

CONDITIONS OF CARRIAGE

INTERNATIONAL CARGO

Effective 01 APRIL, 2011

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Japan

CONDITIONS OF CARRIAGE (INTERNATIONAL CARGO)

-Effective 1st April, 2011-

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1. DEFINITIONS

Advance Arrangement means any special arrangement between the shipper and carrier, made prior to tender of the shipment.

Air Waybill, which is equivalent to air consignment note, means the nonnegotiable document entitled "Air Waybill/Consignment Note" made out by or on behalf of the shipper which evidences the contract between the shipper and carrier for carriage of cargo over the routes of carrier.

Cargo, which is equivalent to the term goods, is anything carried or to be carried in an aircraft, other than mail or baggage; provided that unaccompanied baggage moving under an air waybill is cargo.

Carriage, which is equivalent to transportation, means the carriage of cargo by air, gratuitous or for reward.

Carrier means air carrier and includes the air carrier issuing the air waybill and all air carriers that carry or undertake to carry the cargo under such air waybill, or perform or undertake to perform any other services related to such air carriage.

Charge means an amount to be paid for carriage of cargo based on the applicable rates for such carriage, or an amount to be paid for special or incidental service in connection with the carriage of the cargo.

Charges Collect means the charges entered on the air waybill for collection from consignee.

City Terminal Service means the surface carriage of shipment between carrier's city handling station and the airport of departure or destination, as the case may be.

Consignee means the person whose name appears on the air waybill as the party to whom the shipment is to be delivered by carrier.

Convention means whichever of the following instruments applicable to the contract of Carriage;

"Convention for Unification of Certain Rules Relating to International Carriage by Air" signed at Warsaw on 12th October, 1929 (hereinafter referred to as "Warsaw Convention");

"Warsaw Convention as amended at The Hague in 1955" signed at The Hague on 28th September, 1955 (hereinafter referred to as "Warsaw Convention as amended at The Hague");

"Warsaw Convention as amended at The Hague" as amended by Protocol No.4 of Montreal 1975 (hereinafter referred to as "Warsaw Convention as amended at Montreal")

"Convention for the Unification of Certain Rules for International Carriage by Air" signed at Montreal on 28th May, 1999 (hereinafter referred to as "Montreal Convention").

Customs Consignee, which is equivalent to customs clearance agent, means a customs broker or other agent of the consignee designated to perform customs clearance services for the consignee.

Days means full calendar days, including Sundays and legal holidays; provided that for the purpose of notification the balance of the day upon which notice is dispatched will not be counted, and when the last day falls on Sunday or a legal holiday, such Sunday or legal holiday will not be counted.

Delivery Service means the surface carriage of inbound shipments from the airport of destination to the address of the consignee or that of his designated agent or to the custody of the appropriate government

agency when required.

Destination means the ultimate stopping place according to the contract of carriage.

French Gold Francs means French francs consisting of 65 1/2 milligrams of gold at the standard of fineness of nine hundred thousandths. 250 French Gold Francs shall be converted into 19 Special Drawing Rights.

International Carriage means (except when the Convention is applicable) carriage in which, according to the contract of carriage, the place of departure and any place of landing are situated in more than one country. As used in this definition, the term "country", which is equivalent to "state", includes all territory subject to its sovereignty, suzerainty, mandate, authority or trusteeship.

JAL means Japan Airlines Co.,Ltd.

JAL's Regulations means JAL's rules and regulations, other than these Conditions of Carriage, for International Carriage of Cargo including, but not limited to, JAL's tables of rates and charges.

Pick-up Service means the surface carriage of outbound shipments from the point of pick-up to the airport of departure.

Rate means the amount charged by carrier for carriage of a unit of weight (or volume) or value of goods.

SDR mean Special Drawing Rights as defined by the International Monetary Fund.

Conversion of the SDR sum into a national currency shall be made as follows:

- (1) In the case as defined in Article 12-(B)-(4) of these Conditions of Carriage, it shall be made at the exchange rate between the currency and SDR in effect on the date of issuance of the air waybill.
- (2) In the case as defined in Article 12-(C)-(4) of these Conditions of Carriage, it shall be made, in the case of judicial proceedings, at the exchange rate between the currency and SDR in effect on the date of the final court hearing of such proceedings, and, in any other case, at the exchange rate between the currency and SDR in effect on the date on which the amount of the damages is finally fixed.

Shipment, which is equivalent to consignment, except as otherwise provided in these Conditions of Carriage, means one or more pieces of goods accepted by carrier from one shipper at one time and at one address, receipted for in one lot and moving on one air waybill to one consignee at one destination address.

Shipper, which is equivalent to consignor, means the person whose name appears on the air waybill as the party contracting with carrier for the carriage of cargo.

2. APPLICATION OF CONDITIONS

(A) General

Nothing in these Conditions of Carriage and JAL's Regulations modifies or waives any provision of the Convention.

(B) Applicability

To the extent not in conflict with Convention and except as excluded by JAL's conditions in relation to carriage wholly on its own domestic services, these Conditions of Carriage shall apply to all carriage of cargo including all services incidental thereto, performed by JAL at rates and charges published in connection with these Conditions of Carriage.

In case a special clause is established concerning a specific Article in these Conditions of Carriage, such special clause shall be applied, irrespective of provisions in the respective Article.

(C) Gratuitous Carriage

With respect to gratuitous carriage, JAL reserves the right to exclude the application of all or any part of these Conditions of Carriage.

(D) Charter Agreement

With respect to carriage of cargo performed pursuant to a charter agreement with JAL, such carriage shall be subject to JAL's conditions in relation to carriage by charter flight.

