

**UPS TARIFF/TERMS AND CONDITIONS OF SERVICE  
FOR SMALL PACKAGE SHIPMENTS IN THE UNITED STATES**

**Effective September 2, 2008**

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**UPS® TARIFF/TERMS AND CONDITIONS OF SERVICE  
FOR SMALL PACKAGE SHIPMENTS IN THE UNITED STATES**

Effective September 2, 2008

**I. INTRODUCTION**

- A.** The following paragraphs contain the general terms and conditions under which United Parcel Service® (“UPS”) is engaged in the transportation of small packages (including “Express Envelopes”) itself and jointly through interchange with its affiliates. Effective January 1, 2007, the UPS Tariff and the UPS Terms and Conditions of Service, formerly two separate documents, are now consolidated into the following single set of terms. Any reference to the UPS Tariff or the UPS Terms and Conditions of Service now refers to the UPS Tariff/Terms and Conditions of Service. The UPS Tariff/Terms and Conditions of Service in the UPS Rate and Service Guide are published periodically by UPS. The most current version of the UPS Tariff/Terms and Conditions of Service may be found at the UPS website (ups.com®) and is available at all local UPS offices. UPS reserves the right to unilaterally modify or amend any portion of the UPS Rate and Service Guide or UPS Tariff/Terms and Conditions of Service at any time without prior notice. The current version of the UPS Tariff/Terms and Conditions of Service and any modifications or amendments supersedes all previous UPS Tariffs, UPS Terms and Conditions of Service, and UPS Rate and Service Guides. Any failure to enforce or apply a term or provision of the UPS Rate and Service Guide or the UPS Tariff/UPS Terms and Conditions of Service shall not constitute a waiver of that term or provision by UPS, and shall not diminish or impair UPS’s right to enforce such term or provision in the future. If one or more provisions of the UPS Tariff/Terms and Conditions of Service shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby.
- B.** UPS is engaged in the transportation of small packages via a variety of services, including UPS Air Services, UPS Hundredweight Service® Air Services, UPS 3 Day Select<sup>SM</sup>, UPS Hundredweight 3 Day Select, UPS Ground and UPS Hundredweight Ground. “UPS Air Services” includes UPS Next Day Air® Early A.M.®, UPS Next Day Air®, UPS Next Day Air Saver®, UPS 2nd Day Air A.M.®, and UPS 2nd Day Air®. For purposes of the UPS Tariff/Terms and Conditions of Service, “UPS Hundredweight Air Services” includes UPS Hundredweight Service® UPS Next Day Air®, UPS Hundredweight Service® UPS Next Day Air Saver®, UPS Hundredweight Service® UPS 2nd Day Air A.M.®, and UPS Hundredweight Service® UPS 2nd Day Air®.
- C.** UPS is engaged in the international transportation of small packages via “UPS Worldwide Express Plus<sup>SM</sup>,” “UPS Worldwide Express NA1®,” “UPS Worldwide Express<sup>SM</sup>,” “UPS Worldwide Saver<sup>SM</sup>,” “UPS Worldwide Expedited<sup>SM</sup>,” “UPS 3 Day Select<sup>SM</sup> from Canada” and “UPS Standard” services. All packages shipped internationally covered under a single UPS Waybill shall be considered a single shipment.
- D.** Except in UPS Hundredweight Service and international shipments, each package or article shall be considered a separate and distinct shipment.

## **II. SHIPMENT PREPARATION**

### **A. Definition of Package**

The term “package” as used herein means any container and its contents, and includes Express Envelopes, as well as any article that may be handled without packaging if the handling thereof can be accomplished in a reasonably safe and practicable manner.

### **B. UPS Automated Shipping System and Source Document**

The term “source document,” as used herein, means a document provided by UPS for the purpose of shipping a package via UPS. The term “UPS automated shipping system,” as used herein, means UPS WorldShip™, UPS CampusShip<sup>SM</sup>, UPS Internet Shipping, or an approved UPS Ready™ solution that meets UPS OnLine® requirements at the time of shipment. “UPS automated shipping system” and “source document,” individually or collectively, are sometimes referred to herein by the term “UPS shipping system.”

### **C. Package Level Detail (“PLD”) and UPS Smart Label™**

Timely upload of Package Level Detail (“PLD”) is defined as the electronic transmission of all applicable PLD information to UPS at the time that packages are tendered to UPS. PLD as used herein, includes, but is not limited to, consignee’s full name, complete delivery address and package weight.

A smart label as defined herein and described in the UPS Guide to Labeling includes, but is not limited to, MaxiCode, postal code bar code, current UPS Routing Code, appropriate UPS service level icon and a UPS 1Z tracking number bar code.

### **D. Commodities Handled and Restrictions on Service**

UPS holds itself out to transport general commodities, as usually defined, subject to the following restrictions.

### **E. Items Not Accepted for Transportation**

1. No service shall be rendered in the transportation of any of the prohibited articles listed in the applicable UPS service guide or UPS Tariff/Terms and Conditions of Service. UPS does not accept for transportation, and shippers are prohibited from shipping:
  - a. Articles of unusual value (as defined in section II(F));
  - b. Hazardous waste, defined as a solid waste that meets any of the criteria of the hazardous waste as described in 40 C.F.R. § 261.3;
  - c. Human remains, fetal remains, human body parts, or components thereof;
  - d. Common fireworks;
  - e. Packages with an actual weight of more than 150 pounds, or packages that, when measured to determine the billable weight, exceed 108 inches in length, or exceed a total of 165 inches in length and girth [(2 x width) + (2 x height)] combined, or in the case of import shipments, exceed 130 inches in length and girth [(2 x width) + (2 x height)] combined. If found in the UPS system, they are subject to one or more

of the following additional charges: Over Maximum Weight (\$50), Over Maximum Length (\$50) or Over Maximum Size (\$50);

- f. Packages with a value of more than \$5,000 shipped as a result of a request for service made through the internet by a shipper who has a UPS Internet Shipping account only;
  - g. Packages with a value of more than \$1,000 returned via Print Return Label, Print and Mail Return Label, Electronic Return Label or 1 UPS Pickup Attempt Return Services;
  - h. Packages with a value of more than \$500 shipped via a UPS Drop Box;
  - i. Prepaid Letters with a value of more than \$100;
  - j. Packages with a value of more than \$999 when Shipper Release is selected;
  - k. Packages with a C.O.D. amount in excess of \$500 shipped via a UPS Drop Box;
  - l. Packages shipped internationally containing jewelry (not including costume jewelry) having a value of more than \$500;
  - m. Packages presented for shipment at locations of The UPS Store®, or any Third Party Retailer containing any hazardous materials requiring shipping papers, firearms, or ammunition;
  - n. Packages tendered via UPS Returns® Services containing hazardous materials (except for Other Regulated Materials Shipments (“ORM-D”) Ground packages, as set forth below), firearms, or requiring Delivery Confirmation Adult Signature Required service; and
  - o. Any other items prohibited by the UPS Rate and Service Guide, or ups.com.
2. Shippers are prohibited from shipping and UPS will not accept for transportation packages containing articles that UPS is not authorized to accept or that UPS states in the UPS Tariff/Terms and Conditions of Service that it will not accept, when such packages are presented for shipment at UPS Customer Centers, locations of The UPS Store®, or any Third Party Retailer.
3. UPS will not be liable or responsible for the loss of or damage to any package, the contents of which shippers are prohibited from shipping, which UPS is not authorized to accept, which UPS states that it will not accept, or which UPS has a right to refuse. The shipper agrees to indemnify UPS, its parent corporation, and affiliated companies, their officers, directors, employees, agents, and their successors and assigns, from costs, fees, or expenses UPS incurs as a result of the shipper’s noncompliance with governmental laws or regulations applicable to the package, or UPS requirements applicable to the package, from shipper’s tendering any prohibited item for shipment, or from shipper’s failure to comply with the terms of the UPS Tariff/Terms and Conditions of Service.

**F. Definition of Articles of Unusual Value Which Are Not Accepted By UPS For Transportation**

1. Shippers are prohibited from shipping articles of unusual value via UPS. Articles of unusual value shall be deemed to include, but are not limited to:
  - a. Any package with an actual value of more than \$50,000;
  - b. Coins, cash, currency, bonds, postage stamps, negotiable instruments (such as drafts, bills of exchange, or promissory notes, but excluding checks), and money orders;
  - c. Unset precious stones, and industrial diamonds;
  - d. Any article that contains more than 50 percent by weight of gold or platinum, or any combination thereof in raw form, including, but not limited to, bullion, bars or scraps of these metals.
2. UPS will not be liable for any loss of or damage to articles of unusual value. UPS reserves the right, but is not required, to return to the shipper any package containing an article of unusual value. Such return will be made solely at the shipper's risk and expense.

**G. Prohibited by Law**

It is the responsibility of the shipper to ensure that a shipment tendered to UPS does not violate any federal, state, provincial, or local laws or regulations applicable to the shipment. No service shall be rendered by UPS in the transportation of any shipment that is prohibited by applicable law or regulation of any federal, state, provincial, or local government in the origin or destination country.

**H. Alcoholic Beverages**

1. Packages containing alcoholic beverages (wine, beer, or spirits) are accepted for transportation only on a contractual basis and only from shippers who are licensed and authorized under applicable laws to ship alcoholic beverages. To receive service for packages containing alcoholic beverages, the shipper must sign a contract and agree to the provisions set forth in the approved UPS agreement for the transportation of wine, beer or spirits, as applicable. The shipment of alcoholic beverages requires the use of Delivery Confirmation Adult Signature Required service requesting an adult signature for each package containing alcoholic beverages, and the shipper must affix a special UPS alcoholic beverages label to each package. For all U.S. inbound import shipments containing alcoholic beverages, the consignee must be licensed and authorized to receive the alcoholic beverages. UPS does not accept packages containing beer or spirits for delivery to a consumer. It is the responsibility of the shipper to ensure that a package tendered to UPS does not violate any federal, state, provincial or local laws or regulations applicable to the package.
2. UPS reserves the right to dispose of any alcoholic beverages tendered for shipment which shippers are prohibited from shipping, which UPS is not authorized to accept, which UPS states that it will not accept, or which UPS has a right to refuse. The shipper agrees to indemnify, defend, and hold harmless UPS, its parent corporation, and affiliated companies, their officers, directors, employees, agents, and their successors and assigns, from all claims,

demands, expenses, liabilities, causes of action, enforcement procedures, and suits of any kind or nature brought by a governmental agency or any other person or entity arising from or relating to the transportation of a package containing alcoholic beverages, or from the shipper's noncompliance with UPS requirements for the shipment of alcoholic beverages or governmental laws or regulations applicable to the transportation of alcoholic beverages. Under no circumstances shall UPS be liable for special, incidental, or consequential damages arising from the transportation of a shipment of alcoholic beverages. UPS reserves the right to discontinue service to any shipper for, among other reasons, tendering a package containing alcoholic beverages that does not comply with all applicable laws or the UPS Tariff/Terms and Conditions of Service relating to the shipment.

#### **I. Biological Materials**

1. Packages containing "Biological Substance, Category B" as defined in 49 C.F.R. § 174.134, which are prepared in accordance with all aspects of 49 C.F.R. § 173.199, will be accepted for transportation.
2. Transportation of other biological materials is limited, must be prearranged and will only be provided under the following conditions: the shipper has received prior written authorization from UPS for the specific package tendered; and the shipper requests service in accordance with the conditions set forth in the written authorization from UPS for the package tendered. Any package containing biological materials shall be considered a perishable commodity and will be accepted for transportation solely at the shipper's risk for any damage arising from the perishable nature of the item.

