

HUDSON LOGISTICS (WAREHOUSE) COMPANY LIMITED.
STANDARD TRADING CONDITIONS
for Warehousing & Storage Services
Effective 10/08/2020

1. Application.

- a. All business undertaken by the Company is transacted subject to these Conditions, which shall be deemed to be incorporated in any agreement between the Company and the Customer.
- b. If at any time one or more of such provisions becomes invalid or illegal, the validity or legality of the remaining provisions of these Conditions shall not in any way be affected.
- c. The Company may issue its own waybill, bill of lading, godown warrant, warehouse receipt, haulage receipt, forwarder cargo receipt, consignment note, combined transport document or other documents of services naming the Company as the principal. Where such a document is issued, the terms and conditions in it shall prevail in so far as they are inconsistent with these Conditions.
- d. Wherever it is provided in these Conditions that notice shall be dispatched by the Company to the Customer, such notice shall be deemed as having been dispatched if (i) the Company does not know the address, e-mail address or fax number of the Customer or (ii) the notice cannot reach the Customer through its address, e-mail address or fax number last known to the Company.
- e. The Customer's liability under these Conditions shall be joint and several.

2. Definitions.

- a. "Company" means HUDSON LOGISTICS (WAREHOUSE) COMPANY LIMITED. including its officers, directors, employees and agents while acting within the scope and course of their employment;
- b. "Customer" means the person, company, firm or other entity at whose request or on whose behalf the Company provides services, or as defined in the Logistics Services Agreement, Warehouse Receipt, Cargo receipt, Consignment Note.
- c. "Goods" means the merchandise, goods, cargo, products of any description delivered to the Company for or relating to the purpose of the Services for which the Company has agreed to provide pursuant to Logistics Services Agreement, Warehouse Receipt, Cargo receipt, Consignment Note.
- d. "Merchant" means the shipper, consignee, receiver of the goods, owner of the cargo or person entitled to the possession of the cargo and the servants and agents of any of these, and any other person who is or may become interested in the Goods and anyone acting on their behalf; all of whom shall be jointly and severally liable to the Company for the payment of all Charges, and for the performance of the obligations of any of them under the Logistics Services Agreement, Warehouse Receipt, Cargo receipt, Consignment Note.
- e. "Services" means the services to be provided by the Company as set in writing in whatsoever document arising from and relating to the Services to be provided.
- f. "Storage" means care, custody, control, storage, consolidation process, distribution process, inventory management, traveling, loading and unloading process and other Services rendered to the Customer in relation to the Goods stored and handled by the Company whether at or within the designated address.

3. Storage.

- a. Pursuant to the terms and conditions, the Company agrees to receive, store, and release the Goods in accordance with the Customer's reasonable instructions.
- b. If Company determines that the original palletization of Goods must be broken down for storage purposes, the Company shall be authorized to break down the pallets without further notice required to the Customer.
- c. The Company will store the goods at its discretion at any one or more buildings at Company's warehouse locations. The identification of any specific location with the Company's warehouse complex does not guarantee that Goods shall be stored therein.
- d. The Company reserves the right to move, at its own expense, seven (7) days after notice is provided to the Customer, any Goods in storage to any other warehouse locations assigned by the Company.
- e. The Company may provide additional services to Customer as requested and as agreed. Additional handling charges will apply whenever goods are pulled for distribution or release, whenever physical inventories are requested by the Customer, and whenever additional services are requested that are not explicitly included in the monthly storage charge quoted to the Customer. Such additional charges will be provided to the Customer and will be invoiced to the Customer in addition to any storage charges due.

4. Events of default

Each of the following events and circumstances shall be an Event of Default:

- a. the Customer fails to pay any sum payable to the Company for the Services rendered when due or otherwise in accordance with the Contracts for the Services.
- b. any representation, or warranty made or deemed to be made by the Customer or in connection with the Services proved to have been incorrect or misleading.
- c. a petition is presented or a proceeding is commenced or an order is made or an effective resolution is passed for the winding up, insolvency, administration, reorganisation, reconstruction, dissolution or bankruptcy of the Customer or for the appointment of a liquidator, receiver, administrator, trustee, or similar officers of the Customer or of all or any part of its business or assets.
- d. death, incapacity, disability or limitation or any change in the constitution or status of the Customer.

