

Terms of Customs Brokerage TVG-Zimsen hf.

[Translation of the Icelandic text of the Terms of Customs Brokerage of TVG-Zimsen hf. In case of inconsistency the original Icelandic text shall prevail]

1. Definitions.

For the purpose of these provisions, the following terms shall be defined as follows:

"The Company" shall mean TVG-Zimsen hf., kt. 650269-4389, Korngörðum 2, 104 Reykjavík, and its Subsidiaries at any given time, and any person acting as an employee or agent or otherwise in the interest of the Company or its Subsidiaries.

"Subsidiaries" shall mean other companies in which the Company holds a majority ownership and/or controls a majority of the votes and/or owns in their entirety at any given time.

"Customer" shall mean an individual or a legal entity who has requested that the Company act on its behalf before the customs authorities for the purpose of operating customs brokerage in accordance with the Customs Law, and any party who acts on behalf of the abovementioned party as an employee or agent, or in another capacity.

"Import Charges" shall mean all duty and other taxes, charges and costs, which must be paid upon customs treatment of goods at importation or exportation, and any interests and cost that falls on such charges.

"Invoice" shall mean the invoice which the Customer delivers to the Company for the purpose of determine the customs value of the relevant Goods, as appropriate.

"Service" shall mean all work, or part thereof, which the Company undertakes for a Customer and falls within the scope of acting before the customs authorities and providing the services according to Section 4.

"Customs Law" shall mean the Customs Act No. 88/2005 as later amended, and any regulations, rules and other administrative rules issued in accordance therewith.

"Customs Documentation" shall mean customs declaration and other documents to be submitted at Customs Clearance as prescribed in the Customs Laws, whether written or in electronic form.

"Goods" shall mean any item or items listed/registered in a customs declaration.

"SDR" (Special Drawing Rights) is the international unit of account used by the International Monetary Fund, which shall be converted into Icelandic currency according to the exchange rate on the day payment is made.

2. Applicability.

Imported and exported Goods are subject to Customs Clearance in accordance with the Customs Law. Customs Clearance involves completing all formalities required by the Customs Law so that Goods can be delivered for domestic use, transit or export.

These terms shall apply for services the Company undertakes for the Customer as a customs broker, whether charged for or not.

These terms, including exceptions from liability, defences, rights and limitations of liability, shall apply in all actions against the Company, whether or not the claim rises from contract or tort, even if such liability is the result of intention or gross negligence, rejection of contract or significant default.

These terms shall apply to the legal relationship between the Customer and the Company and the legal relationship between the owner of the Goods, for which the company has undertaken customs brokerage, and the Company, if the owner of the Goods is not also the Customer.

3. Authority.

The Company holds a license for operating customs brokerage in accordance with the Customs Law and is therefore authorized to act on the behalf of its Customers before the customs authorities at Customs Clearance of Goods imported and exported to and from Iceland.

By requesting the Company to handle Customs Clearance on behalf of the Customer the Customer grants to the Company full power of attorney to act on its behalf before the customs authorities in accordance with the provisions of the Customs Law, sign a binding affidavit on a customs declaration of Goods cleared for customs in the name of the Customer, and request for the debiting of Import Charges of Goods cleared for customs in the name of the Customer based on the Customer's permits for deferment of payment of Import Charges with the customs authorities.

4. Services provided by the Company.

The services provided by the Company as a customs broker, on the basis of authority according to Section 3 is limited to the following, as appropriate and requested by the Customer at any given time:

- 1) Consultancy with regard to completing customs documentation, such as tariff classification and calculation of Import Charges.
- 2) Completion of customs declarations for imports and exports.
- 3) Requests for the customs clearance of Goods by document delivery between computers (SMT- Customs Clearance).
- 4) Payment of import charges on behalf of the Customer.

The list is exhaustive and is limited to the Company's obligations as a customs broker under the Customs Law.

The Company undertakes to execute the Customs Clearance in a reasonable and responsible manner and in total confidence. Further, the company undertakes to fulfil the conditions set out the Customs Law for the granting an operating license.

The Company undertakes to deliver to the Customer a copy of all customs documentation for review no later than fifteen (15) days following a request for Customs Clearance to the Directorate of Customs.