(E) Change without Notice

Except as may be required by applicable laws, governmental regulations, orders or requirements, these Conditions of Carriage or JAL's Regulations is subject to change without notice; provided, however, that no such change shall apply to a contract of carriage after the date of issuance of the air waybill.

(F) Effective Rules

All carriage of cargo shall be subject to these Conditions of Carriage and JAL's Regulations in effect on the date of issuance of the air waybill by JAL.

3. EXECUTION OF AIR WAYBILL

(A) Preparation by Shipper

- (1) The shipper shall make out, or have made out on his behalf, an air waybill in the form, manner and number of copies prescribed by JAL, and shall deliver such air waybill to JAL simultaneously with the acceptance of the shipment by JAL for carriage. However, charges for carriage and other charges, insofar as they have been ascertained, will be inserted in the air waybill by JAL.
- (2) JAL may require the shipper to make out, or have made out on his behalf, separate air waybills when there is more than one package or when all of the shipment cannot be carried in one aircraft or cannot,

without breach of government requirements or regulations of JAL, be carried on one air waybill.

(B) Apparent Order and Condition of Cargo

If the apparent order and condition of the cargo and/or packing is no good, the shipper shall insert in the air waybill what the apparent order and condition is. However, if the shipper fails to do so, or if such statement is inaccurate, JAL may insert in the air waybill a statement of the apparent order and condition or note a correction thereon.

(C) Preparation, Completion or Correction by Carrier

JAL may at the request of the shipper, expressed or implied, make out the air waybill, in which event, subject to proof to the contrary, JAL shall be deemed to have done so on behalf of the shipper. If the air waybill handed over with the cargo does not contain all the required particulars, or if it contains any error, JAL completes or corrects it to the best of JAL's ability without being under any obligation to do so.

(D) Responsibility for Particulars and Statements

The shipper is responsible to JAL and all other persons for the correctness and completeness of the particulars and statements which he inserts in the air waybill, or which JAL inserts on his behalf. The shipper shall be liable for all damages suffered by JAL or any other person by reason of the irregularity, incorrectness or incompleteness of said particulars or statements, whether the air waybill was made out by or on behalf of the shipper or by JAL (or completed by JAL) on behalf of the shipper pursuant to Paragraph (C) above.

(E) Alteration

JAL will not accept an air waybill, if any part of it is mutilated or if it has been altered or erased by other than carrier.

4. RATES AND CHARGES

(A) Applicable Rates and Charges

Except as otherwise provided in JAL's Regulations, applicable rates and charges for carriage governed by these Conditions of Carriage and JAL's Regulations are those duly published by JAL, and shall be those in effect on the date of issuance of the air waybill. When the rates or charges collected are not the applicable rates or charges, the difference will be refunded to or collected from the shipper or consignee, as may be appropriate

(B) Airport to Airport

Except as otherwise provided in JAL's Regulations, rates and charges apply only for carriage from airport of departure to airport of destination.

(C)Precedence of Rates and Charges

Except as otherwise provided in JAL's Regulations,a through rate or charge published in JAL's Regulations takes precedence over the combination of intermediate rates or charges applicable between the same points via the same routings.

(D)Quantity Reductions

When two or more rates subject to different minimum quantities are provided on the same commodity in the same shipping form from and to the same points over the same route,the lowest of the charges specified below will apply:

- (1) The charge computed on the quantity shipped at the rate applicable to such quantity.
- (2) The charge computed on the next greater quantity, for which a lower rate is provided at the rate applicable to such greater quantity.
- (3) The charge applicable to planeload shipments.

(E)Services not Included in Rates and Charges

Published rates and charges cover the carriage of shipments by air between airports or other landing places at or near the points shown in the published rates and charges. Except as otherwise specifically provided in JAL's Regulations, such published rate and charges do not include the following services or charges;

- (1) Pick-up,delivery and city terminal service to and from the airport from which JAL operates;
- (2) Storage and warehouse services and facilities;
- (3) Insurance charges;
- (4) Advanced charges;
- (5) Expenses incurred by JAL in clearing the cargo through customs,or incurred by any other person whether acting as agent for the shipper, the consignee, the owner of the cargo,or carrier;
- (6) Charges or penalties imposed or collected by government authority, including duties and taxes;
- (7) Expensed incurred by JAL in repairing faulty packing;
- (8) Charges for carriage of cargo forwarded,transshipped or re-forwarded by any other transportation service,or returned to the point of origin or beyond the point of destination;
- (9) Any other similar services or charges.

(F)Payment of Charges

- (1) Subject to currency exchange laws, government regulations and acceptability to JAL,payment of charges may be in a currency other than the currency in which the rate or charges are published. The rate of exchange established by JAL will be used to convert the published rate or charge into the selling currency at the rate of exchange as follows:
 - (a) In the case of a charges prepaid shipment (that is, a shipment on which the charges are to be paid by the shipper at the time of acceptance of shipment for carriage),the rate of exchange in effect on the date of issuance of the air waybill.