5. Termination of storage, removal of goods.

- a. The contracts for Services may be terminated by the either party except specifically provided, as follows
 - i. upon the occurrence of an Event of Default or Potential Event of Default;
 - ii. by giving to the other party a fourteen (14) clear calendar days written notice of breach by the other party of any of the terms of contracts for Services provided that the breach (if applicable of remedy) is not remedied within such fourteen (14) clear calendar days period or such longer period as the Company may approve.
- b. The Company reserves the right to terminate storage and to require the removal of the Goods, or any portion thereof, by giving Customer thirty (30) days advance written notice.
- c. Customer shall be responsible for payment of all charges attributable to said Goods and Services tendered within the stated period and for removing the Goods from the warehouse upon payment of all charges. If the Goods are not so removed, Company may exercise its rights under applicable law including but not limited to selling the Goods.

d. If the Company in good faith believes that the goods are about to deteriorate or decline in value to less than the amount of the Company's then current and otherwise outstanding warehouse or other charges before the end of the next succeeding storage month, the Company may specify in the notification any reasonable shorter time for removal of the goods and in case the goods are not removed, may sell them at public sale held one week after a single advertisement or posting as provided by law.

e. If, as a result of a quality or condition of the goods of which the Company had no notice at the time of storage/handling or to which the goods have deteriorated or the goods are a hazard to other property or to the warehouse or to any persons in the Company's sole opinion, the Company may dispose of or sell the goods at public or private sale without advertisement on reasonable notification to all persons known to claim an interest in the goods. Pending such disposition, sale, or return of the goods, the Company may remove the goods from the warehouse and shall incur no liability by reason of such removal.

6. Customer's obligations.

a. The Customer enters into any transactions or business with the Company hereby warrants that it is either the Merchant or the servant or the authorised agent of the Merchant of the Goods and that it is authorised to accept and is accepting these Conditions not only for itself but also as servant or agent for and on behalf of the Merchant of the Goods.

b. When the Customer acts as the agent of the Merchant, the Customer also accepts personal liability to the Company, but without prejudice to any of the rights or remedies of the Company against the Merchant, and so that in respect of such transaction or business the Company is entitled to enforce its rights or remedies, including but without limiting the rights to recover any sum payable to the Company, against the Customer and the Merchant jointly and severally.

c. The Customer agrees to, within a reasonable time stipulated by the Company, supply the Company with all the necessary and/or relevant and/or executable information to enable the Company to perform the Services.

d. The Customer acknowledges that the Company shall rely on such information for the planning and performance of the Services. If all such information and documents are not fully, accurately and timely provided to the Company, the Customer shall indemnify Company for all consequences of such failure.

e. The Customer shall keep the Company fully inform of any particular risk relating to the Goods and, including, their possible deterioration or damage or their dangerous or special nature or likelihood to contaminate or otherwise affect other Goods, property, Persons and/or the environment.

f. For all Goods tendered for storage, Customer shall supply such information and documents as are necessary to comply with all laws, rules and regulations.

7. Customer's Warranties & Tender for Storage.

a. Customer warrants that it has sole legal rights to store Goods tendered, to release Goods, and to instruct Company regarding delivery or disposition of the Goods.

b. Customer agrees to notify all parties acquiring any interest in the Goods of the terms and conditions of related Logistics Service Agreement, Warehouse Receipt, Cargo receipt, Consignment Note and further agrees to indemnify and hold Company harmless from any claim by third parties relating to the ownership, storage, handling or delivery of Goods, or from any other services provided by the Company.

- c. Such indemnification shall include any legal fees or costs incurred from any claim by a third party, regardless of whether or not litigation is actually filed.
- d. The Customer warrants that it has reasonable knowledge of matters affecting the conduct of its business, including but not limited to the terms of sale and purchase of the Goods and all other matters relating thereto.
- e. The Customer further warrants that:
 - i. all the goods have been properly and sufficiently marked, packaged, labelled, and classified for handling and are fit for storage or movement within the warehouse and any transportation as may be required, and that the Company has no liability for any loss of, damage, destruction to or any other claims relating to the goods which are improperly or insufficiently marked, packaged, labelled, and classified for handling;
 - ii. the goods are fit and suitable for the carriage, storage and any other handling in accordance with the Customer's instructions;
 - iii. it shall fully comply with applicable laws and regulations of warehousing and storage, ports, airports, Customs or other authorities.

8. Dangerous goods and Hazardous Materials.

- i. Unless otherwise made known to the Company in writing and accepted by the Company, Customer warrants that the Goods are not considered hazardous materials and/or dangerous goods at the time the Goods are tendered to the Company.
- ii. If hazardous materials and/or dangerous goods are tendered for storage and accepted by the Company, a notation shall be so made on the face of Warehouse Receipt, Cargo receipt, Consignment Note. Customer warrants that the Goods shall be limited to the permissible materials and quantities in the then current regulations, and agrees to properly classify the Goods, to accurately describe the Goods, and to provide Company with all necessary or useful information for the safe storage and handling of the Goods including but not limited to, whenever applicable, Material Safety Data Sheets and/or Product Safety Data Sheets.
- iii. If Customer breaches any of the foregoing warranties related to tender of hazardous materials or dangerous goods, or otherwise delivers any such unfit Goods to Company, Company shall be entitled to exercise all available remedies including the immediate destruction or removal of the Goods from the warehouse without notice to Customer.
- iv. In the event of the foregoing breach of Customer warranties, Customer shall be liable for all expenses costs, losses, damages, fines, penalties or other expenses of any sort incurred by Company in connection with the removal, or destruction, or handling of the Goods and shall indemnify Company against all amounts, liabilities, claims, or damages arising in connection with the Goods.