#### **J. Firearms and Ammunition**

UPS accepts packages containing firearms, as defined by Title 18, Chapter 44, and Title 26, Chapter 53 of the United States Code, from and between licensed importers, licensed manufacturers, licensed dealers and licensed collectors, as defined in Title 18, Chapter 44 of the United States Code, law enforcement agencies, from and between persons not otherwise prohibited from shipping firearms by federal, state or local law, and when such shipment complies with all federal, state and local laws applicable to the shipper, recipient and package. The shipper must use Delivery Confirmation Adult Signature Required service for each package containing a firearm, including handguns. UPS, in its sole discretion, may require the shipper to select a UPS Next Day Air Service for any package containing a firearm. Handguns, as defined by 18 U.S.C. § 921, will be accepted for transportation only via UPS Next Day Air Services. Firearms, including handguns, will not be accepted for transportation via UPS Drop Boxes, Internet Shipping, in response to a request for On-Call Pickup Service, or when presented for shipment at locations of The UPS Store or any Third Party Retailer. Small arms ammunition, as defined in 49 C.F.R. § 173.59, will be transported only when packaged and labeled in compliance with 49 C.F.R. § 172. Firearm parts, which do not constitute firearms as defined under federal law, including without limitation Title 18, Chapter 44, and Title 26, Chapter 53 of the United States Code, and which otherwise comply with federal, state, and local law, will be accepted for transportation. UPS Returns Services are not available for packages containing firearms. Firearms, including handguns, and firearm parts are not accepted for shipment internationally. For more information, access <http://www.ups.com/content/us/en/resources/ship/packaging/guidelines/firearms.html>, or contact UPS.

#### **K. Food Transport; Assumption of Legal Responsibility**

Shipments containing "food," as defined in section 201(f) of the Federal Food, Drug, and Cosmetic Act, will be accepted for transportation only according to the following terms and conditions. Shipper assumes all responsibility with respect to establishing and maintaining all records required under 21 C.F.R. Part 1 Subpart

J §§ 1.326-1.363. In so doing, shipper assumes the legal responsibility under 21 C.F.R. § 1.363 for establishing and maintaining records that would otherwise be required to be maintained by UPS. Shipper agrees its records will comply with 21 C.F.R. § 1.352 and shall identify the immediate recipient of the transported food; the origin and destination points of shipment; the date the shipment is received and the date released; the number of packages shipped; a description of the freight describing the type of food received and released; and the route of movement. Shipper agrees expressly to make all records required by 21 C.F.R. § 1.352 available to FDA as required by 21 C.F.R. § 1.361. Shipper commits, and recognizes that it is its responsibility, to ensure that all such records are maintained consistent with the record retention requirements provided in 21 C.F.R. § 1.360 and the record availability requirements provided in 21 C.F.R. § 1.363. Shipper agrees that within 45 days of the date of shipment, Shipper will obtain or request from UPS any information needed from UPS to satisfy Shipper's responsibility to establish and maintain records. Shipper recognizes that the foregoing obligations with respect to establishing and maintaining records cannot be terminated. Shipper expressly agrees to immediately assume responsibility to establish and maintain records as provided in this paragraph, regardless of any FDA-designated compliance date for any provision of 21 C.F.R. Part 1 Subpart J.

#### **L. Hazardous Materials Service**

1. Hazardous Materials, defined as those materials regulated under Title 49 of the Code of Federal Regulations (49 C.F.R.), (excluding Other Regulated Materials (ORM-D) Ground shipments, as referenced below), and Dangerous Goods, defined as those materials regulated by the International Civil Aviation Organisation (ICAO) and published in the International Air Transport Association (IATA) Dangerous Goods Regulations (collectively referred to as "Hazardous Materials," or "Dangerous Goods," or "International Dangerous Goods," are accepted for transportation only as a contractual service and in accordance with the *UPS Guide for Shipping Ground and Air Hazardous Materials*, or the *UPS Guide for Shipping International Dangerous Goods*. To receive Hazardous Materials or Dangerous Goods service, the shipper must sign a contract and agree to the provisions set forth in an approved UPS agreement relating specifically to the transportation of Hazardous Materials, Dangerous Goods, or International Dangerous Goods ("Agreement"). Access the most current version of the UPS Tariff/Terms and Conditions of Service at [ups.com](http://ups.com), or contact UPS for specific information, including a list of "*Common Items That May Be Classified as Hazardous Materials*."
2. An additional charge will be assessed for each Hazardous Materials package shipped under the Agreement. The effective UPS Rates applicable to the shipper and the package and in effect at the time of shipping will apply.
3. It is the shipper's responsibility to determine if a package contains a Hazardous Material and to properly classify, label, mark, and package it in accordance with applicable governmental regulations. When required, the shipper is responsible for ensuring that all of its employees involved in the preparation of Hazardous Materials for transport are properly trained, tested, and certified in accordance with, 49 C.F.R. Part 172.700 through 172.704, or with IATA (Section 1.5) and for ensuring that a program exists for the retraining, testing and certification as required by these rules. All packaging used by the shipper for the transportation of Hazardous Materials, when required by regulation, must pass UN performance testing in accordance with 49 C.F.R. Part 178.602 through 178.609 or IATA (Section 6.0). In addition, the shipper must use a software system, such as the most current version of UPS WorldShip, that is acceptable to UPS, for the preparation of documents for shipping Hazardous Materials, or an alternative method determined by UPS in its reasonable

discretion to perform the same functions. UPS will provide shippers, upon request, a list of vendors who provide acceptable software systems.

4. UPS reserves the right to refuse to accept, to return, or to dispose of, in compliance with applicable laws and regulations, any Hazardous Material that it determines not to have been prepared in accordance with the *UPS Guide for Shipping Ground and Air Hazardous Materials*, the *UPS Guide for Shipping International Dangerous Goods*, and all applicable governmental laws and regulations. The shipper agrees to reimburse UPS for any costs or expenses incurred as a result of any improperly packed or prepared Hazardous Materials which shipper tenders to UPS. In addition, the shipper agrees to reimburse UPS for any costs or expenses incurred by UPS if Hazardous Materials tendered by the shipper are refused by the shipper upon return or cannot otherwise be delivered for any reason, including, but not limited to, wrong delivery address or refusal of consignee to accept delivery.
5. The shipper agrees to indemnify, defend, and hold harmless UPS, its parent corporation, and affiliated companies, their officers, directors, employees, agents, and their successors and assigns, from all claims, demands, expenses, (including reasonable attorneys' and consultants' fees), liabilities, causes of action, enforcement procedures, and suits of any kind or nature brought by a governmental agency or any other person or entity arising from or relating to the transportation of a Hazardous Materials package, from the shipper's breach of the Agreement, the UPS Tariff/Terms and Conditions of Service, or from the shipper's non-compliance with governmental laws or regulations applicable to the transportation of Hazardous Materials whether such action is brought by a governmental agency or other person or entity. Under no circumstances shall UPS be liable for special, incidental, or consequential damages arising from the transportation of a Hazardous Materials shipment.
6. Pursuant to 49 C.F.R. Part 173.30, in the event the shipper loads any UPS vehicle, the shipper agrees to segregate Hazardous Materials in accordance with 49 C.F.R. Part 177.848 and properly secure Hazardous Materials in accordance with 49 C.F.R. Part 177.834.
7. UPS does not accept Hazardous Materials in any amounts that require placarding under 49 C.F.R. Part 172, Subpart F. The shipper agrees not to tender Hazardous Materials to UPS in any amount for a single vehicle that would require placarding in accordance with 49 C.F.R. Part 172, Subpart F.
8. UPS reserves the right to discontinue or terminate service immediately with respect to the transportation of Hazardous Materials if the shipper fails to comply with any provisions of this Tariff/Terms and Conditions of Service, or any applicable government regulations (including ORM-D shipments that are tendered without the proper shipping documentation). If a shipper tenders an undeclared Hazardous Materials package to UPS, UPS shall not be liable for the package in the event of loss, damage, delay, or misdelivery, nor shall UPS be liable for any special, incidental, or consequential damages.
9. If the shipper ships Hazardous Materials from more than one location, and the shipper fails to comply with any provisions of the UPS Tariff/Terms and Conditions of Service, the Agreement, or any governmental regulations, UPS may, in its sole discretion, terminate all of the shipper's shipment locations or limit such termination to those locations where the failure to comply occurred.

In the event that UPS determines that its procedures require cancellation of the shipper's Hazardous Materials service under the terms of this paragraph, UPS agrees to work with the shipper to reasonably determine whether all or only certain of the shipper's locations must be cancelled.

10. Shippers are prohibited from shipping and UPS will not accept for transportation packages containing any Hazardous Materials requiring shipping papers (defined as those materials regulated under Title 49 of the Code of Federal Regulations) or Dangerous Goods requiring Shipper's Declaration of Dangerous Goods documents, when such packages are presented for shipment at UPS Customer Centers, locations of The UPS Store, or Third Party Retailers. Hazardous Materials requiring shipping papers cannot be picked up via UPS On-Call Pickup® service, or retrieved via any UPS Returns Service.
11. Additional terms and conditions applicable to the shipment of Hazardous Materials are set forth in the *UPS Guide for Shipping Ground and Air Hazardous Materials*, and the *UPS Guide for Shipping International Dangerous Goods*, the terms of which are each incorporated here by this reference and available at [http://www.ups.com/content/us/en/resources/ship/hazardous/common\\_items.html](http://www.ups.com/content/us/en/resources/ship/hazardous/common_items.html).
12. Packages containing dry ice (carbon dioxide, solid) as a refrigerant, but no other Hazardous Materials, are accepted for transportation within the United States via UPS Ground and UPS Air Services (provided such packages are prepared in accordance with all applicable governmental regulations) without an Agreement. Packages containing Hazardous Materials that use dry ice (carbon dioxide, solid) as a refrigerant are accepted for transportation within the United States via UPS Ground and Air Services only as a contractual service. Any package containing dry ice will be considered a perishable commodity and will be accepted for transportation solely at the shipper's risk for any damage or loss arising from the perishable nature of the item. Packages containing dry ice may be tendered for shipment at locations of The UPS Store, where such services are available.
13. ORM-D packages are accepted for transportation without Hazardous Materials Shipping Papers within the 48 contiguous United States via UPS Ground or UPS Hundredweight Service®, or within Hawaii when shipped via UPS Ground (Intra-Oahu) service, when properly classified, packaged, and marked. UPS Standard To Canada and UPS Ground (Intra-Alaska) services are available for ORM-D shipments without a contract, provided the shipper has reviewed the required checklist and service restrictions with a UPS representative. ORM-D packages shipped via UPS Air Services and UPS 3 Day Select within the United States and Puerto Rico, and UPS Ground to Alaska, Hawaii and Puerto Rico, as well as all UPS Worldwide service offerings internationally, are accepted for transportation on a contractual basis only.

#### **M. Hazardous Waste and Mercury-Containing Waste**

1. No service shall be rendered in the transportation of hazardous waste. Hazardous waste is a solid waste that meets any of the criteria of hazardous

waste as described in Section 261.3 of Title 40 of the Code of Federal Regulations.

2. UPS's acceptance for transportation of any mercury-containing waste material or used mercury-containing device (including, but not limited to, medical devices, spent or broken fluorescent lamps, thermostats or thermometers) is limited, must be prearranged, and will only be provided pursuant to prior written authorization from UPS upon satisfaction of certain requirements, including appropriate packaging and financial assurances.

#### **N. Live Animals**

UPS provides service on a limited basis for packages containing some types of live animals. (The term "animal" as used herein refers to anything living, except plants.) UPS will only accept packages containing live animals for shipment within the United States. Live animals may be shipped only pursuant to the restrictions and conditions set forth on [ups.com](http://ups.com) regarding Shipping Live Animals. Any package containing a live animal will be considered a perishable commodity and will be accepted for transportation solely at the shipper's risk for any damage or loss arising from the perishable nature of the item. UPS shall not be liable for any special, incidental or consequential damages. Access [www.ups.com/animals](http://www.ups.com/animals) or contact UPS for information regarding shipping live animals.