- (b) In the case of a charges collect shipment (that is, a shipment on which the charges are to be paid by the consignee at the time of delivery of shipment) ,the rate of exchange in effect on the date on which notification of the arrival of the shipment has been dispatched to the consignee.
- (2) Full applicable charges, whether prepaid or collect,fees,duties, taxes,charges,advances and payments, made or incurred or to be incurred by JAL and any other sums payable to JAL,will be deemed fully earned, whether or not the cargo is lost or damaged, or fails to arrive at the destination specified on the air waybill. No claim for loss or damage to a shipment will be entertained until all transportation charges thereon have been paid, except that when no part of the consignment is delivered, a claim with respect to such consignment will be entertained even through transportation charges thereon are unpaid. The amount of claims may not be deducted from such transportation charges.
- (3) With respect to any charges, expenses or disbursements which cannot be determined at the time when the cargo is handed over for carriage,JAL may require the shipper to deposit with JAL a sum estimated by JAL to be sufficient to cover such charges,expenses and disbursements. Any balance due from JAL to the shipper or from the shipper to JAL in connection with such deposit shall be paid after completion of the contract of carriage and determination of the exact amount of such charges, expenses and disbursements.
- (4) Except when JAL agrees in advance to extend credit, all charges applicable to a shipment are payable in cash or other means of payment acceptable to JAL at the time of acceptance of the shipment by JAL,in the case of a charges prepaid shipment (that is,a shipment on which the charges are to be paid by the shipper at the time of acceptance of shipment for carriage),or at the time of delivery thereof by JAL,in the case of a charges collect shipment (that is,a shipment on which the charges are to be paid by the consignee at the time of delivery of shipment).
- (5) The shipper guarantees payment of all unpaid charges, advances and disbursements of JAL,and all costs,expenditures,fines,penalties,loss of time, damages and other sums which JAL may incur of suffer by reason of:
- (a) inclusion in the shipment of articles, the carriage of which is prohibited by law;
 - (b) illegal, incorrect or insufficient marking,numbering,addressing or packing of packages or description of the cargo;
 - (c) absence, delay or incorrectness of any export of import license or any required certificate or document;
 - (d) improper customs valuation; or
 - (e) incorrect statement of weight or volume.

By taken delivery or exercising any other right arising from the contract of carriage,the consignee agrees to pay all such charges, sums and advances, except prepaid charges but this shall not discharges the shipper's guarantee to pay the same. JAL shall have a lien on the shipment for each of the foregoing, and in the event of non-payment thereof,shall have the right to dispose of the

shipment at public or private sale (provided that prior to such sale, JAL shall have mailed notice thereof to the shipper or to the consignee at the address stated in the air waybill), and to pay itself out of the proceeds of such sale any and all such amounts. No such sale shall, however, discharge any liability to pay any deficiencies, for which the shipper and the consignee shall remain jointly and severally liable. No such lien or right of sale, and no right of JAL to collect any of the foregoing shall be in any way affected, lost or prejudiced by reason of the acknowledgement of payment, if not actually paid, or, so far as concerns the right of JAL to collect any of the foregoing, by reason of the delivery of the cargo or the surrender of the possession thereof

- (6) If the gross weight, measurement, quantity or declared value of the cargo exceeds the gross weight, measurement, quantity or declared value on which charges for carriage have been previously computed, JAL shall be entitled to require payment of the charge on such excess.
- (7) Changes from charges prepaid to charges collect or vice versa may be permitted; provided that the request is made by the shipper in writing prior to delivery of the shipment to the consignee or his agent.

(G)Disposition of Fractions

- (1) When the computation of rates or charges results in an amount ending in a fraction, such fraction will be rounded to the nearest rounding-off unit in accordance with JAL's Regulations.
- (2) In computing cubic dimensions, fractions of less than one half centimeter or one half inch will be dropped and fractions of one half centimeter or one half inch or more will be considered as one centimeter or one inch.
- (3) Fractions of one half kilogram or less will be charged for as a half kilogram and fractions over one half kilogram will be charged for as the next higher whole kilogram.
- (4) Fractions of a pound will be assessed at the charge for the next higher pound.
- (5) Cubic measurements will be based on the greatest rectangular dimensions of the package, or where the packages are tied together, on the greatest rectangular dimensions of the tied group of packages. Greatest rectangular dimensions will be based on the greatest height times greatest width times greatest length of the package.

(H)Basis of Charges

Except as otherwise provided in JAL's Regulations, rates and charges for carriage will consist of the total of the weight or volume charge, whichever is greater, and, if applicable, the valuation charge as specified below:

- (1) Charges will be computed on the basis of weight or volume as follows determined at the airport of departure and the computation resulting in the higher charge will be assessed:
 - (a) When applicable rates and charges are published per kilogram, charges will be assessed on the gross weight of the shipment and charges for shipments, with cubic measurements exceeding 6,000 cubic centimeters per kilogram will be assessed on the basis of one kilogram for each

6,000 cubic centimeters, and measurements of 3,000 cubic centimeters or less will be charged for as a one half kilogram and measurements over 3,000 centimeters will be charged for as a next higher whole kilogram.

- (b) When applicable rates and charges are published per pound, charges will be assessed on the gross weight of the shipment and charges for shipments with cubic measurements exceeding 166 cubic inches per pound will be assessed on the basis of one pound for each 166 cubic inches or fraction thereof.
- (2) (a) The shipper must make a declaration of value for carriage on the air waybill of all shipments regardless of whether or not charges based on value are applicable.
 - (b) Such declaration of value may be in any amount, provided that "NVD" (No Value Declared) may constitute such declaration.
- (3) (a) The valuation charge will be assessed in accordance with JAL's Regulations for a shipment having a declared value for carriage in excess of a value as specified thereon.
 - (b) The value of the shipment per kilogram or per pound for applying valuation charges will be determined by dividing the shipper's declared value for carriage by the actual gross weight of the shipment.