9. Payment Terms.

- a. Warehousing and storage services are due and payable monthly, in advance.
- b. The Customer shall pay to the Company all sums immediately when due without deduction on account of any claim, counterclaim or set-off. Payment to the Company is due as soon as an invoice is rendered to the Customer. For any amount unpaid within thirty (30) days from the date of the invoice, the Company shall be entitled to interest from the date of the invoice until payment at 2% per month.

10. Lien Rights.

- a. The Company shall have a lien on the Goods tendered by Customer and upon any and all property belonging to Customer in Company's possession, custody or control

for all charges, advances or amounts of any kind due to Company under Logistics Services Agreement, Warehouse Receipt, Cargo receipt, Consignment Note or under any prior or subsequent invoices issued to Customer by Company (including charges for storage, handling, transportation, demurrage, terminal charges, insurance, labour, and any other charges incurred).

b. All goods relating thereto shall be subject to a particular and general lien for monies due in respect of such goods, or for any particular or general balance or other monies due from the Customer to the Company. If any such monies due to the Company are not paid within fourteen (14) days after notice has been dispatched to the Customer's address, e-mail address or fax number last known to the Company, the goods may be sold by public auction or private treaty or may be disposed of at the sole discretion of the Company at the expense of the Customer, and the proceeds if any (net of the expenses in connection with such sale) shall be applied in satisfaction of such debts, and the Company shall not be liable for any reduction in value received on the sale of the goods, nor shall the Customer be relieved from the liability of any outstanding debts merely because the goods have been sold or disposed of. In case the Customer does not receive the notice dispatched by the Company asking the Customer to pay the outstanding monies, such shall not affect the Company's aforesaid right to sell or dispose of the goods. The Customer is responsible for payment of all costs and expenses (including but not limited to storage costs and demurrage charges) being incurred when the goods are being liened.

11. Limitation of liabilities and damages.

The Customer acknowledges that the Company relies upon and would not have entered into these Conditions without the exclusion and limitation of liabilities set out in this Clause.

a. The Company shall not be liable for any loss or destruction of or damage to the Goods, however caused, unless such loss, damage or destruction resulted from Company's failure to exercise such care in regard to the Goods as a reasonably careful person would exercise under like circumstances. The Company is not liable for damages which could not have been avoided by the exercise of such care. The Company and Customer hereby explicitly agree that Company's duty of care referred to herein shall not extend to providing a sprinkler system at the warehouse complex or any portion thereof.

b. Where loss, damage or destruction occurs to the goods, for which the Company is not liable, the Customer shall be responsible for the cost of removing and disposing of such goods and the cost of any environmental cleanup and site remediation resulting from the loss, damage or destruction to the goods.

c. In no event shall the Company be liable for any loss or damage caused by:

i. acts of God; public authorities acting with actual or apparent authority; strikes; labour disputes; weather; mechanical or equipment failures; cyber attacks; civil commotions; hazards incident to a state of war; acts of terrorism; acts or omissions of customs or quarantine officials; acts of carriers related to security; the nature of the freight or any defects thereof; inherent vice of the goods; perishable qualities of the merchandise; fires; frost or change of weather; sprinkler leakage; floods; wind; storm; moths; public enemies; or other causes beyond its control;

ii. fragile articles injured or broken, unless packed by the Company's employees and unpacked by them at the time of delivery;

iii. pilferage or theft, unless such loss or damage is caused by the failure of the Company to exercise such ordinary care required by law; and

iv. concealed damage, or for losses incurred due to the concealed damage of the Goods.

d. The Company shall not be liable for loss of goods due to inventory shortage or unexplained or mysterious disappearance of goods unless the Customer establishes that such loss occurred because of the Company's failure to exercise the care required of the Company in 11a. Any presumption of conversion imposed by law shall not apply to such loss and a claim by the Customer of conversion must be established by affirmative evidence that the Company converted the goods to the Company's own use.

e. Monetary Maximum Liability: In the event of loss or damage or destruction to the Goods for which Company is legally liable, Company's liability shall be limited to actual value of the Goods, subject to a maximum of USD2.00 per kilogram of goods lost/damaged/destroyed, unless at the time of acceptance of the Services, the Customer declared a higher value for the goods and Company agrees in writing to purchase insurance for the Goods at Customer's benefit, and Customer has paid the additional charge in accordance with the terms herein.

