request from the Client.
 - 2.3.26. The Parties agree that in case the Carrier has not submitted all documents requested by the Client or has submitted all documents, but they have not been filled in properly, or not all of the documents

submitted have been filled in properly and/or signed by the relevant party, the Carrier shall pay the Client the fine set forth in Chapter 7 of the Contract for each and every carriage document which has not been submitted or has been filled in improperly, or has not been signed by the relevant party, and the Client shall have the right to deduct the fine from the cargo carriage price payable by the Client to the Carrier. The Carrier's liability for the failure to submit the documents of the carriage of a "neutral cargo" or improper filling-in thereof is set forth in Chapter 7 of the Contract.

2.4. The Carrier's rights:

- 2.4.1. The Carrier may decide on the carriage route at his own discretion, unless the Order provides or it has been agreed otherwise. The Carrier shall select the route at his own risk and undertakes to cover all and any extra expenses related to his decisions at his own expense.
- 2.4.2. The Carrier may avail himself of the third persons in the performance of the Contract only if he has obtained written consent from the Client. In these cases, the Carrier shall remain liable for the proper and complete performance of his contractual obligations towards the Receiver.
- 2.4.3. The Carrier shall have the right to provide additional services if it has been agreed in writing in advance.
- 2.4.4. The Carrier shall have the right to refuse dividing the cargo in parts and deliver it to different Receivers if such parts are carried under a single carriage document (consignment note).

3. CARRIAGE PRICE AND SETTLEMENT PROCEDURE.

- 3.1. The carriage price and settlement procedure are set out in the Order of the Contract.
- 3.2. The consignment note shall contain this information for settlement purposes: a statement of the Receiver, which is indicated in the consignment note (usually, in the 2nd column), that he has received the cargo, any changes in the carriage route, redirects, damage caused to the cargo or packaging, shortage, delivery date of the cargo as well as downtime, unless a separate downtime sheet is provided. The submission of the consignment note without a relevant statement of the Receiver that he has received the cargo, also the submission of the copies of the consignment note without 2 original consignment notes shall not be considered as a proper evidence of the performance of the Contract of Carriage and shall not provide the basis to start calculating the payment period of the carriage fee.
- 3.3. The Client shall have the right to set off the overdue penalties and compensation for the damages against the amount payable for all and any carriages completed by the Carrier, regardless of the fact as to whether or not the basis for such damages or penalties arose namely during that carriage for which the carriage fee is being paid.
- 3.4. Where the Contract of Carriage has been performed improperly, the Client shall have the right to suspend the payment of the carriage fee to the Carrier until the final resolution of the compensation for damages. In that case, the Client shall put his best efforts to finally resolve the compensation for damages within the shortest period of time as possible, where the duration of the resolution of the compensation for damages depends on the Client.

4. LIABILITY OF THE PARTIES.

- 4.1. The Client shall be liable for the damages incurred by the Carrier as a result of the downtime of the vehicle through the Client's fault.
- 4.2. The Carrier shall be liable for the complete and partial loss of the cargo or damage caused to it from the acceptance of the cargo for carriage until the transfer thereof to the Receiver, also for the delayed delivery of the cargo. The acceptance of the cargo shall be the moment when the cargo is accepted for loading. The carriage process covers the packing, storage, insurance of the cargo and customs formalities. The Carrier's duty to take care of the cargo expires as of the transfer of the cargo to the Receiver. The cargo, although it has been delivered to the unloading site, is controlled by the Carrier during the process of storage, grouping or performance of any other actions with it, and the Carrier shall be responsible for it.
- 4.3. The cargo shall be considered lost if it has not been delivered to the unloading site within 30 (thirty) days as of the deadline on which it had to be delivered to the unloading site. The Carrier shall compensate the Client for the value of the lost cargo.
- 4.4. The Carrier shall compensate for the damage caused to the cargo, decrease in the value of the cargo and other related expenses. The compensation amount for the damaged cargo shall be calculated at the Client's choice according to the restoration value or replacement value, or value of the repairs. This compensation shall not exceed the amount which should be paid in the event of the complete loss of the cargo.