(I) Minimum Charge

Except as otherwise provided in JAL's Regulations, a minimum charge per shipment as specified in JAL's Regulations will be assessed whenever a lower total charge (excluding valuation charge) is computed on the basis of the applicable rate and actual weight (or volume) of the shipment.

(J) Charges for Disbursement

When requested by the shipper, JAL will collect from the consignee an amount shown on the air waybill as disbursement such as charge for transportation, cartage, storage, loading or unloading not performed by JAL and government duty and customs fees. A service charge as provided in JAL's Regulations will be assessed for collecting and remitting to the shipper the amount of the disbursement.

Any amendment of disbursement amounts shall be made by the shipper in writing prior to delivery of the shipment to the consignee or his agent.

(K) Charges Collect Fee

A fee for charges collect service shall be assessed at the airport of destination as provided in JAL's Regulations.

(L) Charge for Preparation of Air Waybills

A documentation charge as provided in JAL's Regulations shall be assessed when JAL makes out or completes the Air Waybill.

(M) Construction of Unpublished Rates and Charges

When the rate or charge between any two points is not specifically published, such rate or charge will be constructed as provided in JAL's Regulations.

5. ACCEPTABILITY OF CARGO FOR CARRIAGE

(A) Valuation Limits

- (1) No shipment having a declared value for carriage in excess of U.S.\$100,000 (or its equivalent) will be accepted for carriage unless advance arrangement therefore has been made.
- (2) The limit of value of one shipment or group of shipments to be carried in any one aircraft, shall be U.S.\$2,000,000 (or its equivalent). If the declared value of a single shipment exceeds such limit, such single shipment may not be carried in the same aircraft, but may be divided between two or more aircraft at the sole discretion of JAL. JAL reserves the right to refuse to transport in any one aircraft, shipments having declared values in the aggregate which violate or lead to the violation of the rule of this Article.

(B) Packing and Marking of Shipment

- (1) Shipper is responsible for ensuring that the cargo is packed in an appropriate way for air carriage so as to ensure that it can be carried safely with ordinary care in handling and so as not to injure or damage any persons, goods, or property. Each package shall be legibly and durably marked with the name and full address of the shipper and consignee.
- (2) Packages containing valuables as defined in JAL's Regulations must be sealed in a method approved by JAL.

(C) Cargo Acceptable

JAL undertakes to transport, subject to the availability of suitable equipment of the kind and type capable of handling the shipment and space after the accommodation of passengers and airmail, general merchandise, goods, wares and products of all kinds, unless otherwise excluded by JAL's Regulations, and provided that:

- (1) The transportation, or the exportation or importation thereof is not prohibited by the laws or regulations of any country to be flown from, to, through or over;
- (2) They are packed in a manner suitable for carriage by aircraft;
- (3) They are accompanied by the requisite shipping documents;
- (4) They are not likely to endanger aircraft, persons or property, or cause annoyance to passengers.

(D) Cargo Acceptable only under Prescribed Conditions

- (1) The following goods as defined by JAL will only be accepted for carriage subject to the conditions provided in JAL's Regulations:
 - (a) Firearms;
 - (b) Human remains;
 - (c) Live animals, including, but not limited to, livestock, birds, reptiles, fish, shellfish, insects and pets;
 - (d) Perishables; or

- (e) Dangerous goods including explosives, compressed gases, flammable liquids, flammable solids, oxidizing substances, poisonous substances, radioactive materials, corrosives and other articles or substances which are capable of posing a significant risk to health, safety or property.
- (2) Shipments will be accepted for carriage by JAL either on a charges prepaid shipment basis or charges collect shipment basis, except that JAL will decline to transport the following on a charges collect shipment basis unless advance arrangement therefore has been made:
 - (a) Shipments to persons restrained of their liberty;
 - (b) Shipments addressed to government agencies, except when shipped by government agents presenting proper credentials;
 - (c) Shipments not equal in resale value to transportation charges thereon;
 - (d) Shipments of perishable commodities;
 - (e) Shipments to countries where currency regulations or JAL's Regulations do not permit shipments to be delivered upon a charges collect shipment basis;
 - (f) Live animal, including, but not limited to, livestock, birds, reptiles, fish, shellfish, insects and pets,
 - (g) Shipments of human remains; or
 - (h) Unaccompanied baggage
- (3) Packages or pieces of unusual weight, shape or size will not be accepted for carriage unless advance arrangements have been made. Shipments requiring special devices for safe handling will be accepted for carriage only when such special devices are provided and operated by and at the expense of the shipper or consignee.
- (4) Shipments with a floor-bearing weight per unit square in excess of the floor load limitation specified in JAL's Regulations must be furnished with a suitable skid or base, for use in available aircraft, which will reduce the floor-bearing weight to such floor load limitation or less. The weight of such skid or base will be included in the weight of the shipment.

(E) Responsibility for Non-Observance of Conditions related to Special Cargo

Responsibility for non-observance of the conditions relating to cargo which is not acceptable for carriage or is acceptable only under certain conditions, rests upon the shipper and the owner of the cargo, who jointly and severally shall indemnify JAL for any loss, damage, delay, liability or penalties because of carriage of any such cargo.

(F) Inspection of Shipment

JAL reserves the right to examine the packaging and contents of all shipments and to inquire into the correctness or sufficiency of information or documents tendered in respect of any shipment but JAL shall be under no obligation to do so.

(G) Unit Load Devices

When shipper undertakes to load a Unit Load Device (ULD), he must comply with JAL's loading instructions and shall be liable for and indemnify JAL against all consequences of any non-compliance with such instructions.