f. In no event shall Company be responsible for loss or damage or destruction to documents, stamps, securities, artwork, heirlooms, jewellery or other articles of high and unusual value unless a special agreement in writing is made between Company and Customer with respect to such articles.

g. In no event shall the Company's liability exceed US\$100,000.00 per event arising from a common cause.

h. The Company shall not in any event be liable of any kind whatsoever for any special, incidental, indirect, consequential, exemplary loss or damage, economic loss or statutory or punitive damages or damage of any kind (including without limitation loss of market, profits, revenue, business or goodwill, damages arising from loss, legal fees or punitive damages, wrong delivery, or damage to property, loss of uses of goods, cost of substituted goods, delayed delivery or failure to attempt delivery) regardless of whether such loss or damage was reasonably foreseeable, arises in tort or otherwise or whether or not the the Company had knowledge that such damages or losses might occur.

12. Insurance.

a. The Company does not insure the Goods while in storage and the storage rates or charges billed to Customer do not include any insurance on the Goods.

b. The Goods will therefore not be insured for any loss or damage, and the limitation of Liability shall apply in all circumstances where Company is legally liable for such loss or damage.

c. All insurances effected by the Company are subject to the usual exceptions and conditions of the policy of the insurance company or underwriters taking the risk.

d. Unless otherwise agreed in writing, the Company shall not be under any obligation to effect a separate insurance on the Goods.

e. Where the underwriters dispute their liability for whatsoever reasons, the Customer, as the assured, shall have recourse against the underwriters only.

13. Temperature or Humidity Controlled Goods.

a. The Company shall not be responsible for and the Customer undertakes not to tender for transportation any Goods which require temperature control without previously giving written notice of their nature and particular temperature range to be maintained.

- b. The Company will not be responsible for any loss or damage to the Goods that result from fluctuations in temperature range or in humidity levels of the warehouse.
- c. Company will furthermore not be responsible for losses or damages incurred to Perishable Goods, unless otherwise agreed to in writing prior to tender of the Goods for storage.
- d. The Company undertakes only that the temperature or humidity control machinery shall perform within the operating specification of the equipment and make no warranty or agreement with respect to the actual temperature for any commodity, perishable goods and/or goods stored.

14. Inspection.

- a. All goods are subject to inspection by Company, and by any duly authorized government or regulatory entities.
- b. Notwithstanding the foregoing right to inspect goods, Company is not obligated to perform such inspection except as mandated by law.
- c. Further, Company reserves the right to unilaterally reject any goods that it deems unfit for storage, or for Services tendered, after inspection.

15. Notice of Claim and Time Limit.

- a. The Company shall be deemed have performed the Services for the Goods unless written notice of loss or damage has been given to the Company or to its representative at the time of removal of the Goods in the custody of the Customer and/or Merchant and/or Person entitled to delivery thereof or, if the loss or damage is not apparent, within three (3) consecutive days of delivery.
- b. The Company shall be discharged of all liability whatsoever in respect of any claim unless suit is brought against the Company in the courts of the Hong Kong Special Administrative Region and written notice thereof received by the Company within nine (9) months from the date of delivery of the goods or the date the goods should have been delivered or the date of the event giving rise to the claim, or the expiration or sooner termination of the Services, whichever is the earliest.
- c. Neither the Customer nor any other party/person may commence any claim whatsoever against the Company for loss or damage or destruction of the goods unless timely written claim has been given as provided in 15a.

16. Notices.

Each notice, demand, or other communication herein shall be in writing transmitted by any commercially reasonable means of communications to relevant party at its last known address or fax number or email address unless otherwise instructed by either party in writing.

17. Waiver, severability, and assignment.

- a. Logistics Services Agreement, Warehouse Receipt, Cargo receipt, or Consignment Note constitutes the entire understanding between Customer and Company regarding the storage of the Goods and services provided.
- b. The Company's failure to insist upon strict compliance with any provision of Logistics Services Agreement, Warehouse Receipt, Cargo receipt, Consignment Note shall not constitute a waiver or estoppel to later demand strict compliance with that or any other provisions.

- c. In the event of any part of these conditions being or becoming void, illegal or unenforceable, that part shall be severed from these conditions to the extent that all the remaining parts shall remain in full force and be unaffected or impaired thereby.
- d. Neither the Customer nor Company shall assign any of its rights or obligations hereunder.

18. Construction of terms and venue.

- i. The defences, exemptions and limitations of liability provided for in these Conditions shall apply in any action against the Company whether such action is founded in contract or in tort.
- ii. These Conditions and any contract with the Company shall be governed by the laws of the Hong Kong Special Administrative Region. Any claim or dispute must be determined exclusively by the courts in the Hong Kong Special Administrative Region and no other court.