#### **O. Perishable Commodities Or Commodities Requiring Protection From Heat Or Cold**

UPS does not provide a protective service for the transportation of perishable commodities or of commodities requiring protection from heat or cold. Such commodities will be accepted for transportation solely at the shipper's risk for any damage arising from the perishable nature of the item. Shippers shall not file claims for, and UPS shall not be liable to shippers or any third parties for, any damage arising from the transportation of perishable commodities or commodities requiring protection from heat or cold, regardless of whether the package is delivered pursuant to an applicable UPS Service Guarantee or is delayed in transit. UPS reserves the right to dispose of any package in the UPS system containing a perishable commodity that, in UPS's sole discretion, is deemed to be unsafe or unsanitary.

#### **P. Pharmaceuticals**

The shipper shall comply with, and shall ensure that each shipment containing pharmaceutical products complies with, all applicable federal, state, provincial, and local laws and regulations governing the shipment or tender of shipment, of pharmaceutical products.

#### **Q. Portable Electronic Devices**

UPS transports packages containing radio frequency identification devices (RFID), ultrawideband devices (UWB) and other portable electronic devices (PED) only when such devices are in an inactivated state or otherwise in compliance with applicable law, including 14 C.F.R. § 91.21, 14 C.F.R. § 121.306, or 47 C.F.R. § 15.521(a).

#### **R. Tobacco Products**

1. Packages containing tobacco or tobacco products, as those terms are variously defined under applicable state law ("Tobacco Product Shipments"), are accepted for transportation only from shippers who are licensed and authorized to ship tobacco and tobacco products pursuant to applicable laws. Tobacco Product Shipments shipped to a consumer will only be accepted for transportation as a contractual service. However, because UPS prohibits shipments of cigarettes to consumers under any circumstances, UPS does not

offer a contractual service for the delivery of cigarettes to consumers. To receive service for Tobacco Product Shipments shipped to a consumer, the shipper must sign and agree to the provisions set forth in an approved UPS agreement for the transportation of tobacco products. For all other service for Tobacco Product Shipments, the consignee must be licensed and authorized to receive tobacco or tobacco products pursuant to all applicable federal, state, provincial, or local laws or regulations, and the shipment must conform to the terms, conditions, restrictions, and prohibitions set forth at [www.ups.com/tobacco](http://www.ups.com/tobacco) at the time of shipping. It is the responsibility of the shipper to ensure that a shipment tendered to UPS, including a Tobacco Product Shipment, does not violate any federal, state, provincial, or local laws or regulations applicable to the shipment.

2. UPS reserves the right to refuse to accept, transport, or deliver any Tobacco Product Shipment that UPS, in its sole discretion, determines does not comply with UPS requirements for the shipment or any applicable law or regulation, and to discontinue any or all service to any shipper for, among other reasons, tendering such a shipment. UPS reserves the right to dispose of any Tobacco Product Shipment that shippers are prohibited from shipping, that UPS is not authorized to accept, that UPS states that it will not accept, or that UPS has a right to refuse. The shipper agrees to indemnify, defend, and hold harmless UPS, its parent corporation, and affiliated companies, their officers, directors, employees, agents, and their successors and assigns, from all claims, demands, expenses, liabilities, causes of action, enforcement procedures, and suits of any kind or nature brought by a governmental agency or any other person or entity arising from or relating to a Tobacco Product Shipment, or from the shipper's noncompliance with UPS requirements for Tobacco Product Shipments or governmental laws or regulations applicable to the transportation of tobacco or tobacco products.

#### **S. Right of Inspection**

UPS reserves the right in its sole discretion to open and inspect any package tendered to it for transportation, but is not required to do so.

#### **T. Refusal of Service**

1. UPS reserves the right to refuse to provide service, among other reasons, for any package which by reason of the dangerous or other character of its contents may, in the sole judgment of UPS, soil, taint or otherwise damage other packages or UPS's equipment, or which is improperly or insecurely packed or wrapped. Packages must be so packed or wrapped as to meet UPS's published standards related thereto set forth in the UPS Rate and Service Guide, or on [ups.com](http://ups.com), and as to pass tests set forth in the International Safe Transit Association, Procedure 3A, Procedure for Testing Packaged Products, published by the International Safe Transit Association. In addition, any tested product must be free from damage and the packaging must afford reasonable protection as determined by UPS in its sole judgment.
2. Before accepting any package for service, UPS reserves the right to require sufficient verification, as determined by UPS in its sole discretion, of the shipper's name and address, or any other information necessary to accept the package for service. In addition, UPS reserves the right to refuse to provide service for any package, or to or from any location, or to provide alternative

service arrangements when, among other reasons, UPS, in its sole discretion, deems that it is unsafe or economically or operationally impracticable to provide service.

## **U. Packaging**

It is the responsibility of the shipper to ensure that proper packaging is used and that contents of packages are adequately and securely packed, wrapped, and cushioned for transportation. When shipping certain electronic media containing sensitive personal information (such as personal, financial or health information), it is recommended that the shipper retains a copy of the data and secures the data on the electronic media through encryption or other technological means. The use of UPS-provided packaging is not a guarantee that an item is sufficiently packaged for transportation. UPS does not provide special handling for packages with “Fragile,” package orientation (e.g., “UP” arrows or “This End Up” markings), or any other similar such markings.

## **V. Use of UPS-Provided Materials and Services**

1. UPS-provided materials, including but not limited to, packaging materials and supplies, envelopes, labels, label printers, shipping documents, publications and products are provided solely for the use of UPS shippers to obtain UPS services on their behalf and to interact with UPS. Any other use of such UPS-provided materials is strictly prohibited.
2. Under no circumstances may a shipper sell any UPS-provided materials, products, or services to any third party without prior written authorization from UPS.

## **W. Use of UPS Electronic Information Systems**

1. “UPS Systems” means for all purposes herein those UPS electronic information systems to which shippers are granted access by UPS and which are accessed by means of hardware, software, or internet interfaces.
2. A shipper may use the UPS Systems solely for UPS-related business conducted by or on behalf of the shipper. Any other use of the UPS Systems is strictly prohibited. A shipper may use or disclose information provided via the UPS Systems only in connection with packages shipped by or to the shipper or on the shipper’s behalf.
3. A shipper may not use the UPS Systems in any way that adversely affects the performance or function of the UPS Systems or interferes with access by other parties to the UPS Systems. A shipper shall not gain access or attempt to gain access by any means to any UPS computer system or database, other than the UPS Systems to which the shipper is expressly granted access by UPS.
4. A shipper shall preserve and reproduce all content of the information provided by the UPS Systems and maintain all data formats, structure, sequence and organization of the information delivered by the UPS Systems, without amendment, deletion or modification of any type. UPS reserves the right to terminate, update, alter or supplement any or all of the UPS Systems and services and information available from the UPS Systems at any time. UPS reserves the right to assess charges for the use of any UPS System, by providing notice of such charges to the shipper. By permitting limited usage of

the UPS Systems, UPS does not convey any property interest in or to the UPS Systems or any other UPS property or services.

5. UPS reserves the right to terminate a shipper's access to and use of the UPS Systems for any reason, including if UPS in its sole judgment believes that (1) the system is being used for an illegal purpose or a purpose not authorized by UPS, or (2) UPS or a third party's rights are being jeopardized, or (3) UPS or any third party is potentially exposed to liability or damage of any type, or (4) the shipper is violating the UPS Tariff/Terms and Conditions of Service or any other applicable agreement between UPS and the shipper.

#### **X. ZIP Code/Postal Code Information**

The consignee's ZIP Code<sup>TM</sup> is a required part of the address for domestic shipments. When available, ZIP+4<sup>TM</sup> should be used. The consignee's postal code, telephone number, and contact name are required parts of the address for international shipments.

#### **Y. P.O. Boxes**

UPS does not provide delivery to a P.O. Box. The shipper must make every effort to obtain a street address. If the shipper should use a P.O. Box address, the recipient's telephone number must be included. A package addressed to a P.O. Box may experience delays, will not be covered by any UPS Service Guarantee and will be subject to an Address Correction charge. Army Post Office (APO) and Fleet Post Office (FPO) addresses are not accepted.

#### **Z. Provisions for Customs Clearance of International Packages**

1. The shipper must provide all required documentation for export or import (i.e., for customs clearance). By providing required documentation, the shipper certifies that all statements and information relating to exportation and importation are complete, true and correct. Furthermore, the shipper understands that civil and criminal penalties, including forfeiture and sale, may be imposed for failing to provide all required documentation, statements, and information, for making inaccurate, false or fraudulent statements, or for violating U.S. laws on importation or exportation (see e.g., 13 U.S.C. § 305, 18 U.S.C. §§ 545, 554 and 1001, 19 U.S.C. §§ 1595a and 1592, 22 U.S.C. § 401, and Subchapter C of 15 C.F.R. (i.e., The Export Administration Regulations)).
2. When a shipment is tendered to UPS, UPS is thereby appointed as the agent for performance of customs clearance, to the extent allowed by law. UPS is specified as the nominal consignee for the purpose of designating a customs broker to perform customs clearance. Local authorities may require documentation confirming that UPS has been designated as the nominal consignee.
3. Fines, penalties, liquidated damages, storage charges or other expenses incurred as a result of an action by U.S. Customs and Border Protection (or any other U.S. or foreign government agency regulating imports or exports), or the failure by the shipper or consignee to provide all required documentation, statements, and information (including the failure to obtain a required license or permit) will be charged to the consignee along with any applicable duties, fees, or taxes, and any applicable late payment fees assessed by UPS. The shipper is liable for all charges in the event of non-payment by the consignee. The shipper agrees to indemnify, defend, and hold harmless UPS, its parent

corporation, and affiliated companies, their officers, directors, employees, agents, and their successors and assigns, from any and all claims or liability, including, but not limited to, duties, fines, penalties, liquidated damages or other money due, arising from the transportation, importation, exportation or clearance of shipments on behalf of the shipper, or arising from the shipper's noncompliance with governmental laws or regulations applicable to the shipment, or UPS requirements applicable to the shipment. UPS provides brokerage service through UPS Supply Chain Solutions<sup>®</sup> brokerage offices designated by UPS for handling small package customs clearance of UPS Worldwide Express Plus, UPS Worldwide Express NA1, UPS Worldwide Express, UPS Worldwide Saver, UPS Worldwide Expedited and UPS 3 Day Select from Canada shipments at no additional charge. Other UPS Supply Chain Solutions customs brokerage offices charge fees for the clearance of small packages and freight.

4. Additional charges may apply for complex customs clearance procedures, which include, but are not limited to, the following:
  - a. Clearance procedures involving a government agency other than U.S. Customs and Border Protection
  - b. Customs Bonds
  - c. Drawbacks
  - d. Formal entries involving more than five tariff lines
  - e. Live Entries
  - f. Country of Origin Marking; or
  - g. Temporary Import Bonds (T.I.B.)
5. UPS is under no obligation, unless the customer requests in writing and UPS agrees in writing, to undertake any pre- or post-importation action, including, but not limited to, obtaining binding rulings, advising of liquidations, filing protests or filing petitions for relief.
6. UPS may prepay duties, fees, or taxes on behalf of the payer. For importation into the United States, a fee, set forth in the UPS Rates applicable to the shipment in effect at the time of shipping, will be assessed and billed to the importer. A fee may also apply for shipments to other countries.
7. If a Shipper's Export Declaration (S.E.D.) is required and an Automated Export System (AES) transaction number is not recorded on the export documents provided by the shipper evidencing such filing, UPS will electronically file the required export information on behalf of the shipper provided all required information is supplied on the UPS Waybill or other export documentation and UPS received proper authorization to facilitate export. A processing fee, set forth in the UPS Rates applicable to the shipment in effect at the time of shipping, will be assessed and billed to the shipper.
8. UPS may require that the shipper provide a Power of Attorney to UPS in connection with certain exportation activities.