6. SHIPMENTS IN TRANSIT**(A) Compliance with Government Requirements**

- (1) The shipper shall comply with all applicable laws, customs, and other government regulations of any country to or from which the cargo is to be carried, including those relating to the packing, carriage or delivery of the cargo, and shall furnish such information and attach such documents to the air waybill as may be necessary to comply with such laws and regulations. Furthermore, when the shipper is notified in advance by JAL in respect to any country through or over which the cargo is planned to be carried, or any country through or over which the cargo may be carried due to rerouting, the shipper shall comply with all applicable laws or ordinances, and other government regulations of these countries, and shall furnish such information and attach such documents to the air waybill as may be necessary to comply with such laws and regulations. The shipper shall be liable for and indemnify JAL from any damage occasioned by the failure of the shipper to comply with this provision. JAL will not be obligated to inquire into the correctness or sufficiency of such information or documents. JAL will not be liable to the shipper, consignee or any other person for loss or expense due to shipper's failure to comply with this provision.
- (2) JAL shall not be liable for refusing to carry any shipment if JAL reasonably determines in good faith that such refusal is required by any applicable law, government regulation, demand, order or requirement.

(B) Disbursements and Customs Formalities

JAL will, but shall be under no obligation to, advance any duties, taxes or charges and to make any disbursements with respect to the cargo, and the shipper, owner and consignee shall be jointly and severally liable for the reimbursement thereof.

JAL shall not be under obligation to incur any expense or to make any advance in connection with the forwarding or re-forwarding of the cargo except against prepayment by the shipper. If it is necessary to make customs entry of the cargo at any place, the cargo shall be considered to be consigned at such place to the person named on the face of the air waybill as customs consignee or, if no such person be named, to JAL or to such customs consignee, if any, as JAL may designate. For any such purpose a copy of the air waybill, certified by JAL, shall be considered an original.

(C) Certain rights of Carrier over Shipment in Transit

If in the opinion of JAL it is necessary to hold the shipment at any place during, before or after transit for any purpose, JAL may, upon giving notice to the shipper or consignee at the address stated in the air waybill, store the shipment for the account of, and at the risk and expense of the shipper, owner and consignee of the shipment or any one of them in any warehouse or other available place, or with the customs authorities; or JAL may deliver the shipment to another transportation service for onward carriage to the consignee. The shipper, owner or consignee of the shipment shall be jointly and severally liable for and indemnify JAL against any expense or risk so incurred.

(D) Schedules, Routings and Cancellations

- (1) Times shown in timetables or elsewhere are approximate and not guaranteed and form no part of the contract of carriage. No time is fixed for the commencement or completion of carriage or delivery of cargo and JAL may without notice substitute alternate carriers or aircraft. Except as otherwise provided in JAL's Regulations, JAL assumes no obligation to carry the cargo by any specified aircraft or over any particular route or routes or to make connection at any point according to any particular schedule, and JAL may select or deviate from the route or routes of shipment, notwithstanding that the same may be stated on the face of the air waybill. In such case the shipper guarantees payment of all charges and advances.
- (2) JAL will not be responsible for errors or omissions either in timetables or other representations of schedules. No employee, agent or representative of JAL is authorized to bind JAL by any statements or representations as to the dates or times of departure or arrival, or of the operation of any flight.
- (3) JAL may, without notice, cancel, terminate, divert, postpone, delay or advance, any flight, or the further right of carriage, or proceed with any flight without all or any part of the cargo, if it considers that it would be advisable to do so,
 - (a) because of any fact beyond its control (including, but without limitation, meteorological conditions, acts of God, force majeure, strikes, riots, civil commotion, embargoes, wars, hostilities, disturbances, or unsettled international conditions) actual, threatened, or reported, or because of any delay, demand, condition, circumstance, or requirement due, directly or indirectly, to such fact; or
 - (b) because of any fact not to be foreseen, anticipated, or predicted; or
 - (c) because of any government regulation, order, demand or requirement; or
 - (d) because of shortage of labor, fuel, or facilities, or labor difficulties of JAL or others.
- (4) JAL may cancel the carriage of cargo upon refusal of the shipper, after demand by JAL, to pay the charges or portion thereof so demanded, without being subject to any liability therefor.
- (5) In the event any flight or any subsequent carriage is so cancelled, terminated, diverted, postponed, delayed or advanced, at a place other than the place of destination, or the carriage of any shipment is so cancelled, terminated, diverted, postponed, delayed or advanced, JAL shall not be under any

liability with respect thereto. In the event carriage of the shipment or any part thereof is so terminated, JAL may place such shipment in storage at shipper's expense, or may, at the expense of shipper or consignee, forward the shipment for carriage by any other route or forward the shipment as agent for the shipper or the consignee, for onward carriage by any other transportation service on behalf of the shipper or the consignee. In the event the carriage of the shipment or any part thereof is so terminated, delivery thereof by JAL to any transfer agent for transfer or delivery or the placing of such shipment in storage shall be deemed complete delivery under the air waybill, and JAL shall be without any further liability with respect thereto, except to give notice of the disposition of the shipment to the shipper or the consignee, at the address stated in the air waybill.

- (6) Subject to applicable laws, government regulations and orders, JAL may determine, on a reasonable and not unjustly discriminatory basis, the priority of carriage as between shipments and as between shipments and other cargo, mail and passengers, and decide which articles shall be carried and which articles shall not be carried or shall be removed at any time or place whatsoever and proceed with any flight without all or any part of the goods in one shipment.