- 4.5.** The Carrier guarantees that the vehicles, which shall carry the cargo, shall not be used for any illegal transportation of goods or people. Should any illegal transportation of goods or people be found, the Carrier shall compensate the Client for the damages in the procedure set forth herein and pay the fine set forth in Chapter 7 of the Contract if for these reasons the delivery of the cargo was delayed, the cargo was damaged or lost.
- 4.6.** When performing the Contract, the Carrier shall have no right to detain the cargo carried, discontinue the carriage of the cargo, unload the cargo at another place, which is not indicated in the CMR consignment note or Order, on any grounds whatsoever. Should the Carrier breach this provision, he shall pay the fine set forth in Chapter 7 of the Contract and compensate the Client for all and any damages arising from such activities of the Carrier.
- 4.7.** Should the delivery of the cargo be delayed, the Carrier shall pay the Client the fine set forth in Chapter 7 of the Contract for each day overdue and compensate the Client for all and any damages incurred as a result of such a delay. The payment of the sanctions shall not relieve the Carrier from the duty to perform the Contract.
- 4.8.** The Carrier shall not be liable for the loss of the cargo or delay in delivering the cargo to the unloading site where the damage arose:
- 4.8.1. Through the Client's fault and the Carrier could not and had no possibilities to avoid such damage or mitigate the damages.
- 4.8.2. As a result of the Client's instructions, provided that the Carrier took all possible measures to warn the Client of the imminent risk of damage. The Carrier may not rely on this circumstance, which exempts from liability, if the Client's instructions were inaccurate and/or unclear and the Carrier did not ask to make them more specific or clarify them.
- 4.8.3. As a result of some hidden defects of the cargo which appeared during the carriage, provided that the Carrier acted properly, in good faith and took care of the cargo as much as possible.
- 4.8.4. For the circumstances which the Carrier could not foresee in any way and avoid harmful consequences thereof by any means (*force majeure*). The Carrier shall take special precautions to prevent thefts, robbery, fraud, traffic accidents, etc. The Carrier cannot rely on the limitation of liability if he has not taken all necessary measures to avoid the said events.
- 4.8.5. In other cases referred to in the Convention on the Contract for the International Carriage of Goods by Road (the CMR Convention).
- 4.9.** The Carrier shall compensate the Client for any damage caused as a result of the intentional actions or gross negligence of the Carrier. In that case, the Carrier shall compensate for the value of all cargo (or a relevant part thereof), damages suffered by the Client and his lost profit. Gross negligence shall be understood as the conduct of the Carrier where the Carrier has ignored the usual precautionary requirements, well-established carriage standards, contractual obligations and Client's instructions, or any other frivolous and careless conduct of the Carrier.
- 4.10.** The Carrier shall be liable not only for his own actions and errors but also for the actions and errors of his employees, agents and any other persons whose services he uses in the process of the carriage, where such persons perform the Carrier's obligations.
- 4.11.** The Client shall not be liable for the fines, damages and other negative consequences which would arise as a result of the breach of the legal acts of Lithuania and other foreign states, through which the cargo is carried, including the requirements for the minimum drivers' salary (such as the law on the minimum salary (in German, *Mindestlohngesetz – MiLoG*) effective in the Federal Republic of Germany). The Carrier undertakes to ensure the compliance with the said legal act and similar legal acts which are effective in the states passed through during the carriage and relieves the Client from the liability for the non-performance of the said requirements and legal acts and claims of third persons arising from the non-performance of the said requirements and legal acts.
- 4.12.** Where the rights and obligations, which arise from this Contract, have been assigned to third persons and the services of third persons (carriers and forwarders) were used in the process of the carriage without written consent of the Client, the Carrier undertakes to compensate the Client unconditionally for all and any damages that arose during the carriage as a result of the damage caused to the cargo, loss or delay thereof and alike on first demand of the Client within the period of time referred to in such a demand. In any way, the Carrier shall fully compensate for the damages caused by third persons, whose services the Carrier was using in the course of performing the Contract and Order.