The Company will conclude independently whether the documentation provided by the Customer as the basis for the import declaration fulfil the conditions provided for in the Customs Law. If the Company considers that these are not so, the Company will request the missing documents or new documents replacing those which may be unsatisfactory. Request for the customs clearance will not be executed until the Company has been provided with such documents or information.

If the Company discovers that the Customer has intentionally provided the Company with incorrect or unsatisfactory data, the Company will immediately inform the authorities.

5. Liability of the Company; Limitation of Liability.

5.1 Liability.

The Company shall be liable, according to the general principles of the laws of tort, for any direct loss to the Customer that can be attributed to either intention or gross negligence on the part of the Company or persons for whom it is responsible, with the exceptions stated in these terms. The burden of proof regarding the liability of the Company shall rest with the party claiming that the Company bears liability.

5.2 Relief from Liability.

Under no circumstances whatsoever shall the Company be liable for any loss or damage that may be attributed to any of the following causes:

1. Incorrect or inaccurate information or documents from the Customer.
2. Data or information that the Customer has kept from the Company.
3. It is considered that the customs value does not fulfil the provisions of Chapter V of the Customs Law.
4. A binding classification opinion has been requested in accordance with Article 21 of the Customs Law and the decision is revoked by the Director of Customs or altered following an appeal to the State Customs Board.
5. The Customer does not fulfil his obligation to provide information to the authorities or resists in assisting the appropriate authorities as is required in accordance with the Customs Law.
6. The Customer's default of service charges, import charges, penal interest or other cost and/or charges.
7. Breach by or on behalf of the Customer of the provisions of these terms and/or power of attorney and/or any agreement between the parties.
8. Negligence or intention by or on behalf of the Customer
9. Force Majure, or other external circumstances which are outside the Company's control.

5.3. Delay and/or Delay in Delivery.

Under no circumstances whatever shall the Company be liable for any direct, indirect or consequential loss, costs or damages caused by a delay or a delay in delivery of Customs Clearance.

5.4 Indirect or Consequential Damages.

Under no circumstances whatever shall the Company be liable for consequential damages or loss of profit.

5.5 Limitation of Liability.

Should the company be liable in case of Customs Clearance the liability of the Company shall be limited to five times the Company's fee for Customs Clearance of the relevant Goods.

Should it not be possible to verify the Company's fee and, thus, the aforementioned limitation, the liability of the Company shall be limited to 500 SDR (five hundred) for each damage or several damages if they result from the same cause.

5.6 Customer's Own Fault.

Compensation to the customer shall be reduced or cancelled if it is proved that the Customer has contributed to the loss by negligence or intention. Furthermore, the Customer shall in all circumstances be obliged to take measures to limit any loss according to general principles of law of tort.

5.7. Interest.

No interest shall be paid on claims made against the Company until a judgement has been passed by a court.

6. Customer's Obligations.

The Customer warrants that he is the rightful owner or the rightsholder of the Goods subject to Customs Clearance or that he has full and unlimited authorisation from the owner of the Goods to seek a particular Service and agree to these terms on behalf of the owner of the Goods.

The Customer shall be responsible for ensuring that all the requirements of domestic and foreign law, regulations and official instructions applicable concerning the Goods and Service which the Company is requested to provide, are met as appropriate.

The Customer warrants that all data and information that he provides and shall provide to the Company, whether written or electronic, is precise and accurate. The Customer shall be aware that the Company relies on this data and information when providing the Service.

The Customer is required to review all customs documentation sent to him by the Company in accordance with Section 4, whether in writing or electronic, verify their accuracy and notify the company if not thorough or accurate and advise the Company regarding any adjustments. Should the Customer have no comments on the tariff classification of the Goods in a specific tariff heading according to the customs tariff within ten (10) days from receiving the customs documentation it shall be assumed that it is correct and that the Customer has agreed to the relevant tariff classification and the customs clearance of the Goods.

The Customer shall be responsible for promoting these terms to its employees or agents.

7. Payment of Import Charges on behalf of the Customer.

Under no circumstances is the Company required to pay the Import Charges for the Customer or on behalf of the Customer unless provided with sufficient funds to cover such costs in advance. The Company decides on the amount payable by the Customer according to the aforementioned. The Company is obliged to keep the funds separated in its books.