7. SHIPPER'S RIGHT OF DISPOSITION OF SHIPMENT

(A) Exercise of Right of Disposition

Every exercise of the right of disposition of the shipment must be made by the shipper and must be applicable to the whole shipment under a single air waybill. The right of disposition over the cargo may only be exercised if the shipper produces the part of the air waybill which was delivered to him.

Instructions as to disposition must be given to JAL in writing in the form prescribed by JAL. In the event that the exercise of the right of disposition results in a change in consignee, such new consignee shall be the consignee as though same had appeared on the air waybill.

(B) Shipper's Option

Subject to shipper's liability to carry out all his obligations under the contract of carriage and provided that this right of disposition is not exercised in such a way as to prejudice JAL or other carriers or other shippers, the shipper may dispose of the cargo either;

- (1) by withdrawing it at the airport of departure or of destination;
- (2) by stopping it in the course of the journey on any landing;
- (3) by calling for it to be delivered at the place of destination or in the course of the journey to a person other than the consignee named in the air waybill; or
- (4) by requiring it to be returned to the airport of departure.

(C) Payment of Expenses

The shipper shall be liable for and shall indemnify JAL for all loss or damage suffered or incurred by JAL as a result of the exercise of his right of disposition.

The shipper shall reimburse JAL for any expenses occasioned by the exercise of his right of disposition.

(D) Carrier's Inability to Comply

Notwithstanding the provision of Paragraph (A) above, JAL reserves the right to refuse such execution of shipper's right of disposition, if in the opinion of JAL it is not practicable to carry out such instruction of the shipper. In such event JAL shall so inform him promptly. The cost of so doing attaches to the cargo.

(E) Extent of Shipper's Right

The shipper's right of disposition shall cease at the moment when, after arrival of the cargo at the destination, the consignee takes possession or requests delivery of the cargo or air waybill, or otherwise shows his acceptance of the cargo. Nevertheless, if the consignee declines to accept the air waybill or the cargo, or if he cannot be communicated with, such right of disposition shall continue to vest in the shipper

8. DELIVERY

(A) Delivery to Consignee

- (1) Except as otherwise specifically provided in the air waybill, delivery of the shipment will be made only to the consignee named on the face of the air waybill, unless such consignee is one of the carriers participating in the carriage, in which event delivery shall be made to the person indicated on the face of the air waybill as person to be notified. Delivery to the consignee shall be considered to have been effected when the shipment has been delivered to customs or other government authorities as required by applicable law or customs regulation, and when JAL has delivered to the consignee any authorization required to enable the consignee to obtain release of the shipment and has forwarded the notice of arrival referred to in Paragraph (B) below.
- (2) Delivery of the shipment shall be made by JAL only upon written receipt of the consignee and upon compliance with all other applicable terms and conditions of the air waybill and of these Conditions of Carriage.

(B) Notice of Arrival

Unless the shipment is to be re-forwarded, in accordance with Rule No. 10, notice of arrival of the shipment will, in the absence of other instructions, be sent to the consignee, or any other person whom JAL has agreed to notify as evidenced in the air waybill, by ordinary methods; JAL is not liable for non-receipt or delay in receipt of such notice.

(C) Failure of Consignee to Take Delivery

- (1) Subject to the provisions of Paragraph (E) below, if the consignee refuses or fails to take delivery of the shipment after its arrival at the place of delivery, JAL will endeavor to comply with any instructions of the shipper set forth on the face of the air waybill. If such instructions are not so set forth or cannot reasonably be complied with, JAL shall notify the shipper of the consignee's failure to take delivery

and request his instructions. If no such instructions are received within 30 days, JAL may sell the shipment in one or more lots at public or private sale, or destroy or abandon such shipment.

- (2) The shipper and owner are liable for all charges and expenses resulting from or in connection with such failure to take delivery of the shipment, including, but not limited to, transportation charges incurred in returning the shipment if so required by the shipper's instruction. If the shipment is returned to the airport of departure and the shipper or owner refuses to make such payments or neglects to make such payments within 15 days after such return, JAL may dispose of the shipment or any part thereof at public or private sale after giving the shipper at the address stated on the air waybill 10 days' notice of its intention to do so.
- (3) In the event of the sale of the shipment as provided for in Sub-paragraph (1) and (2) above, either at the place of destination or at the place to which the shipment has been returned, JAL is authorized to pay to itself and other transportation services out of the proceeds of such sale all charges, advances and expenses of JAL and other transportation services plus costs of sale, holding any surplus subject to the order of the shipper. The sale of any such shipment shall, however, not discharge the shipper and/or owner of any liability to pay any deficiencies due to JAL.

(D) Place of Delivery

The consignee must accept delivery of and collect the shipment at the airport of destination unless otherwise designated by JAL or provided in JAL's Regulations.

(E) Disposal of Perishables

When a shipment containing perishable articles is delayed in the possession of JAL, is unclaimed or refused at place of delivery, or for other reasons is threatened with deterioration, JAL will immediately take such steps necessary for the protection of itself and other parties in interest, including, but not limited to, the destruction or abandonment of all or any part of the shipment, the sending of communications for instructions at the risk and cost of the shipper, the storage of the shipment or any part thereof at the risk and cost of the shipper, or the disposition of the shipment or any part thereof of public or private sale without notice. The sale of any such shipment shall, however, not discharge the shipper of any liability to pay any charges and expenses due to JAL.

9. CARGO ATTENDANTS

Subject to advance arrangement, JAL will transport cargo attendants on all cargo aircraft or in the cargo compartment of a mixed cargo-passenger aircraft, for the purpose of accompanying shipments when necessary for the protection of shipment, other property, the aircraft or its crew. Except as otherwise provided in JAL's Regulations, such transportation of attendants will be subject to JAL's Conditions of Carriage-International Passengers and Baggage.