9. UPS may prepare a Certificate of Origin for goods manufactured and originating within the United States on behalf of the shipper when one is required but not included with the export documents provided by the shipper. A processing fee, set forth in the UPS Rates applicable to the shipment in effect at the time of shipping, will be assessed and billed to the shipper.
10. A shipper must register with UPS in advance of shipment to use UPS Paperless<sup>SM</sup> Invoice service, where such services are available. By using UPS Paperless Invoice service, the shipper authorizes UPS to use the shipper's letterhead and electronic signature to prepare true, correct, and paperless commercial invoices that reflect, in all material respects, the shipper's sale transactions of merchandise to its buyers [i.e., the "Sold To" Parties] necessary to expedite, in accordance with law, customs clearance duties upon export and import. The shipper shall provide UPS in advance with all required information, including, but not limited to, the true and accurate price at which the merchandise was sold to the "Sold To" Party, any required additions to customs value (e.g., dutiable assists), the currency of the sale, the terms of sale, the quantities, the ultimate consignee, and a complete commercial description of the merchandise. By using the service, shipper represents and certifies that any paperless commercial invoice that UPS prepares is true and accurate, which means that it is, in all material respects, an electronic copy of the same commercial invoice provided to the buyer. The shipper shall have an affirmative non-delegable duty to disclose to UPS any and all required commercial invoice information, and to ensure its accuracy and completeness. The shipper must provide timely upload of PLD to use UPS Paperless Invoice service.
11. The shipper agrees and consents that UPS may preserve a record of the carriage for an international shipment using means other than producing a copy of the air waybill. The shipper acknowledges that it has a duty to and is solely liable for maintaining all records as required under the customs or other government agency laws; unless otherwise agreed to in writing, UPS assumes no responsibility to act as a record-keeper or record-keeping agent for the shipper.

### **III. ACCESS TO UPS**

#### **A. UPS Customer Center**

1. A UPS Customer Center is a UPS facility where shippers may tender packages to UPS for transportation, and a consignee or other recipient may receive a package delivery.
2. Before accepting a package tendered for transportation or releasing any package at a UPS Customer Center to a consignee or other recipient, UPS reserves the right to require sufficient verification, as determined by UPS in its sole discretion, of the shipper's or recipient's name, address, authorization to ship or receive the package, or any other information UPS deems necessary to accept or release the package in its sole discretion. Persons tendering or picking up packages on behalf of a business may be required to provide identification issued by the business and a government-issued identification.

## **B. The UPS Store**

The UPS Store locations are independently owned and operated by licensed franchisees of Mail Boxes Etc., Inc., a subsidiary of United Parcel Service, Inc., and are not agents of UPS. UPS assumes no liability other than to The UPS Store location, as the shipper of the package, for lost, damaged or delayed packages sent via that location of The UPS Store. Any such liability to The UPS Store location is subject to the limitations set forth in the UPS Tariff/Terms and Conditions of Service. All inquiries regarding packages shipped via any The UPS Store location must be directed to The UPS Store location that shipped the package. UPS will deal solely with The UPS Store location in all matters concerning packages shipped via any The UPS Store location, including but not limited to: tracking/tracing requests, claims and guarantees, C.O.D. preparation and remittance, return of undeliverable packages and Express Envelopes, proper packaging and labeling, and billing. Even if UPS responds directly to customers of a The UPS Store location regarding tracking requests, UPS will not be liable to those customers. The UPS Store locations are solely responsible for the issuance of any refunds and claims to those who shipped packages via The UPS Store location. The UPS Store locations agree not to ship any articles which UPS does not accept for transportation. The UPS Store locations shall indemnify and hold harmless UPS in any action against UPS arising from the loss, damage or delay of a package shipped via that The UPS Store location.

## **C. Third-Party Retailers/Authorized Shipping Outlets/UPS Alliance Locations**

Third-Party Retailers, defined to include UPS Authorized Shipping Outlets and UPS Alliance Locations (located within Office Depot® and Staples® retail locations) are independently owned and operated businesses and are not agents of UPS. UPS assumes no liability other than to the Third-Party Retailer, as the shipper of the package, for lost, damaged or delayed shipments sent via the Third-Party Retailer. Any such liability to the Third-Party Retailer is subject to the limitations set forth in the UPS Tariff/Terms and Conditions of Service. All inquiries regarding packages shipped via Third-Party Retailers must be directed to the Third-Party Retailer. UPS will deal solely with the Third-Party Retailer in all matters concerning packages shipped via a Third-Party Retailer, including, but not limited to: tracking/tracing requests; claims and guarantees; C.O.D. preparation and remittance; return of undeliverable packages and Express Envelopes; proper packaging and labeling; and billing. Even if UPS responds directly to Third-Party Retailer customers regarding tracking requests, UPS will not be liable to those customers. Third-Party Retailers are solely responsible for the issuance of any refunds and claims to those who shipped packages via the Third-Party Retailer. The Third-Party Retailer agrees not to ship any articles which UPS does not accept for transportation. Third-Party Retailers shall indemnify and hold harmless UPS in any action against UPS arising from the loss, damage or delay of a package shipped via a Third-Party Retailer.

## **D. Daily Pickup Service - Weekly Service Charge**

1. When Daily Pickup Service is requested, an additional weekly service charge, set forth in the UPS Rates applicable to the shipment in effect at the time of shipping, will be assessed and shall apply in addition to the effective UPS Rates applicable to the shipper and the package and in effect at the time of shipping. UPS will call upon each UPS Daily Pickup Service shipping account once each business day to pick up packages for delivery to all points served without a special pickup request. UPS may not call upon a UPS Daily Pickup Service shipping account on any day in which the account indicates that there are no packages available for pickup.
2. The weekly service charge is based on a daily pickup account's weekly billing total, as reflected in the UPS billing system. The weekly billing total may not necessarily reflect all packages tendered during a calendar week.

## **E. Pickup Charge**

UPS reserves the right to assess a surcharge, set forth in the UPS Rates applicable to the shipment in effect at the time of shipping, for the pickup of prepaid shipments, UPS 3 Day Select or UPS Ground Returns Service packages, when no other packages are to be picked up.

## **F. UPS On-Call Pickup<sup>®</sup> Service**

When UPS On-Call Pickup Service is requested by the shipper, UPS will arrange (where reasonably practicable) a package pickup at the shipper's location. An additional charge for On-Call Pickup Service will be assessed.

## **G. Saturday Pickup**

1. UPS offers optional Saturday pickup of UPS Air Services packages and UPS Hundredweight Air Services shipments for delivery in the United States and Puerto Rico where such services are available. The shipper should contact UPS for information regarding UPS's Saturday pickup area. UPS Air Services shipments picked up on Saturday receive the same delivery commitment as UPS Air Services shipments picked up on Friday. Saturday pickup service is provided by the following methods:
  - a. A shipper may request Saturday pickup by contacting a UPS Customer Service office on each Saturday, excluding holidays, on which the service is needed.
  - b. At the shipper's option, UPS will call at the shipper's premises every Saturday, excluding holidays, to pick up qualifying shipments. A service charge will be assessed if UPS calls at the shipper's premises on Saturday and there are no packages to be picked up on that day.
2. An additional charge, set forth in the UPS Rates applicable to the shipment in effect at the time of shipping, will be assessed for each UPS Air Services package or UPS Hundredweight Air Services shipment tendered to UPS on a Saturday. This charge also shall apply to any package or shipment for which Saturday Pickup service is requested that is tendered to a location of The UPS Store or a Third Party Retailer.

## **H. Drop Shipment**

1. "Drop Shipment," as defined herein, means any shipment pursuant to a written agreement or prior arrangement between UPS and a specific shipper that permits the shipper to tender quantities of individual packages directly to UPS at a UPS pre-approved designated location. A unique Drop Shipper account number will be assigned, which the shipper agrees to use solely for the origin and destination locations as specified in the UPS Drop Ship Letter of Understanding or as required by UPS.
2. UPS reserves the right to refuse any Drop Shipment request, in its sole discretion, including but not limited to, any Drop Shipment that is operationally or economically impracticable to transport. A request for Drop Shipment service is not reasonable unless the shipper makes a prior arrangement with UPS, agreed to in advance by UPS, as to timing, location and volume of the Drop Shipment.

3. When a shipper, through prior arrangements with UPS, tenders packages at UPS's receiving stations with a return address requiring a movement greater than a Zone 2 movement from the point of tender, any undelivered packages will be returned automatically and will be charged at the rate applicable between the point of tender and the return address. The effective UPS Rates for the applicable shipment will apply.
4. UPS does not accept, and shippers are prohibited from shipping, any package via a Drop Shipment that contains Hazardous Materials, except for ORM-D packages that are tendered for UPS Ground service in the 48 contiguous states.

#### **IV. SERVICES**

##### **A. Definition of Delivery**

Delivery for all purposes shall be deemed to include, but not be limited to: delivery to the consignee or the consignee's actual or apparent agent or representative, delivery to the address or location specified in the UPS shipping system, delivery to any person present at the address or location specified in the UPS shipping system, delivery to a reasonable alternate address or location, delivery in accordance with trade custom or usage, delivery pursuant to UPS's driver release procedures, delivery pursuant to UPS's shipper release procedures, or delivery otherwise permitted under the UPS Tariff/Terms and Conditions of Service. UPS does not limit delivery of a package to the person specified as the consignee on the source document or in the UPS shipping system. Unless the shipper requests Delivery Confirmation service requiring a signature, UPS reserves the right, in its sole discretion, to make a delivery without obtaining a signature.

##### **B. Residential Delivery**

A residential delivery is defined as delivery to a location that is a home, including a business operating out of a home that does not have an entrance open to the public. If the delivery location could be construed as either residential or commercial, then the rates for residential delivery service will be applied.

##### **C. Deliveries Attempted Three Times Without Extra Charge**

If UPS is unable to deliver a package, a notice will be left at the consignee's address stating that delivery has been attempted. Thereafter, a second and, if necessary, a third attempt to deliver the package will be made without additional charge.

##### **D. Hold for Pickup Service**

1. At the time a shipper tenders a package to UPS, the shipper may request that UPS hold a domestic package at a designated UPS Customer Center for pickup by the consignee. For each such package, the shipper will complete an address label showing the words "Hold for Pickup," the consignee's name, telephone number, the name of a contact person, and the full address of the designated UPS Customer Center. In addition, the shipper will apply a UPS Hold for Pickup label below the address label on the package.
2. UPS will hold the package at the designated UPS Customer Center and will attempt to contact the consignee at the telephone number shown on the label. Before releasing any package to a consignee or other recipient, UPS reserves the right to require sufficient verification as determined by UPS in its sole discretion of the recipient's name, address, authorization to receive the package, or any other information UPS deems necessary to release the package in its sole discretion. Recipients picking up packages addressed to a business

may be required to provide identification issued by the business and a government-issued identification. Packages not picked up within five (5) business days from the date of arrival will be returned to the shipper at the shipper's expense.

3. Hold for Pickup is not available for international shipments.

#### **E. Shipper Release**

A shipper may request that UPS release a package on the first delivery attempt. Shipper Release will be provided by UPS subject to the effective UPS Tariff/Terms and Conditions of Service. When Shipper Release is selected, the shipper acknowledges and agrees that UPS will make only one delivery attempt, that a signature will not be obtained upon delivery, and that a UPS delivery record showing a completed Shipper Release delivery shall be conclusive proof that delivery was completed. Shipper Release is provided solely at the shipper's risk of loss or damage arising from the release of the package by UPS, and UPS will not be liable to shippers or third parties for any damages arising from the release of the package. Shipper Release is not available for packages having a value of more than \$999.