5. INSURANCE.

- 5.1.** The Carrier undertakes to insure his civil liability (CMR) in the sum insured which would cover the value of the cargo and any other damage which may be suffered by the Client through the Carrier's fault.

In all cases, the sum insured, by which the Carrier's civil liability is insured (CMR), shall not be less than EUR 600.000,00.

- 5.2. The Carrier's civil liability insurance must be valid during the term of the Contract and as long as at least one obligation of the Carrier is effective.
- 5.3. At the moment of entering into this Contract, the Carrier shall submit to the Client the documents that verify the conclusion of the insurance contract and validity of insurance.

6. NON-COMPETITION.

- 6.1. Competitive actions shall be understood as any actions of the Carrier aimed at the creation of the relationship (direct or indirect) with any of the subjects which is directly related to the Client through business ties. Such actions may be carried out by way of promoting directly, indirectly and otherwise the Carrier's services with the purpose of entering into direct or indirect contracts with the Client's client or another subject referred to in the carriage documents, or information about him is found out otherwise during the performance of the Contract.
- 6.2. By submitting a confirmation of every Order placed with the Client, the Carrier always agrees that his actions are subject to the non-competition requirement and affirms simultaneously that the non-competition requirements meet the Carrier's goals and will completely.
- 6.3. The Carrier undertakes and affirms that he shall not enter into any contracts, seek any direct and indirect relationships with any of the subjects which might have adverse effects on the Client's business interests and might be linked with the prohibitions referred to in the non-competition requirement. Should a suspicion of the potential breach of the non-competition requirement arise, the Carrier shall contact the Client in writing for the written confirmation of any further actions to be taken.
- 6.4. The Carrier affirms that in all cases he shall refuse entering into contracts with the Client's clients if this would breach the non-competition requirement even though the client would request the Carrier to enter into such a contract himself.
- 6.5. The breach of the non-competition requirement shall be considered as a fundamental breach of the Contract, as a result of which the Carrier shall pay the fine set forth in Chapter 7 of the Contract and compensate for all and any damages suffered by the Client due to the breach of the non-competition requirement.
- 6.6. Having breached the non-competition requirement, the Carrier undertakes to pay the fine set forth in Chapter 7 of the Contract. Should the Carrier fail to pay the fine on time, he shall pay late fees in the amount of 0.2 per cent of the fine for each day overdue until the date of full settlement.

7. REQUIREMENTS FOR THE CARRIAGE OF A "NEUTRAL CARGO".

- 7.1. During the acceptance and loading of the cargo, the Carrier (the Carrier's driver who transports the cargo) shall prepare and submit to the Sender a CMR document stating the carriage of the cargo (from the loading site) to the Receiver indicated by the Client to the Carrier in advance, which can be either in Lithuania or abroad. This CMR document, which has been prepared by the Carrier, shall be submitted ONLY TO THE SENDER OF THE CARGO.
- 7.2. Having started the carriage of the cargo, the Carrier (the Carrier's driver who transports the cargo) shall issue a real CMR document stating therein the actual Receiver (according to the actual carriage). This CMR document shall be used during the carriage of the cargo and submitted only to the enforcement institutions (traffic police, transport police, customs officers, etc.). This document SHALL NOT CONTAIN any signatures or stamps of the Sender or Receiver.
- 7.3. Before unloading the cargo, the Carrier (the Carrier's driver who transports the cargo) shall find and access in the nearest petrol station or another place a fax machine to notify the Client of the fax number. Having used the fax machine, the Carrier (the Carrier's driver who transports the cargo) shall receive data and accompanying documents from the Client and issue another (the third) CMR document stating therein that he is carrying the cargo according to the most recent data indicated by the Client (by fax). During the unloading of the cargo, the most recent data and the third CMR document shall be used to ensure that the CMR document and data that were used during the loading and carriage of the cargo are submitted or disclosed otherwise to the Receiver.
- 7.4. Where the loading or unloading covered the weighting of the cargo, the said documents shall be submitted to the Client.

