

Inland Priority Terms & Conditions

Inland Priority is available on certain trades from Continental Northern Europe to certain US destinations and the following types of shipping containers: 40ft standard, 40ft standard high cube. Any other shipping container types are excluded (20' standard, reefers (operated or non-operated), and Special Equipment (In Gauge or Out of Gauge). Inland Priority is not available for shipments of Dangerous Goods.

The booking must be placed with Hapag-Lloyd at least 14 days prior to the envisaged container delivery at the Customer Place. Upon receipt of the corresponding Booking Confirmation, the following terms will apply to a Shipment with Inland Priority:

1. **Booking Party Commitment:** The Booking Party guarantees that the Shipper will provide the booked containers on time as stated in the Booking Confirmation, meeting all relevant cut-off times and other applicable requirements. The Booking Party further guarantees, that the Consignee will meet the following criteria 7 days prior to vessel arrival at Port of Discharge:
 - Original Bill of Lading (if applicable) is submitted to Carrier;
 - Freight payment is settled with the Carrier if no credit agreement is in place;
 - Complete Delivery Order/instructions for delivery at Place of Delivery is submitted to the Carrier;
 - Customs clearance is received by Carrier upon arrival at the port of entry with no other regulatory restrictions applied
2. **Carrier Commitment:**
 - a) **Equipment:** Carrier shall make available the equipment on the date and at the location specified in the Booking Confirmation; and
 - b) **Service Levels:** Carrier shall make its best effort to meet the Service Levels applicable to the Shipment, except for delays due to reasons out of the control of the Carrier. The Carrier promises to deliver the container at the agreed Place of Delivery within the time period from discharge of the container from the vessel at port of discharge as per Delivery Schedule (Appendix 1).
 - d) **Conditions:** The fulfilment of the Carrier Commitment is subject to fulfilment of the Booking Party Commitments.
3. In case the shipping instruction and/or cargo tendered differs or is not fully consistent with the booking confirmation, or in case of a booking cancellation by the Merchant, **the Merchant shall pay a Cancellation Fee, in the amount of the Priority Inland Surcharge rate per impacted container.** Notwithstanding the aforementioned, if the cargo is anyhow tendered by the Merchant, the Carrier may carry the cargo at its option, subject to additional rates and charges.
4. **The Booking Party is entitled to an Equipment Compensation in the amount of 150% of the Inland Priority Surcharge per impacted container,** if the Carrier does not provide the guaranteed equipment on the date and location specified in the Booking Confirmation due to reasons in the control of the Carrier. The Booking Party is entitled to receive the Compensation only once per impacted container per Inland Priority Shipment. If the Carrier fails to comply with its commitment due to reasons out of the control of the Carrier, then no Compensation shall be payable by the Carrier
5. **The Booking Party is entitled to the following Service Level Compensation,** if the Carrier fails to meet the service levels regarding the delivery of the container at the agreed Place of Delivery within the agreed time period from vessel arrival (defined as first crane move) as per Delivery Schedule (Appendix 1) due to reasons in the control of the Carrier:

Service Level 3: Time of Delivery Schedule + 3 days & more: 750 USD;

Service Level 2: Time of Delivery Schedule + 2 days: 625 USD;

Service Level 1: Time of Delivery Schedule + 1 day: 500 USD.

Equipment Compensation and Service Level Compensation cannot be combined and the Booking Party is only entitled to either Equipment Compensation or Service Level Compensation.

6. The amount of Equipment Compensation or Service Level Compensation will be set off against any sums due and payable by the Booking Party in connection with the Inland Priority Shipment. The Compensation will not be credited for future shipments, neither in case the Merchant cancels the shipment after the roll.
7. The Parties agree that the Cancellation Fee, Compensation and Service Level Compensation set forth in Cl. 3, 4 and 5 will be the affected party's sole remedy for the other party's failure to comply with its commitment under this Agreement and in lieu of any other damages that could arise as a consequence of such failure.
8. Any changes of shipping instructions by the Merchant, including but not limited to changes to the port of loading, port of discharge, and/or the voyage before loading; changes of container type or increase in number of containers; retroactive booking adjustments, including changes of rate agreement numbers will result in a cancellation of Inland Priority and the cancellation fee will become due. Merchant will accept delivery at the Place of Delivery at the earliest time offered by Hapag-Lloyd.
9. The Booking Confirmation **does not serve as quotation and cannot be used by the Booking Party to place further bookings.**
10. All dates and times in the Booking Confirmation for an Inland Priority Shipment are given as best reasonable estimates and subject to change.
11. The Hapag-Lloyd Bill of Lading Terms and Conditions (or the Sea Waybill Terms and Conditions, as the case may be), shall apply to the Inland Priority Shipment. In case of conflict between the terms and conditions of the Bill or Sea Waybill and those stated herein, then the latter shall prevail. Payment of freight and charges is subject to payment terms as per tariff unless otherwise agreed with payer.
12. The Booking Party agrees and accepts that it will be deemed a "Merchant", as defined in the applicable Bill of Lading or Sea Waybill Terms and Conditions of the Carrier. As such, that it will be jointly and severally liable to the Carrier for all the obligations and liabilities in regards to the Inland Priority Shipment as set forth in the relevant Bill of Lading or Sea Waybill, or as required by law. Any subsequent nomination of a Shipper or other party in relation to the Inland Priority Shipment shall be subject to discretionary acceptance of Hapag-Lloyd. When nominating a Shipper or other party in relation to an Inland Priority Shipment the Booking Party warrants that it has authority to legally bind the nominated Shipper or other party in relation to the shipment. Should that not be the case, the Booking Party will assume full liability and shall indemnify Hapag-Lloyd for any and all losses suffered or costs incurred as a consequence of the absence of such authority.
13. Merchant shall comply with all regulations or requirements of customs, ports and/or other authorities, applicable to the Inland Priority Shipment. In particular, if the Inland Priority Shipment refers to the provision of the ocean transportation services between the United States of America and a foreign country, for the account of an NVOCC, then the Booking Party further certifies that all applicable regulatory requirements have been complied by such NVOCC, such

as tariff(s) and financial surety as required by the U.S. Shipping Act of 1984. Merchant shall indemnify Carrier against all claims, losses, damages, expenses, fines, costs and attorneys' fees, arising or resulting from any breach of these obligations and warranties.

14. Merchant shall be subject to any rule in the Governing Tariff(s) establishing a charge relating to any extraordinary circumstances or charges arising or taking effect subsequent to the effective date of the "Inland Priority Offer" such as but not limited to strike, lockout, work stoppage, or any other labor unrest; congestion; security requirements or costs; taxes, fees or charges levied by any federal, state or local governmental entity.

Appendix 1

Delivery Schedule:

The delivery time period is counted as of discharge of the container from the vessel at the port of discharge.

Port of Discharge	Ramp	Delivery Time period [days]
Norfolk	Cleveland	9
Norfolk	Columbus	9
Norfolk	Cincinnati	10
Norfolk	Louisville	10
Norfolk	- (Local Cargo)	3