#### **F. Pre-Release Notification for Import Shipments**

A shipper or consignee may request that UPS notify the consignee prior to submission of a U.S. import shipment to U.S. Customs and Border Protection so that the importer may validate the classification, valuation, or other import information. An additional fee set forth in the UPS Rates applicable to the shipment and in effect at the time of shipping applies for this service and will be billed to the importer or to the shipper when the shipper is selected as the payer of the duties and taxes for the shipment.

#### **G. UPS Delivery Intercept<sup>SM</sup>**

After a domestic package has been tendered to UPS but before delivery, a shipper may request that UPS return a package to the shipper, reroute a package to an address or a consignee other than the address or consignee identified on a source document or in the UPS automated shipping system for the package (including a request by shipper to correct an address), hold the package for pick up at a UPS Customer Center, or hold a package for future delivery. UPS Delivery Intercept may be requested only by the shipper. UPS will honor such a request where practicable and where the shipper has guaranteed payment of any applicable charges resulting from the change. An additional charge, set forth in the UPS Rates applicable to the shipment in effect at the time of shipment will be assessed for each package intercepted.

#### **H. Delivery Change Requests**

After delivery has been attempted and a consignee has received notice from UPS that delivery has been attempted (InfoNotice or postcard number required), UPS may honor a request from a consignee that UPS reroute a package to an address or a consignee other than the address or consignee identified on a source document, or in the UPS automated shipping system for the package. UPS will honor such a request where practicable.

#### **I. Correction of Addresses**

If UPS is unable to deliver any package as addressed by the shipper, or if the package has an incorrect or incomplete address (examples include, but are not limited to, P.O. Boxes, missing suite, apartment, or unit numbers, old addresses, and missing/incorrect ZIP Codes), UPS will make reasonable efforts to be determined in its sole discretion, to secure the correct or complete address. An address validated by UPS may be incorrect or incomplete for purposes of completing delivery, and may be corrected by UPS. If the correct or complete address is secured, UPS, at its sole discretion, will attempt delivery, and the shipper will be provided with the

correct or complete address in order to update its internal records. An additional charge, set forth in the UPS Rates applicable to the shipment in effect at the time of shipping, will be assessed for an address correction.

#### **J. Saturday Delivery**

1. UPS offers optional Saturday delivery of UPS Next Day Air Early A.M., UPS Next Day Air, and UPS 2nd Day Air packages, and UPS Hundredweight Service UPS Next Day Air and UPS Hundredweight Service UPS 2nd Day Air shipments, where such services are available. The shipper should contact UPS for information regarding UPS's Saturday delivery area. A Saturday Delivery routing label, provided by UPS, must be attached to each package.
2. The shipper may request optional Saturday delivery of UPS Worldwide Express Plus shipments and UPS Worldwide Express shipments to specific locations in Canada, Germany and the United Kingdom by indicating the selection of this option on the UPS source document or in a UPS automated shipping system, and by attaching a Saturday Delivery routing label provided by UPS to each package.
3. Optional Saturday delivery of UPS Worldwide Express Plus and UPS Worldwide Express shipments from specific locations in designated countries to specific locations in the United States may be requested by indicating the selection of this option on the UPS source document for each shipment, and by attaching to each package a Saturday Delivery routing label provided by UPS.
4. An additional charge, set forth in the UPS Rates applicable to the shipment in effect at the time of shipping, will be assessed for each UPS Next Day Air Early A.M., UPS Next Day Air, UPS 2nd Day Air package and for each UPS Worldwide Express Plus and UPS Worldwide Express shipment received for Saturday delivery. This charge is billed to the payer of the transportation charges.

#### **K. Delivery Confirmation Services**

1. *Delivery Confirmation* (domestic only) - At the time a shipper tenders a package to UPS, the shipper may request Delivery Confirmation Service by indicating Delivery Confirmation on the UPS source document (excluding Air Shipping Documents) or in a UPS automated shipping system. Each Delivery Confirmation response will include the date of delivery and either the name of the recipient or the disposition of the package; or, in the event of a return, the response will indicate the reason for the return and the date processed. An additional charge, set forth in the UPS Rates applicable to the shipment in effect at the time of shipping, will be assessed for each such response. All responses will be consolidated and provided to the shipper in printed or electronic format.
2. *Delivery Confirmation Signature Required* (domestic and international) - A shipper may request UPS to obtain the recipient's signature and to include it on the Delivery Confirmation response. In such case, an additional charge, set forth in the UPS Rates applicable to the shipment in effect at the time of shipping, will be assessed. The shipper must use a UPS automated shipping system to initiate a request for this service.

3. *Delivery Confirmation Adult Signature Required* (domestic and international) - A shipper may request UPS to obtain the signature of an adult 21 years of age or older and to include it in the Delivery Confirmation response. An additional charge, set forth in the UPS Rates applicable to the shipment in effect at the time of shipping, will be assessed for each such response. UPS, in its sole discretion, will determine if delivery can be completed when such a request is made, and may request photo identification indicating the recipient's age, before completing delivery. The shipper must use a UPS automated shipping system to initiate a request for this service.
4. UPS reserves the right to assess the shipper an additional charge, set forth in the UPS Rates in effect at the time of shipping, when: the shipper requests UPS to obtain a signature or an adult signature upon delivery and an approved UPS label is affixed to the package indicating such request; the shipper requests UPS to obtain a signature or an adult signature upon delivery and an approved UPS label is not affixed to the package indicating such request; or, the shipper tenders a package that, based upon its contents, requires an approved UPS label requesting an adult signature upon delivery, and no such label has been affixed to the package.
5. A shipper may elect to direct a Delivery Confirmation response to an address other than the return address specified on the shipping label. In such case, the response will be mailed individually, and an additional charge, set forth in the UPS Rates applicable to the shipment in effect at the time of shipping, will be assessed. Only valid UPS accounts will receive responses via mail.

**L. UPS Next Day Air Early A.M. Verbal Confirmation of Delivery**

The shipper may request optional Verbal Confirmation of Delivery when shipping via UPS Next Day Air Early A.M. Verbal Confirmation of Delivery is not available in Hawaii and is not available for international shipments. When this service is selected, UPS will call the shipper to confirm delivery on the day of delivery. An additional charge, set forth in the UPS Rates applicable to the shipment in effect at the time of shipping, will be assessed for each Verbal Confirmation of Delivery request and will be billed to the payer of the transportation charges.

**M. Proof of Delivery (P.O.D.)**

Upon request, UPS will provide proof of delivery of a shipment via fax transmission, e-mail, or mail. The request must include a fax number, including area code, for an operating fax machine, an e-mail address for e-mail delivery, or an address deliverable by the United States Postal Service for mail. UPS reserves the right to assess the shipper an additional charge, set forth in the UPS Rates applicable to the shipment in effect at the time of shipping, for each successfully transmitted or mailed P.O.D.

**N. Package Tracking/Tracing and Refund Request Charge**

UPS reserves the right to assess a shipper an additional charge of \$3 per request for each Package Tracking/Tracing and Refund Request initiated by or at the request of the shipper. This charge will not be assessed for the first 50 package tracking requests per calendar week, or for a quantity of package-tracking requests equal to or less than 20 percent of the shipper's package volume for that week, whichever is greater. This charge will not be assessed for a quantity of package-tracing requests equal to or less than 2 percent of the shipper's package volume for that week. UPS also reserves the right to assess the shipper a charge in the effective UPS Rates for Service Guarantee refund requests when the subject package was delivered in accordance with the applicable UPS Service Guarantee in the effective UPS Tariff/Terms and Conditions of Service.

**O. Special Handling of Undeliverable Packages; Refused Packages Returned**

1. Domestic packages refused by the consignee, or which cannot be delivered due to any other cause beyond UPS's control, will be returned to the shipper at shipper's expense. A package returned to the shipper after delivery is subject to applicable charges. The UPS Service Guarantee does not apply to undeliverable packages returned to the shipper.
2. If a domestic package is refused by the consignee or for any other reason cannot be delivered, and return of the package is refused by the shipper, or the package cannot otherwise be returned to the shipper, UPS will retain the package for a reasonable period of time, to be determined in its sole discretion (not to exceed thirty days), and UPS reserves the right to dispose of the package thereafter.
3. International shipments refused by the consignee, or which for any other reason cannot be delivered, will be held, and UPS will attempt to contact the shipper for further instructions. The shipper will be responsible for payment of all charges, including, but not limited to, forwarding, disposal, or return transportation charges, as well as any duty and tax, if applicable.
4. UPS will not be liable for any claims for loss or damage to a package refused by the shipper on return.

**P. Interruption of Service**

UPS shall not be liable for any interruption of service due to causes beyond UPS's control, including, but not limited to, the following: the unavailability or refusal of a person to accept delivery of the shipment, acts of God, acts of public authorities acting with actual or apparent authority, acts or omissions of customs or similar authorities, insufficient information provided by a customer, Hazardous Materials packages improperly offered for transport, the application of security regulations imposed by the government or otherwise applicable to the shipment, riots, a government agency hold, strikes or other labor disputes, civil unrest, disruptions of any kind in air or ground transportation networks, and natural disasters.

**Q. C.O.D. Packages**

1. C.O.D. means, for all purposes, Collect On Delivery. UPS accepts C.O.D. packages for delivery throughout the United States and Puerto Rico.
2. Preparation and Listing of C.O.D. Packages: C.O.D.s are accepted for amounts up to \$50,000 per package. Shippers not using a UPS automated shipping system must prepare and attach to each C.O.D. package a UPS C.O.D. tag showing the amount to be collected and enter such amount in the space provided for that purpose.
3. Shippers using a UPS automated shipping system will generate, and apply to each C.O.D. package, a system-generated address label with a C.O.D. bar code and the amount to be collected for each individual package. Each C.O.D. package in a Hundredweight C.O.D. shipment must carry a C.O.D. tag or system-generated label for the goods contained in that package.
4. Responsibility for C.O.D.s: Upon delivery of each C.O.D. package, UPS will attempt to collect the amount shown on the C.O.D. tag or the system-generated label attached to the package and transmit to the shipper the amount so

collected (subject to the terms and conditions in Section IV(R), "Remittance of C.O.D.s," below), or, if collection cannot be made, will return the package to the shipper. The shipper must notify UPS within 45 days from the date of shipment of a C.O.D. shipment if the shipper has not received payment of the C.O.D. amount, or any claim relating thereto shall be deemed waived. Suits shall be instituted within two years after denial of any portion of the claim.

