

Icelandair Cargo Service Terms 2017

Customer seeking service from Icelandair Cargo is required to respect and agree to the following service terms as well as the conditions of carriage with reference to IATA's MT99. Customer must also be aware of that Icelandair Cargo is indisposed of providing requested service if incorrect or insufficient information is provided by the client. The following service terms are meant to ensure the customer's understanding of the nature of the service provided in accordance with these terms and which disclaimers apply. Agreement to the service terms is required of all customers purchasing service of carriage from Icelandair Cargo.

1. Coverage

- The service terms as they appear each time are valid for all the services offered by Icelandair Cargo to their customers regardless of whether payment has been received or not from the customers charge account.
- The below terms are valid for each service if other terms have not been agreed upon. Conditions of these service terms are superseded by any mandatory laws and conditions of the Air Waybill if not consistent with these terms.
- The customer requesting the service, according to these service terms, is the consignor of the Air Waybill and to whom the service cost will be charged to.
- The person applying form for a charge account with Icelandair Cargo must have read and accepted the service, on behalf of the customer, by signing the form for the account.

2. Service

- Icelandair Cargo commits itself to provide the service that has been negotiated each time within the limit of the service terms, the conditions of contract, current laws or other agreements issued between the carrier and its customers which may apply.

3. Rates, offers and terms of payment

- Conditions of this article do not apply to the following range of shipments:
Priority shipments "Pri", dangerous goods, fruits and vegetables/Perishables, flowers, valuables, live animals „AVI,“ fresh fish „PES.“
- Icelandair Cargo reserves the right to change rates without advance notice.

- Freight charges are paid by the customer and are subject to changes in general freight charges of Icelandair Cargo and IATA.
- Standard ratio between volume and weight applies, i.e. one cubic meter calculates as 167 kilograms (kg) if the gross weight is less.
- This provision can change in accordance with IATA's international conditions.
- Air carriage is subject to Icelandair Cargo's service terms as well as IATA's Conditions of Contract.
- Rate for carriage will never be less than official minimum rate for each route.
- Collection charge of 3% is added to the freight amount of imported shipments (does not apply to prepaid shipments).
- Charge for shipments weighing 1-44 kg is full IATA official rate.
- Any discount, from cash payment or quantity discount, will be deducted from basic rate without VAT.
- Any quotes offered for transport of goods are valid for 30 days from the date issued, unless another timeframe is mentioned.
- All transport quotes are subject to cash payments.
- Transport quotes are subject to reservation of ISK exchange rate not changing more than 5% during the tender period.
- Disclaimer is made on possible misprint in transport quotes.
- Application on charge account are subject to Icelandair Cargo's terms and conditions at each time.

4. Delivery of shipment

- Shipments being delivered within the capital area are handled by employees of Icelandair Cargo.
- Shipments delivered outside the capital area are handled by employees of transport companies in co-operation with Icelandair Cargo.
- Rates for road transport is subject to applicable rates of Icelandair Cargo at the time of service (see website).
- Shipments can also be collected at Icelandair Cargo's warehouses at Keflavik Airport or Reykjavik Airport.

5. Icelandair Cargo Liability

- Icelandair Cargo is liable of direct damage or loss to the customer which can be attributed to intent or gross negligence of the company or its employees. Icelandair Cargo's total liability is limited by the rules stipulated in the Condition of Contract as published and this service agreement. After delivery to consignee if concealed loss or damage occurs the customer bears the burden of proof that the goods were damaged while in care of Icelandair Cargo.
- Liability of Icelandair Cargo is effective from the time the service is rendered and the termination of liability is based on the end of that service. If Icelandair Cargo chooses to enforce default provisions or terminate a service agreement unilaterally, the company is authorized to inform the customer by notification stating the termination of liability and by that the liability of Icelandair Cargo is terminated 14 days following the dispatch of the notification.