10. FORWARDING AND REFORWARDING

The cargo (or packages said to contain the cargo) described on the face of the air waybill, is accepted for carriage from their receipt at JAL's cargo terminal or airport office at the place of departure to the airport at the place of destination. If so specifically agreed, the cargo (or packages said to contain the cargo) described on the face of the air waybill, is also accepted for forwarding to the airport of departure and for re-forwarding beyond the airport of destination. If such forwarding or re-forwarding is by carriage operated by JAL, such carriage shall be upon the same terms as to liability as set forth in Paragraph (B) and (C) of Rule No. 12. In any other event, when JAL is the issuing carrier or last carrier under the agreement to carry, respectively, in forwarding or re-forwarding the cargo, JAL shall do so only as agent of the shipper, owner, or consignee, as the case may be, and shall not be liable for any damage arising out of such additional carriage, unless proved to have been caused by its own negligence or willful fault. The shipper, owner and consignee will authorize JAL to do all things deemed advisable to effect such forwarding or re-forwarding, including, but without limitation, selection of the means of forwarding or re-forwarding and the routes thereof (unless these have been specified by the shipper in the air waybill), execution and acceptance of documents of carriage (which may include provisions exempting from or limiting liability) and consigning cargo with no declaration of value, notwithstanding any declaration of value in the air waybill.

11. TERMINAL SERVICE CHARGES

Terminal service charges as described in JAL's Regulations will be assessed to the shipper or consignee named in the air waybill, as applicable, and will apply whenever such services are performed by JAL.

12. LIABILITY OF CARRIERS

(A) Successive Carriers

Carriage to be performed under one air waybill by several successive carriers is regarded as a single operation.

(B) Laws and Provisions Applicable

- (1) Carriage performed by JAL shall be subject to the rules and limitations relating to liability established by the Convention as applicable to the carriage unless such carriage is international carriage to which the Convention does not apply, whether or not there be a break in the carriage or a transshipment.
- (2) To the extent not in conflict with the provisions of Sub-paragraph (1) above, all carriage and other service performed by JAL are subject to:

- (a) applicable laws (including natural laws implementing the Convention or extending the rules of the Convention to carriage which is not "international carriage" as defined in the Convention), government regulations, orders and requirements.
- (b) these Conditions of Carriage and JAL's Regulations which may be inspected at any of its downtown offices and its offices in any airports from which it operates regular services.
- (3) For the purpose of the Convention, the agreed stopping places (which may be altered by carrier in case of necessity) are those places, except the place of departure and the place of destination, set forth in the air waybill or shown in carrier's timetables as scheduled stopping places on the route.
- (4) The shipper acknowledges that he has been given an opportunity to make a special declaration of the value of the cargo at delivery and that the sum entered on the face of the air waybill as "shipper's declared value for carriage", if in excess of 19 SDR per kilogram (or, in the case as defined in JAL's Regulations, its equivalent amount in national currency per kilogram in accordance with such Regulations) , constitutes such declaration of value.

(C) Limitation of Liability

JAL's liability is as described in the following provisions, unless the Convention or applicable law may otherwise provide and, under such Convention or applicable law, any of those provision shall be null and void for the reason that they relieve the carrier of liability or fix a lower limit than that which is laid down in such Convention or applicable law.

(Responsibility to Prove)

- (1) Except as provided in the provisions of Sub-paragraph (2) and (3) below, JAL is liable to the shipper, consignee or any other person for damage sustained in the event of the destruction or loss of, damage to or delay in arrival of any cargo, arising out of or in connection with the carriage of the cargo or other service performed by JAL, upon condition that the occurrence which caused the damage so sustained took place during the carriage by air; provided, however, that JAL is not so liable if JAL proves that any of the following provision of (a), (b) and (c) is applicable or that such damage has not at all been caused by negligence or willful fault of JAL.
 - (a) JAL is not liable for any destruction or loss of, damage to or delay in arrival of cargo directly or indirectly arising out of JAL's compliance with any applicable laws, or failure of the shipper, consignee or any other person to comply with the same, or any cause beyond JAL's control.
 - (b) JAL is not liable if the destruction or loss of, or damage to cargo is proved to have resulted solely from the inherent defect, quality, nature or vice of that cargo (,which also means that JAL is not liable under any circumstances for damage to, or destruction of a shipment caused solely by, or as a result of property contained therein). JAL will accept carriage of any shipments, the contents of which are liable to deteriorate or perish due to change in climate, temperature or altitude or other ordinary exposure, or because of length of time in transit, without any responsibility on the part of JAL for loss or damage caused by such deterioration or perishability.