5. If collection cannot be made within three delivery attempts, or the consignee refuses delivery, UPS will return the package to the shipper.
6. Consignee's Checks in Payment of C.O.D.s: Unless instructions to collect a cashier's check or money order only are shown on the C.O.D. tag (in conformity with the instructions on the tag) or system-generated label, UPS will accept a check or other negotiable instrument issued by or on behalf of the consignee. When instructions to collect a cashier's check or money order only are clearly indicated on the C.O.D. tag or system-generated label, UPS reserves the right to accept a cashier's check, money order, official bank check or other similar instrument issued by or on behalf of the consignee. All checks or other negotiable instruments (including cashier's checks, official bank checks, money orders and other similar instruments) tendered in payment of C.O.D.s will be accepted by UPS based solely upon the shipper assuming all risk relating thereto including, but not limited to, risk of non-payment, insufficient funds, and forgery, and UPS shall not be liable upon any such instrument. All checks or other negotiable instruments (including cashier's checks, official bank checks, money orders and other similar instruments) will be transmitted to the shipper together with UPS's own check if consignee check(s) collected are for less than the C.O.D. amount. Remittances (checks, money orders, etc.) received that are less than the C.O.D. dollar amount indicated by the shipper will be reimbursed for the full amount unless the variance of the amount remitted is less than \$1.00.
7. Payment of \$10,000 or more: UPS may require payment for any C.O.D. package of \$10,000 or more to be received in a single check or other negotiable instrument such as a cashier's check, money order, official bank check or other similar instrument.
8. In the event that UPS accepts a personal or company check when a shipper has properly instructed UPS to collect a cashier's check or money order only, UPS reserves the right, in its sole discretion, to deposit into a UPS account the personal or company check collected and to provide the shipper with a check issued by UPS.
9. In the event that a shipper timely notifies UPS that it has not received payment of the C.O.D. amount, if UPS's records show that it collected a C.O.D. payment and the remittance has not been cashed, UPS may, in its sole discretion, provide the shipper with a digital image of the check or money order along with a C.O.D. Remittance Verification in order to assist the shipper in locating the missing C.O.D. payment. If the shipper is still unable to locate the C.O.D. payment, UPS may, in its sole discretion, provide the shipper with an indemnified C.O.D. check or money order, which is a digital image of the original payment collected by UPS at the time of delivery and can be deposited in a bank, provided that the original check or money order has not previously been deposited or negotiated. If the indemnified check or money

- order turns out to be invalid for any reason, including, but not limited to, insufficient funds or forgery, UPS shall not be liable upon the instrument.
10. C.O.D. packages with an amount to be collected in excess of \$500 will not be accepted for transportation via a UPS Drop Box. C.O.D. service is not provided for international shipments.
  11. Entry of a C.O.D. amount is not a declaration of value for purposes of purchasing declared value protection against loss or damage. Payment of the C.O.D. charge does not constitute payment of the declared value charge.
  12. Currency in Payment of C.O.D.s: UPS will not accept currency in any amount for payment of C.O.D. shipments.
  13. Charges for C.O.D. Collections: An additional charge, set forth in the UPS Rates applicable to the shipment in effect at the time of shipping, will be assessed for each C.O.D. package tendered to UPS.
  14. As with all packages, UPS will not be liable for any special, incidental or consequential damages for C.O.D. packages.

**R. Remittance of C.O.D.s**

1. Subject to the following provisions of this section, UPS shall remit C.O.D. collections to the shipper after the date of collection.
2. For purposes of this section Remittance of C.O.D.s, the term “Charges” shall have the same definition as set forth in Section V(M) (“Payment of Charges”). The shipper irrevocably authorizes UPS to apply, in its sole discretion and without prior notice to the shipper, any C.O.D. collections to any past due Charges owed by the shipper. To this end, if there are any past due Charges owed by the shipper, the shipper hereby (a) irrevocably assigns and transfers to UPS all of the shipper’s right, title and interest in and to each check or other negotiable instrument for payment of a C.O.D. that is received by UPS or its employee or agent, and (b) constitutes and appoints UPS as the shipper’s attorney-in-fact and authorizes UPS, in the shipper’s name, place and stead, to endorse any such check or other negotiable instrument with the shipper’s name, to deposit the same into any UPS account, and to apply the proceeds of the same against any past due Charges owed by the shipper. The shipper acknowledges and agrees that such appointment of UPS as the shipper’s attorney-in-fact is coupled with an interest and is irrevocable. UPS may exercise any of its rights under this section either directly or through any employee or agent.
3. The shipper relinquishes, waives and agrees not to assert any claim against UPS or any of its employees or agents, any consignee, any collecting or paying bank, or any other person or entity that may directly or indirectly arise as a result of UPS’s exercise of any of its rights under this section Remittance of C.O.D.s. Without diminishing any of UPS’s rights under the preceding sentence, the shipper agrees that UPS and such other persons or entities shall not be liable to the shipper or any other person or entity for any special, incidental, or consequential damages in any claim made with respect to UPS’s exercise of any such rights.

4. The shipper agrees that, following UPS's application of any C.O.D. collections to any past due Charges owed by the shipper in accordance with this section, the shipper will continue to be fully liable for the payment of all remaining Charges owed by the shipper (including, without limitation, (i) any Charges that are not covered by the application of the C.O.D. collections, and (ii) any Charges relating to a previously applied C.O.D. collection that is reversed by reason of the uncollectibility of the C.O.D. check or other negotiable instrument or otherwise).
5. Nothing in this section shall constitute an election of remedies by UPS or any other person or entity or a waiver of any of the rights of UPS or any other person or entity under the remaining provisions of the UPS Tariff/Terms and Conditions of Service or at law or in equity.

## **V. RATES AND PAYMENT**

### **A. UPS Rates**

1. The effective UPS Rates for packages and shipments originating in the 48 contiguous United States are defined as the Daily or Retail Rates established by UPS for the service selected by the shipper, that apply to the shipper and the package, and are in effect at the time of shipping, plus any additional charges or rates for nonstandard service, additional or nonstandard usage, and any other additional charges referenced within the UPS Tariff/Terms and Conditions of Service or the UPS Rate and Service Guide, or those applicable additional rates set out in any customized contracts.
2. To determine the amount of any charge for UPS service, consult the effective UPS Rates. The effective UPS Rates are available at [ups.com](http://ups.com) and upon request at the local UPS office.
3. The applicable UPS Rates are determined on the basis of package and shipper characteristics, including package weight and size and origin to destination distance, and are therefore subject to change. UPS account holders who have a UPS daily pickup account or a customized shipping agreement with UPS will receive Daily Rates. Daily Rates also are available upon request to UPS account holders who receive Retail Rates and have multiple shipping accounts at a location with a UPS daily pickup account or average shipping revenue of at least \$50 per week for a consecutive four-week period, excluding the month of December.
4. UPS account holders who receive Daily Rates, but no longer meet criteria to qualify for Daily Rates, may be charged Retail Rates without further notice from UPS. UPS account holders receiving Retail Rates who believe that they may qualify for Daily Rates must contact UPS in order to be considered for Daily Rates. Upon request, UPS will then determine whether the UPS account holder is eligible for Daily Rates, in UPS's discretion. Any rate changes will be applied prospectively only, and UPS account holders will not be entitled to any refunds or credits for charges or rates previously assessed, even if the UPS account holder was previously eligible for Daily Rates.
5. The effective UPS Rates for packages and shipments originating in Alaska and Hawaii are defined as the UPS Rates published in the effective UPS Rate and Service Guide for Alaska and Hawaii, or Retail Rates established by UPS for

the service selected by the shipper that apply to the shipper and the package, and are in effect at the time of shipping, plus any additional charges or rates for nonstandard service, additional or nonstandard usage, and any other additional charges referenced within the UPS Tariff/Terms and Conditions of Service or the UPS Rate and Service Guide, or those applicable additional rates set out in any customized contracts.

6. Packages and shipments processed and paid for at The UPS Store or UPS Customer Centers will be subject to Retail Rates. Shippers who bring packages to a location of The UPS Store or UPS Customer Centers that are processed and billed to a UPS account, or processed and billed through ups.com will receive their applicable rates.
7. UPS reserves the right in its sole discretion to use any mode of transportation whatsoever to provide the service selected by the shipper. Regardless of the mode of transportation used, the effective UPS Rates for the service selected by the shipper shall apply. If, however, a shipper selects a UPS service to a destination for which only a higher level of service is available, UPS will substitute the next higher level of available service and will charge the corresponding rate for the substituted service.
8. UPS may refer to the “UPS Express<sup>SM</sup> Envelope” and the “UPS Letter” interchangeably. The Letter rate applies only to shipments sent in UPS Express Envelope or UPS Letter packaging.

#### **B. UPS Next Day Air and UPS 2nd Day Air® Charges**

For Next Day Air services, there is no weight limit for Express Envelopes containing correspondence, urgent documents or electronic media. When a Next Day Air service is selected, Express Envelopes containing items other than those listed above are subject to the corresponding rates for the applicable weight. The shipper agrees to comply with the requirements of the Private Express Statutes when using UPS 2nd Day Air A.M. and UPS 2nd Day Air services. For UPS 2nd Day Air services, Express Envelopes weighing one (1) pound or more are subject to the corresponding rates for the applicable weight. (For the shipment of certain electronic media containing sensitive personal information (such as personal, financial or health information), see the packaging guidelines located at ups.com. The guidelines advise against the use of Express Envelopes, Express Paks, or Express Pad Paks to ship sensitive personal information).

#### **C. Invalid UPS Next Day Air Early A.M. Shipment Charge**

UPS reserves the right to assess a charge, set forth in the UPS Rates applicable to the shipment in effect at the time of shipping, for each UPS Next Day Air Early A.M. package shipped to a destination outside the UPS Next Day Air Early A.M. service area.

#### **D. Rates for Large Packages; Large Package Surcharge**

A package shipped using UPS Ground, UPS Standard to Canada, UPS Air Services or UPS 3 Day Select, including Hundredweight, is considered a “Large Package” when the package measurements exceed 130 inches in length and girth [(2 x width) + (2 x height)] combined, and is equal to or less than 165 inches. The rate for a Large Package shipped using UPS Ground, UPS Standard to Canada, UPS Air Services or UPS 3 Day Select, including Hundredweight, will be based on the greater of the dimensional weight or the actual weight, and is subject to a minimum billable rate set forth in the UPS Rates applicable to the shipment in effect at the time of the shipping. A Large Package Surcharge (LPS) set forth in the UPS Rates applicable to the shipment in effect at the time of shipping will be applied to each Large Package. Each Large Package in a

UPS Ground, UPS Air Services or UPS 3 Day Select multi-piece shipment may receive an LPS. LPS will not apply to Authorized Return Services UPS Ground packages.

#### **E. Additional Handling Charge**

1. An Additional Handling charge, set forth in the UPS Rates applicable to the shipper and the package and in effect at the time of shipping will be assessed for the transportation of the following:
  - a. Any article that is encased in an outside shipping container made of metal or wood;
  - b. Any cylindrical item, such as a barrel, drum, pail or tire, that is not fully encased in a corrugated cardboard shipping container;
  - c. Any package with the longest side exceeding 60 inches or its second-longest side exceeding 30 inches;
  - d. Any package with an actual weight greater than 70 pounds; and
  - e. Each package in a Hundredweight or Standard to Canada shipment where the average weight per package is greater than 70 pounds and the weight for each package is not specified on the source document or the UPS automated shipping system used.
2. UPS also reserves the right to assess the Additional Handling charge for any package that, in UPS's sole discretion, requires special handling.

#### **F. Fuel Surcharge**

UPS reserves the right to institute a fuel surcharge on some or all shipments without prior notice. This surcharge is subject to adjustment monthly. This surcharge may apply to any domestic or international transportation or other charges, including, but not limited to, any accessorial charge or surcharge. This surcharge will be applied to such services and for such periods as UPS, in its sole discretion, may determine necessary. The current fuel surcharge is described at [ups.com](http://ups.com).

#### **G. Manual Processing**

UPS reserves the right to assess a manual processing charge of \$0.50 per package or \$35 per week (whichever is greater) on shippers who ship packages via a UPS shipping system that applies outdated UPS Rates until such time as the shipper upgrades the UPS shipping system to reflect current UPS Rates.

#### **H. Billing Options for Domestic Shipments**

1. Unless otherwise agreed to in writing by UPS, shipping charges will be billed to the shipper.
2. UPS accepts shipments for Collect billing and Third-Party billing provided the consignee or third party has a valid UPS account number and has agreed to accept the charges. Regardless of the billing option selected, some charges, including, but not limited to, address correction charges, will be billed to the shipper.