6. Base for reimbursement and amount of damages

- Decision on amount of damages paid by Icelandair Cargo in cases of damage or loss is determined by the value of the cargo shipment when damage/loss occurred according to the invoice or Air Waybill as per Icelandair Cargo's Conditions of Contract.
- If value of the goods is unknown the reimbursement will be decided in accordance with the value of identical goods of the same quality when damage/loss occurred. Proof of value is the responsibility of the claimant in such instances.
- Reimbursement made for partly damaged/lost cargo can never exceed the value of a fully damaged/lost shipment.
- In case of a settlement for total damage of cargo, Icelandair Cargo reserves the right to ownership of that shipment.
 - If Icelandair Cargo prefers not to exercise this right, notification will be sent to the customer with request that the goods shall be removed from the premises at the expense of the client.
- Icelandair Cargo is never liable for indirect damages such as loss of profit. or Loss of profit.
- Icelandair Cargo will not reimburse damages for, antiques or other sentimental goods unless specifically agreed upon prior to the transport.

- Damage settlement by Icelandair Cargo can be reduced or cancelled upon proof that the customer or his associates are partly responsible for the damage by intent or negligence. Customers are obligated to limit their damage in accordance with the rules of Icelandic Tort Law.

7. Terms of liability

- Under no circumstances will Icelandair Cargo be liable for damages which can be attributed to the following causes:
 - Fire, water damages or theft (pilferage).
 - Handling of cargo including loading and unloading of goods by the customer or person/s hired by him for that purpose.
 - Extraordinary circumstances (force majeure), natural catastrophe, war, radioactivity or other events to which Icelandair Cargo has no control over, such as trade restrictions, aircraft accidents, shipwreck, or other such circumstances.
 - Customers are advised to purchase cargo insurance for each shipment in transport.

8. Limitation of liability

- Regardless of provision in article 1, paragraph 5, of these Service Terms, damage/loss compensation by Icelandair Cargo will not exceed the following amounts:
 - Compensation cannot exceed the amount of 19 SDR for each gross kg for cargo which has been damaged or lost.
 - Compensation cannot exceed the amount of 667 SDR for each piece or unit.
- Determination of what is considered one piece or unit should be based upon what appears on the receipt on the acceptance of cargo. If such a receipt has not been issued, the determination should be based on information appearing on the Air Waybill issued for the shipment.
- If it is not possible to verify the weight or number of pieces/units of a shipment the compensation cannot exceed the amount of 7.500 SDR for any damage or damages for the customer due to identical cause of damage.
- Icelandair Cargo's liability in relation to all its customers shall be limited to 100.000 SDR for all claims being made for one and the same incident.
- The company's authorization for the limitation of liability based on the above article will be enforced independently no matter on what basis the liability lies.

Each amount which has limits of liability, according to this article, will be divided between the claimants proportionally with the claim amounts from each.

- The provision in article 5, paragraph 8, of the terms of this full-scale limitation does not prevent the provision in Article 1 and Article 2, paragraph 8, on terms for individual limitation being applied for the liability of Icelandair Cargo in relation to its customers.

9. Notifications of claims

- If the customer considers that his shipment has been damaged during transport, a notification of his claim must be delivered in writing and provably to Icelandair Cargo's address or to cargoclaims@icelandaircargo.is as follows:
 - Within 14 days for claims due to damages
 - Within 21 days for claims due to delay
 - Within 120 days for claims due to lost cargo
- The following documents and information must be attached to the claim:
 - Copy of the Air Waybill
 - Copy of the cargo invoice with reference to the claim amounts
 - Credit note and/or revised invoice
 - Packing list
 - Description of the extent of damage and weight of the damaged part/s.
 - Photograph of the damaged cargo
 - Information on to whom and when the damage was originally reported
 - Claim amount
 - Bank information for transferring settlement

10. Customer's obligation

- Consignor or the customer's agent must deliver the cargo shipment **ready for transport** as otherwise Icelandair Cargo or its agents have the right to refuse acceptance of the shipment for transport.
- Consignor must make sure that the markings and package of the cargo is sufficient for air transport and the requirements demanded by public authorities are fulfilled such as customs declaration filed, prior to delivery of the cargo.
- Consignor must inform Icelandair Cargo if the shipment contains dangerous goods or if specific requirements are needed in handling of the cargo. Icelandair Cargo reserves the right to destroy the cargo without warning or any claim

settlement if the customer neglects to fulfill this rule. Consignor will be held responsible for the payment of all cost to Icelandair Cargo, direct or indirect, which will result from negligence of such information.