- (c) JAL will accept carriage of an animal subject to the condition that a shipper or consignee shall observe JAL's Regulations and shall be fully responsible for such animal. JAL shall not be liable for injury to, or loss, delay in arrival, sickness or death of, such animal caused by any reason whatsoever.
- (2) In the case of the carriage subject to "Warsaw Convention as amended at Montreal", JAL is liable to the shipper, consignee or any other person for damage sustained in the event of the destruction or loss of, or damage to, cargo, (which means that the damage in connection with delay in arrival of cargo is excluded,) arising out of or in connection with the carriage of the cargo or other service performed by JAL incidental thereto, upon condition only that the occurrence which caused the damage so sustained took place during the carriage by air; provided, however, that JAL is not so liable if JAL proves that the destruction or loss of, or damage to, the cargo resulted solely from one or more of the following:
- (a) inherent defect, quality or vice of that cargo;
 - (b) defective packing of that cargo performed by a person other than JAL or JAL's servants or agents;
 - (c) an act of war or an armed conflict;
 - (d) an act of public authority carried out in connection with the entry, exit or transit of the cargo.
- (3) In the case of carriage subject to "Montreal Convention", JAL shall be liable to the shipper, consignee or any other person for damage sustained in the event of destruction or loss of, or damage to, cargo (excluding damage in connection with delay in arrival of cargo) arising out of or in connection with the carriage of the cargo or any other service performed by JAL incidental thereto, upon condition only that the occurrence which caused the damage so sustained took place during the carriage by air; provided, however, that JAL shall not be liable if and to the extent JAL proves that the destruction or loss of, or damage to, the cargo resulted from one or more of the above (2) (a) to (d).
- (Limitation of Liability in Value)
- (4) (a) JAL will calculate the charges for carriage based upon the value declared by the shipper, and any liability of JAL shall in no event exceed the shipper's declared value for carriage stated on the face of the air waybill, and, in the absence of such declaration by the shipper, the liability limitation of JAL shall not exceed nor be less than the sum of 19 SDR per kilogram of the cargo destroyed, lost, damaged or delayed.
- However in the case of carriage subject to "Warsaw Convention" or "Warsaw Convention as amended at The Hague", such limit of liability specified above shall not apply if it is proved that such damage resulted from an act or omission of JAL, JAL's servants or agents (who were proved to be acting within the scope of JAL's employment), done with intent to cause damage or recklessly and with knowledge that damage would probably result
- (b) All claims shall be subject to proof of actual value of damage.
- (Other Limitation of Liability)

- (5) In the event of delivery to the consignee, or any other person entitled to delivery, of part but not all of the shipment, or in the event of destruction or loss of, damage to or delay in arrival of part but not all of the shipment, the weight to be taken into consideration in determining the amount to which the carrier's liability is limited shall be only the total weight of the package or packages concerned. Nevertheless, when the destruction, loss, damage or delay of a part of the cargo, or of an object contained therein, affects the value of other packages covered by the same air waybill, the total weight of such packages shall also be taken into consideration in determining the limit of liability.
- (6) The shipper and consignee, whose property shall cause damage to or destruction of another shipment or of the property of JAL, shall indemnify JAL for all losses and expenses incurred by JAL as a result thereof. Cargo which is likely to endanger aircraft, persons or property may be abandoned or destroyed by JAL at any time without any notice and without any liability therefore attaching to JAL, only if such danger have resulted solely from the property contained in the consignee's cargo.
- (7) When JAL issues an air waybill for carriage over the lines of another carrier, JAL does so only as agent of such carrier. JAL shall not be liable for the destruction, loss, damage or delay of cargo not occurring on its own line, except that the consignor shall have a right of action for such destruction, loss, damage or delay on the terms herein provided against JAL when JAL is the first carrier under the agreement to carry, and the consignee who is entitled to delivery shall have such a right of action against JAL when JAL is the last carrier under the agreement to carry.
- (8) JAL shall not be liable in any event for any consequential or special damage or punitive damages arising from carriage complying with these Conditions of Carriage and JAL's Regulations, whether or not JAL had knowledge that such damage might arise.
- (9) If the damage was caused or contributed to by the negligence or other wrongful act or omission of the person claiming compensation, or the person from whom he derived his rights, JAL shall be wholly or partly exonerated from liability to the claimant to the extent that such negligence or wrongful act or omission caused or contributed to the damage.
- (10) Any exclusion or limitation of liability of JAL under these Conditions of Carriage and JAL's Regulations shall also apply to any JAL's agents, servants or representatives performing their respective duties and to any person or entity whose aircraft is used by JAL for carriage and any of its agents, servants or representatives performing their respective duties. The aggregate amount of the damage payable by JAL, or its agents, servants or representatives shall not exceed the amount of JAL's limitation of liability under these Conditions of Carriage.

13. TIME LIMITATIONS ON CLAIMS AND ACTIONS

(A) Time Limitation on Claims

- (1) Receipt by the person entitled to delivery of the cargo without complaint shall be prima facie evidence that the same has been delivered in good condition and in accordance with the contract of carriage.
- (2) No action shall be maintained in the case of destruction of damage to the cargo unless a written notice, sufficiently describing the cargo concerned, the approximate date of the destruction, damage and the details of the claim, is presented to an office of JAL within 14 days from the date of receipt thereof, in the case of delay unless presented within 21 days from the date the cargo is placed at the disposal of the person entitled to delivery of the shipment, and in the case of loss (including non-delivery) unless presented within 120 days from the date of issuance of the air waybill.
- (3) All claims other than provided in Sub-paragraph (2) above except any claims relating to personal injury or death, must be made in writing within 270 days from the date of issuance of the air waybill.

(B) Time Limitation on Actions

Any right to damages against JAL shall be extinguished unless an action is brought within 2 years after the occurrence of the events giving rise to the claim.

14. OVERRIDING LAW

Insofar as any provision contained or referred to in the air waybill or in these Conditions of Carriage or JAL's Regulations may be contrary to mandatory law, government regulations, orders or requirements, such provision shall remain applicable to the extent that it is not overridden thereby. The invalidity of any provision shall not affect any other part.

15. MODIFICATION AND WAIVER

No agent, servant or representative of JAL has authority to alter, modify or waive any provision of the contract of carriage or of these Conditions of Carriage or JAL's Regulations.