## **I. Billing Options for International Shipments**

1. The amount billed includes, but is not limited to, shipping charges, duties and taxes, if applicable. Unless otherwise restricted in the origin or destination country, shippers tendering packages via a UPS automated shipping system, or a UPS source document may select the payer of shipping charges, duties and taxes as Shipper, Receiver, or Third Party. UPS accepts shipments for Third Party billing provided the third party has a valid UPS account number and has agreed to accept the charges.
2. An additional Duty and Tax Forwarding Surcharge will apply if the shipper selects a billing option in which duties and taxes are to be paid outside of the destination country.
3. UPS reserves the right in its sole discretion to request advance payment of shipping charges for any package sent to or from any international destination or origin.
4. For all shipments where the shipper is not paying the shipping charges, the shipper must notify the bill payer prior to shipping, and agree to pay all charges in the event of non-payment by the bill-to party. The shipper is liable for payment in the event of non-payment by the consignee (or receiver) or third party. All shipments must have a valid UPS billing option indicated on the UPS Waybill. Regardless of the billing option selected, some charges, including, but not limited to, address correction charges, will be billed to the shipper.

## **J. Disbursement Fee**

In order to expedite customs clearance, UPS may make or process payments of duties and taxes on behalf of the payer as dictated by the billing option selected. A Disbursement Fee of 2 percent of the amount processed (minimum fee of \$5), will be assessed and billed to the payer.

## **K. Currency Conversion Rate**

Charges to a payer's account in a foreign currency will be converted to the payer's currency using a weekly exchange rate secured through Major Money Center Banks, plus an exchange fee, set forth in the UPS Rates applicable to the shipment in effect at the time of shipping.

## **L. Missing/Invalid Account Number or Refusal Fee**

A processing fee, set forth in the UPS Rates applicable to the shipment in effect at the time of shipping, will be charged for a missing or invalid account number when the account number, including the shipper's account number, is missing, the account number is not the correct account number for the bill-to party, or if it is the account number for a receiver or third party who fails to pay the shipping charges. In the event of non-payment by the receiver or third party, the shipper will be billed a refusal fee plus the shipping charges.

## **M. Payment of Charges**

1. For purposes of this section, the term "Charges" means all applicable transportation and other charges, including, but not limited to, all applicable accessorial charges, brokerage service fees, surcharges, additional handling charges and late payment fees.

2. Except where an alternative payment plan applies, UPS's payment terms require payment in full in advance. The shipper agrees to pay any applicable late payment fees as may be assessed by UPS and fees that may be imposed if any negotiable instrument submitted to UPS as payment for Charges is returned to UPS unpaid or if any electronic request for payment is dishonored.
3. Notwithstanding any billing plan that is in effect or payment or billing option selected at the time of shipment, the shipper is ultimately liable for and agrees to pay all Charges, including in the event of insolvency, bankruptcy, non-payment or refusal to pay by the consignee or third party.
4. UPS reserves the right to bill for Charges based upon the characteristics of, and services requested for, packages actually tendered to UPS. UPS also reserves the right to audit invoices to verify service selection, package or shipment weight, and applicability of any Charges, and to make appropriate adjustments. All Charges must be paid in the lawful money of the United States of America. If Charges are paid by credit card, the shipper expressly authorizes UPS to assess any Charges and to obtain payment of the Charges by use of the credit card. If, for any reason, any such credit card transaction is rejected or declined, the shipper will pay to UPS a declined transaction fee of ten dollars (\$10) per incident, in addition to any late payment fees assessed by UPS and any collection costs which may be incurred by UPS in the final collection of Charges owed by the shipper. In no event shall the declined transaction fee exceed the maximum amount allowed by applicable law. The shipper authorizes UPS to charge the declined transaction fee to the shipper's credit card account or to collect the fee directly from the shipper, at UPS's sole option.
5. UPS reserves the right, in its sole discretion to request advance payment of Charges for any package sent to any international destination.
6. If a shipper submits package information to UPS (through an automated shipping system, source document, or UPS Internet Shipping) and does not subsequently tender such package to UPS, it is the shipper's sole responsibility to request an adjustment, as set forth below. Shippers who fail to do so will be liable for all applicable Charges.
7. Shippers requesting an invoice adjustment (e.g., adjustment of Charges based on an incorrect rate, billable weight, account number, failure to tender a package, or type of service, etc.) or a refund due to a duplicate payment must notify UPS of the request within 180 days of receiving the contested invoice, or any billing dispute is waived. A partial payment against an invoice is not considered a request for an invoice adjustment.

#### **N. Options for Payment of Charges**

1. For purposes of this section, the term "Charges" shall have the same definition as set forth in Section V(M) ("Payment of Charges").
2. In its sole discretion, UPS may provide alternative payment terms to certain of its shippers. UPS, in its sole discretion, shall decide which, if any, of the alternative payment plans described below will be made available to the shipper. A shipper that is not enrolled in any of the payment plans described below shall pay all Charges in advance of shipment as required by UPS.

3. If, for any reason, a negotiable instrument submitted to UPS as payment for Charges is returned to UPS unpaid, or an electronic request for payment is dishonored, UPS may charge the shipper a dishonored payment fee of twenty dollars (\$20) or such amount as may be allowed by applicable law, per incident, in addition to any late payment fees assessed by UPS and any collection costs which may be incurred by UPS in the final collection of Charges owed by the shipper. In no event shall the dishonored payment fee exceed the maximum amount allowed by applicable law.
4. As an accommodation to the shipper, and in UPS's sole discretion, UPS may render invoices or copies of invoices to a third party at the request of the shipper. The shipper remains responsible for the timely payment in full of all Charges owed by the shipper. By requesting UPS to render invoices or copies of invoices to a third party, the shipper is deemed to authorize the third party to act on behalf of the shipper, and UPS may rely thereon in all respects.
5. UPS also may in its sole discretion elect to render an invoice that includes amounts owed for services provided by UPS affiliates.
6. Where UPS elects to make an alternative payment plan available to the shipper, UPS may render an invoice to the shipper on a weekly (i.e., seven days) or a monthly (i.e., four or five calendar weeks) basis. A weekly invoice will include the Charges incurred in the previous week. Notwithstanding that UPS has elected to render an invoice to the shipper on a weekly basis, an invoice may be issued only when the shipper has incurred aggregate Charges in excess of ten dollars (\$10), or when five (5) calendar weeks have elapsed from the date of issuance of the last invoice, whichever event occurs first. A monthly invoice will include the Charges incurred for the four or five week period for which the invoice is issued. A weekly service charge will be added to each invoice if the shipper has requested UPS's automatic daily pickup service. In its sole discretion, UPS may offer one or more of the following alternative payment plans for the payment of Charges:
  - a. Electronic Funds Transfer Plan (Debit EFT)

By written agreement with UPS, the shipper will provide UPS with the shipper's bank account number and bank routing number to enable UPS to electronically request payment, for all Charges incurred by the shipper, directly from the shipper's bank, on a weekly or monthly basis. The shipper's bank will remit the amount requested to UPS and deduct that amount from the shipper's bank account. Payments to UPS will be shown on the shipper's bank statements. The shipper is responsible for payment of any fees imposed by the shipper's bank. Additionally, the shipper will receive a weekly or monthly invoice, as applicable, except as described above, from UPS listing the services provided for the applicable billing period. If, for any reason, an electronic request for payment is dishonored, the shipper is responsible for making a timely payment directly to UPS. Past due balances will be subject to any collection costs which may be incurred by UPS in the final collection of Charges owed by the shipper. No late payment fee shall be assessed with respect to the Electronic Funds Transfer Plan.

- b. Monthly Prepayment Plan

By written agreement with UPS, the shipper will make a prepayment with UPS in an amount equal to four weeks' anticipated Charges as estimated by UPS. Upon notice to

the shipper, the required prepayment amount may be changed by UPS at any time to reflect a revised estimate of four weeks' Charges. All prepayment amounts will remain on account with UPS. No interest will be paid or accrued on the prepayment amounts.

The Charges incurred for the applicable month will be totaled and billed to the shipper on a monthly basis. Payment is due within seven (7) days after receipt of the UPS invoice. Past due balances will be subject to a late payment fee as described below in addition to any collection costs which may be incurred by UPS in the final collection of Charges owed by the shipper.

c. Weekly Prepayment Plan

By written agreement with UPS, the shipper will make a prepayment with UPS in an amount equal to four weeks' anticipated Charges as estimated by UPS. Upon notice to the shipper, the required prepayment amount may be changed by UPS at any time to reflect a revised estimate of four weeks' Charges. All prepayment amounts will remain on account with UPS. No interest will be paid or accrued on the prepayment amounts.

Shipper will receive invoices on a weekly basis, except as described above. Each invoice will list the previous period's Charges incurred. Payment for all accumulated Charges will be due within seven (7) days following the shipper's receipt of every fourth invoice; however, if prior to receiving the fourth invoice the shipper's accumulated Charges should equal or exceed the prepayment amounts on account with UPS, then the accumulated Charges will be due within seven (7) days following the shipper's receipt of the invoice requiring such payment. Past due balances will be subject to a late payment fee as described below in addition to any collection costs which may be incurred by UPS in the final collection of Charges owed by the shipper.

d. Special Payment Plan

By written agreement with UPS, the shipper may prepay an amount equal to the anticipated Charges for a period of between ten to twenty-six weeks, as estimated by UPS. The Charges actually incurred by the shipper will be deducted by UPS on a weekly basis from the prepayment amounts on account with UPS. Weekly invoices marked as paid will be forwarded to the shipper reflecting the balance of the prepayment amount on account with UPS. When the prepayment amount on account with UPS reaches the minimum balance specified in the written agreement, the shipper is required to make another prepayment for an additional period pursuant to the same agreement, or, if the shipper does not do so, the shipper must make another payment arrangement with UPS. All prepayment amounts will remain on account with UPS. No interest will be paid or accrued on the prepayment amounts. If the Charges incurred by the shipper exceed the remaining balance of the prepayment amounts on account with UPS, the excess Charges will be due within seven (7) days following the shipper's receipt of the invoice requiring such payment. Past due balances will be subject to a late payment fee as described below in addition to any collection costs which may be incurred by UPS in the final collection of Charges owed by the shipper. This payment plan alternative is available only to existing customers already approved for a Special Payment Plan.

e. Credit Extension Plan

By written agreement with UPS, the shipper may elect to pay an annual credit extension fee and thereafter receive invoices for Charges incurred by the shipper on a monthly basis with no prepayment requirement. The invoices will be payable within

seven (7) days following receipt by the shipper. The credit extension fee is based upon the shipper's total annual Charges, as estimated by UPS, and is subject to change annually by UPS in its sole discretion. In order to be eligible for the Credit Extension Plan, the shipper must use UPS's transportation services and the Credit Extension Plan solely for business, commercial, or agricultural purposes. A shipper is not eligible for the Credit Extension Plan if the shipper uses UPS's transportation services and the Credit Extension Plan for any personal, family, or household purposes. By using the Credit Extension Plan (if made available to the shipper), the shipper represents, warrants, certifies, and agrees that it will use UPS's transportation services and the Credit Extension Plan solely for business, commercial or agricultural purposes and not for any personal, family, or household purposes. Past due balances will be subject to a late payment fee as described below in addition to any collection costs which may be incurred by UPS in the final collection of Charges owed by the shipper.

f. Weekly Payment Plan

Each week the shipper will receive an invoice for the previous week's Charges except as described above. The invoice is due within seven (7) days of receipt. No prepayment is required under this plan.

Past due balances will be subject to a late payment fee as described below in addition to any collection costs which may be incurred by UPS in the final collection of Charges owed by the shipper.

g. Credit Card Payment Plan

The shipper may elect to pay the previous week's Charges by credit card. The shipper will receive billing detail itemized on their card statement or a weekly invoice, except as described above, from UPS listing the previous period's Charges incurred. The shipper will provide UPS with the shipper's credit information to enable UPS to process Charges incurred by the shipper on a weekly basis.