- Customer is required to notify the carrier of any change in address and other imperative information regarding his shipment if needed.

11. Default and remedies

- Material breach by customer on fulfilling the rules of these service terms, or the contract based on the terms, gives Icelandair Cargo the right to terminate the contract without notice. Upon termination of the contract any liability by Icelandair Cargo is terminated immediately.
- Icelandair Cargo can terminate any contract without cause by sending a three months' notice to the customer.
- Termination by Icelandair Cargo does not limit the company's right to other remedies by law, tradition or a contract between the parties involved.

12. Right to property

- Icelandair Cargo has the right to confiscate property and place lien on all cargo shipments in its storage due to all claims, present or prior, by the carrier against its customer, irrespective of whether or not it relates to air carriage.
- In the case of enforcement by Icelandair Cargo of its right in accordance with paragraph 1, a written notification must be sent to the customer informing him of this decision by the carrier and to urge the customer to settle the claim/claims.
- Icelandair Cargo can request a foreclosure sale on the confiscated property if the claims are still unpaid after due date in accordance with Chapter II. of The Icelandic Law no. 90/1991 on Compulsory Auctions. Should the amount received from such foreclosure sale be insufficient to cover the claim/claims, Icelandair Cargo has the right to collect from the customer the difference between the total amount of the claim and the purchase price, with added cost and interest
- Should there be a balance left from the sale of the confiscated property after adding cost and interest, it shall be refunded to the customer by Icelandair Cargo.

13. Customer's liability

- The customer is liable to Icelandair Cargo in accordance with the rules of Icelandic Tort Law.

14. Notifications

- These terms require Icelandair Cargo or the customer, under certain circumstances, to forward notification to the opposite party.
- All notifications must be forwarded by verifiable means to the address given by the opposition or to their legal residence at the time of dispatch. Notifications sent by such verifiable means shall be sufficient even though it arrives damaged, late or not at all to the recipient.
- Notifications by e-mail to [-] are equivalent to the ones mentioned in paragraph 2 of this article. Notification to an e-mail address which the customer has used previously, in his communications with Icelandair Cargo, is equivalent to those mentioned in the previous paragraph.

15. Inspection

- Icelandair Cargo has the right to inspection of a shipment and its content, under the supervision of the customs authorities, without notification to the customer.

16. Interests

- Icelandair Cargo is not obliged to pay interest on a claim settlement prior to a court ruling. Interests shall not be calculated on the claim prior to the date of such court ruling.

17. Insurance

- Cargo shipments stored by Icelandair Cargo or its subcontractors are not insured by the carrier. Insurance for any kind of damages to cargo shipments is the responsibility of the customer.

18. Other Provisions

- Icelandair Cargo reserves the right to decline transactions if so determined.
- Icelandair Cargo has the right to employ subcontractors to fulfill the services that the carrier has negotiated with the customer.
- These service terms apply to all projects carried out by subcontractors, on behalf of Icelandair Cargo, and thereby the same rules are applicable for the service independent of Icelandair Cargo using the service of its subcontractor.
- Icelandair Cargo reserves the right to change these service terms. New version will in such instances be published on the carrier's website, www.icelandaircargo.is, and will become effective when it appears on the website. Customers who have signed the prior service terms and have a charge

account with the carrier and who purchase transport service after the revised terms take effect, by appearance on the website, are considered in agreement with the new terms and bound by them.

19. Duration of Service Terms

These service terms are valid from 23.11.2017

20. Venue

The District Court of Reykjavik shall have exclusive jurisdiction to settle any matters arising from these service terms.