8. OTHER PROVISIONS.

- 8.1. The Contract shall come into force as of the confirmation of the Order.

- 8.2.** The non-competition requirement shall come into force as of the conclusion of the Contract and shall be valid for 12 (twelve) months as of the termination of the contractual relationships between the Parties under the Contract.
- 8.3.** The Client shall have the right to dissolve the Contract forthwith if the Carrier has breached the non-competition requirement.
- 8.4.** The Client shall have the right to discontinue the performance of the Contract (Order) by sending a notice thereof to the Carrier in writing (by fax or email) if the Carrier delays in arriving at the loading site more than 4 (four) hours as of the time of arrival at the loading site referred to in the Order. In that case, the Carrier shall not be compensated for any damages related to the arrival of the vehicle at the loading site. A notice of the dissolution of the Contract shall come into force as of the dispatch thereof to the Carrier, and the Carrier shall have the duty to pay the penalties referred to in the Order.
- 8.5.** The Client shall have the right to discontinue the performance of the Contract (Order) after the loading of the cargo and demand the transfer of the cargo to another person indicated by the Client forthwith if the Carrier does not provide information about the place of the existence of the vehicle, fails to notify about any problems that arose during the carriage, upon learning about the circumstances which prevent the Carrier from performing the assumed obligations in a timely manner, or the Carrier fails to perform his contractual obligations otherwise and as a result of this there is a threat of suffering damages.
- 8.6.** The Parties have agreed that any disputes related to the Contract and performance thereof shall be solved by means of mutual negotiations, and in the case of failure to reach an agreement, the disputes shall be solved in accordance with the procedure prescribed by Lithuanian laws.
- 8.7.** The Contract, interpretation and application thereof, obligations of the Parties and other related questions shall be governed by the law of the Republic of Lithuania. Disputes arising from or related to this Contract shall be solved before the courts of the Republic of Lithuania according to the Client's registered office address or before Vilnius Court of Commercial Arbitration.
- 8.8.** Should a provision of the Contract contradict the laws or legal acts of the Republic of Lithuania and as a result of such contradiction it would become invalid, this shall not affect the validity of the rest of the provisions of this Contract. The Parties shall agree on the replacement of the invalid part of the Contract with a similar one having an adequate economic effect.
- 8.9.** All and any notices (information) of the Parties under the Contract or related to the Contract may be executed in writing and considered as served to the other Party properly if they have been sent to the Party by registered mail, fax, email at the addresses indicated in this Contract or served in person. The contacts of the Parties are provided in the Order for notification purposes.
- 8.10.** The Parties shall inform each other about any changes in their data which are relevant for sending a notice no later than within 2 (two) working days as of the date of such changes in the relevant data. The Parties shall not be liable for the damage caused to the other Party if the other Party has failed to adhere to the obligation referred to in this Clause of the Contract.
- 8.11.** Upon emergence of a dispute, it shall be considered that a written notice has been received if it was dispatched to the other Party by any means referred to in Clause 8.9 above at the last known contact address of the other Party which is indicated in the Contract.
- 8.12.** The Parties undertake not to disclose to third persons information about the conclusion of the Contract and its conditions, and any other information about the Parties to the extent that such a disclosure is not necessary for the proper performance of the Contract, internal and external supervision, shareholders or audit, and take all measures within their powers to prevent the third persons' access to the said information. The said information may be announced to third persons if the other Party to the Contract has agreed thereto in writing in advance, or where the duty to provide such information to the competent public authorities is prescribed by the laws of the Republic of Lithuania.