After the Import Charges, and other claims the Company may have against the Customer, have been paid the Company shall reimburse the Customer any surplus of the advanced funds.

8. Customer's responsibility

The Customer warrants that he has, at any given time, a permit for deferment of payment of Import Charges from the customs authorities and undertakes to inform the Company in a verifiable manner of all changes that might be made to the permit and/or if the permit expires during the term of the authorisation according to Section 3 of these terms.

The Customer shall inform the Company immediately in a verifiable manner of any default of Import Charges and if the customs authorities reject Customs Clearance.

The Customer shall be objectively liable for all direct and indirect damage the Company will suffer as a cause of incorrect, misleading or insufficient information and/or documents from the Customer or information and/or documents is not in accordance with law. In other respect the Customer shall be liable towards the Company in accordance with general rules of tort.

The Customer is without exception liable for the payment of Import Charges and/or other charges stemming from the Customs Law. Should the Company be required to pay any Import Charges or any other payments according to a decision made by the customs authorities or any court, due to wrong tariff classification or liability on the grounds of Article 33 of the Customs Law, or any other events, the Customer shall reimburse the Company such charges or payments together with the maximum legal penalty interest and compensate any damages and cost, including attorney fees, which the Company has incurred as a result of such payment, and hold the Company harmless from any consequences. The commencement of the limitation period for such claim shall be the day the Company paid the aforementioned charges.

9. Fees

The Customer shall pay the Company a fee for work and Service that the Company performs for the Customer. The Customer shall also reimburse the Company for all costs the Company has incurred on behalf of the Customer. The fee, and its payment, shall be based on the terms of the Company's applicable tariff unless otherwise agreed.

If the fee has not been paid by the due date, the Company shall be entitled to charge the Customer penalty interest on overdue debts from the due date until payment has been made, as well as the cost of recovering the fee.

10. Notice of Loss. Time Bar.

The Customer shall notify the Company in writing of any loss or damage, which he believes is the responsibility of the Company, as soon as it has been detected and, in any case, no later than ten (10) days from the time the Customer became aware of, or could have known about, the loss or damage. The afore-mentioned notice must state clearly the Goods involved, the amount of the claim, if possible, and, if applicable, the reason for why the Company is held responsible for the incident in question. If a notice of loss or damage is not made in accordance with the foregoing provision, the rights of the Customer to claim compensation from the Company shall expire due to indifference.

Despite the abovementioned provisions regarding notice, all claims against the Company shall be cancelled due to time bar within one (1) year from the date that a customs declaration is sent off to the customs authorities, whether by SMT delivery or by other means; or if that is not applicable, the date the relevant Service was provided.

In other respect the general rules of Act no 150/2007 on the limitation periods for claims shall apply to the time bar under these terms.

11. Termination of Business.

Should the Customer significantly default in his obligations under these terms, or any other agreement with the Company and/or power of attorney, the Company has the right to terminate the said agreement and/or power of attorney regarding Customs Clearance, without further notice.

If the default is not significant the Company shall have the right to terminate the relevant agreement and/or power of attorney regarding Customs Clearance by giving the Customer, in a verifiable manner, fifteen (15) days' prior notice, urging the Customer to rectify the default within said notice otherwise the agreement will be terminated and thereupon any obligations and responsibilities of the Company.

In other instances the Company shall have the right to terminate an agreement and/or power of attorney regarding Customs Clearance by giving the Customer thirty (30) days' prior notice.

12. Delivery of Notifications.

When these terms provide for one of the parties to send the other a notification, regardless of what it is called, then such notification shall be sent in a verifiable manner to an address supplied by the parties, or to their lawful domicile as registered when the notification is dispatched. Provided that this is respected, then such notification shall have the significance and the legal effect that it is intended to have, even if it arrives corrupted or late, or even if it does not reach the intended recipient.

13. Laws and Jurisdiction.

These terms, and any other agreement between the parties, and/or power of attorney regarding Customs Clearance shall be governed by the laws of Iceland. Any disputes regarding these terms and any other agreement between the parties, and/or power of attorney regarding Customs Clearance shall be brought before the District Court of Reykjavík.

14. Entry into force.

These Terms of Customs Brokerage shall enter into force on 1 April 2012. The Company reserves the right to alter these terms at any given time. Such alteration shall enter into force on the day the altered terms are published on the Company's website.