7. Shipper acknowledges and agrees that there may be a delay of two or more days between the date that payments are received by UPS and the date that the payments are posted and credited to the shipper's account with UPS. If a UPS remittance advice is attached to the shipper's payment, the payment will be credited accordingly. If no remittance advice is attached to the shipper's payment, the payment will be credited to the shipper's account.
8. For the Monthly Prepayment Plan, the Weekly Prepayment Plan, the Special Payment Plan, the Credit Extension Plan, and the Weekly Payment Plan, a late payment fee will be assessed if the shipper's payment is not received by UPS within fourteen (14) days of the invoice due date. Except as otherwise stated below, the late payment fee will equal six percent (6%) of the total past due balance of the shipper's invoice (including, without limitation, any previously assessed but unpaid late payment fees) that is fourteen (14) days past due or the maximum amount permitted by applicable law, whichever is less.
9. In determining the late payment fee for the Monthly Prepayment Plan and the Weekly Prepayment Plan, UPS will apply the prepayment amounts on account with UPS to reduce the calculated base amount on which the late payment fee is assessed; provided, that UPS will so apply the prepayment amounts to the oldest outstanding invoice first, and to each subsequent invoice thereafter, until the prepayment amounts have been fully so applied. If an invoice 14 days past

due is fully so covered by the prepayment amount, no late payment fee will apply. If an invoice 14 days past due is partially so covered by the prepayment amount, the late payment fee will apply to the portion not so covered by the prepayment amount.

10. For the Special Payment Plan, a late payment fee will not be assessed if there has been a positive balance in the shipper's prepayment account with UPS at any time during the 27-day period immediately preceding the transmittal of the current invoice to the shipper. The late payment fee for the Special Payment Plan will be assessed on the "charges this period" of the shipper's invoice (including, without limitation, any previously assessed but unpaid late payment fees) that is fourteen (14) days past due.
11. A late payment fee will be assessed only once on each invoice that is fourteen (14) days past due. Each late payment fee will be due and payable within seven (7) days following the shipper's receipt of the invoice that first reflects the assessment of the late payment fee. The late payment fee is in addition to any collection costs that may be incurred by UPS in the final collection of Charges owed by the shipper. Neither the assessment nor the payment of a late payment fee will (a) affect the shipper's responsibility to pay all Charges owed, or (b) in any manner preclude UPS from exercising any of its rights or remedies hereunder or under applicable law.

#### **O. UPS Returns® Services**

1. UPS offers the following UPS Returns® Services: Print Return Label, Electronic Return Label, Print and Mail Return Label, and Returns on the Web Return Label, and Authorized Return Service (ARS). UPS offers the following UPS Returns Plus services: 1 UPS Pickup Attempt, 3 UPS Pickup Attempts, and Call Tag. UPS Returns, UPS Returns on the Web, and UPS Returns Plus are collectively referred to as "UPS Returns Services." ARS, Call Tag, and UPS Returns on the Web are not available for international shipments.
2. **UPS Returns®:**
  - a. *Authorized Return Service (ARS)* - ARS is a contractual service only that allows the shipper to order preprinted labels to send to its customer. Packages can be returned from addresses in the United States, where this service is available, via UPS Next Day Air, UPS 2nd Day Air, UPS 3 Day Select, and UPS Ground. ARS is not available for international shipments. Upon delivery of the package, the shipper is billed the rate based upon the contract. There is no additional accessorial charge.
  - b. *Print Return Label; Electronic Return Label; Print and Mail Return Label* - Packages can be returned from addresses in the United States, and internationally where these services are available. The maximum actual or declared value for each Print Return Label, Electronic Return Label, or Print and Mail Return Label package is \$1,000. Upon delivery, a package returned will be charged the rate calculated from the pickup location to the destination via the service selected. An additional charge for each Print Return Label, Electronic Return Label, and Print and Mail Return Label package will be assessed when the

service is requested. The applicable charges will be those set forth in the UPS Rates in effect at the time the charge is applied.

3. ***UPS Returns Plus***

- a. ***1 UPS Pickup Attempt*** - A shipper can request that UPS make one pickup attempt to retrieve a package from an address in the United States and internationally with 1 UPS Pickup Attempt service, where this service is available. The maximum actual or declared value for each 1 UPS Pickup Attempt service package is \$1,000. Upon delivery, a package returned using 1 UPS Pickup Attempt service will be charged the rate calculated from the pickup location to the destination via the service selected. An additional charge for each 1 UPS Pickup Attempt service package will be assessed when 1 UPS Pickup Attempt service is requested. The applicable charges will be those set forth in the UPS Rates in effect at the time the charge is applied.
  - b. ***3 UPS Pickup Attempts*** - A shipper can request that UPS make three pickup attempts to retrieve a package from an address in the United States and internationally using 3 UPS Pickup Attempts where this service is available. The maximum actual or declared value for each 3 UPS Pickup Attempts service package is \$50,000. Upon delivery, a package returned using 3 UPS Pickup Attempts service will be charged the rate calculated from the pickup location to the destination via the service selected. An additional charge for each 3 UPS Pickup Attempts service package will be assessed when 3 UPS Pickup Attempts service is requested. The applicable charges will be those set forth in the UPS Rates in effect at the time the charge is applied.
  - c. ***Call Tag*** - A shipper can request that UPS retrieve a package from an address in the United States with a Call Tag via UPS Ground service. Call Tag service is not provided via UPS Air Services or UPS 3 Day Select. Call Tag service is not available for international shipments. The maximum actual or declared value for each Call Tag package is \$50,000. A package returned using Call Tag service will be charged the rate calculated from the pickup location to the destination. An additional charge for each Call Tag service package will be assessed when Call Tag service is requested. The applicable charges will be those set forth in the UPS Rates in effect at the time the charge is applied. The UPS Service Guarantee does not apply to shipments made using a Call Tag.
4. ***UPS Returns on the Web.*** UPS Returns on the Web service is a contractual service only that allows shipper's customers to initiate a return through the shipper's website. Upon delivery, the shipper is billed according to the terms in the contract. UPS Returns on the Web is not available for international shipments. The maximum actual or declared value per package for the UPS Returns on the Web Return Label, Print and Mail Return Label, and 1 UPS Pickup Attempt services is \$1,000. The maximum actual or declared value per package for UPS Returns on the Web 3 UPS Pickup Attempts is \$50,000.
5. UPS Returns Services packages (excluding Call Tag and Returns on the Web) can be returned from addresses outside the United States, where these services are available, by UPS Worldwide Express, UPS Worldwide Express Plus, UPS

Worldwide Express NA1, UPS Worldwide Saver, UPS Worldwide Expedited, UPS 3 Day Select from Canada, and UPS Standard. UPS Returns Services packages returned from an address outside the United States will be charged the import rate applicable to the shipment. An additional accessorial charge, as set forth in the effective UPS Rates, for each such UPS Returns Services' package will be assessed when the service is requested.

6. UPS Returns Services packages (excluding Call Tag) can be returned from addresses within the United States, where these services are available, via UPS Next Day Air Early A.M., UPS Next Day Air, UPS 2nd Day Air, UPS 3 Day Select, and UPS Ground. UPS Returns Services are not available via UPS Next Day Air Saver, or UPS 2nd Day Air A.M.
7. Packages containing certain items are prohibited from being shipped and are not accepted by UPS when tendered for transportation via UPS Returns Services, including, but not limited to, Hazardous Materials packages requiring shipping papers, packages containing firearms, and packages requiring Delivery Confirmation Adult Signature Required service.
8. C.O.D. (Collect on Delivery) service is not available for UPS Returns Services packages. Third-Party Billing is not available for UPS Returns Services in the United States. Third-Party Billing is available for UPS Returns Service outside the United States.

**P. UPS Service Guarantee**

1. UPS guarantees on-schedule delivery of packages shipped via UPS Air Services, UPS Hundredweight Service Air Services, UPS 3 Day Select and UPS Hundredweight Service UPS 3 Day Select, and UPS Ground and UPS Hundredweight Service Ground, where such services are available, to all 50 states and Puerto Rico.
2. UPS guarantees on-schedule delivery of packages shipped via UPS Worldwide Express Plus, UPS Worldwide Express NA1, UPS Worldwide Express, UPS Worldwide Saver, UPS Worldwide Expedited, UPS 3 Day Select from Canada and UPS Standard, where such services are available and provided that the customs clearance is performed by the UPS Supply Chain Solutions brokerage offices designated by UPS for clearing these packages and there is not a delay caused by certain events beyond our control, such as a government agency hold.
3. "Business day" means Monday through Friday except the following holidays:
  - a. New Year's Day
  - b. Memorial Day
  - c. Independence Day
  - d. Labor Day
  - e. Thanksgiving Day
  - f. Day after Thanksgiving Day\*

- g. Christmas Day (December 25)
- h. New Year's Eve\*

\*Delivery of UPS Air Services and International packages only.

- 4. In the event UPS fails to attempt delivery within the time published on the UPS website, or as provided when 1-800-PICK-UPS® is called, UPS, at its option, will either credit or refund the transportation charges for each such package to the payer only, upon request. Transportation charges do not include other fees or charges that may be assessed by UPS, including but not limited to, fuel surcharges. This is the sole remedy available under the UPS Service Guarantee. The UPS Service Guarantee is subject to the following conditions and exclusions:
  - a. UPS's guaranteed delivery schedule has been obtained by referencing UPS's website or contacting a UPS Customer Service office. "On-time" or "on-schedule" means, subject to the terms of this UPS Service Guarantee, delivery is attempted within the UPS guaranteed delivery schedule.
  - b. Each package is properly recorded on a UPS source document or in a UPS automated shipping system.
  - c. Each package in a shipment bears the appropriate UPS tracking label and an address label, or a combined label generated by a UPS automated shipping system, showing the consignee's correct name, deliverable address (UPS does not provide delivery to a P.O. box) and ZIP Code (or postal code for international shipments). In addition, UPS reserves the right, in its sole discretion, to refuse to honor a request for a credit or refund of transportation charges for a package when that package is not accompanied by a smart label and timely Package Level Detail (PLD) information, as defined in the UPS Tariff/Terms and Conditions of Service, at the time the package is tendered to UPS.
  - d. Each UPS 2nd Day Air A.M. package is addressed to a commercial, not residential, address. A residential delivery is defined as provided in the UPS Tariff/Terms and Conditions of Service.
  - e. Each package in a shipment bears a UPS Saturday Delivery routing label when optional Saturday service is requested and available.
  - f. Each package in a shipment is tendered to UPS during UPS's published business hours. Packages received from or destined to certain locations may require earlier pickup times (available at the UPS website).
  - g. UPS is notified in writing, including by e-mail, or by telephone of a service failure within fifteen (15) calendar days from the date of scheduled delivery and is advised of the consignee's name and address, date of shipment, package weight and UPS tracking number.
  - h. For UPS Worldwide Expedited shipments, the guarantee shall apply only to shipments originating in, or destined for, the United States, and

when the billed party is resident in the United States and is responsible for all shipping charges.

5. Under no circumstances shall UPS be liable for any special, incidental or consequential damages, including, but not limited to, damages arising from delayed delivery or failure to attempt delivery in accordance with the UPS Service Guarantee. Under no circumstances shall UPS be liable for any damages whatsoever for delayed delivery, except as specifically provided for shipments made under the UPS Service Guarantee.
6. The guarantee does not apply to packages tendered pursuant to Drop Shipments (as defined in the UPS Tariff/Terms and Conditions of Service), special operating plans, or customized handling or processing arrangements. The guarantee also does not apply to packages shipped using an automated shipping system that is not located at the pickup address assigned to the UPS account number used to ship the package.
7. The guarantee does not apply to UPS Ground Returns Service packages, or to shipments made using a Call Tag.
8. The guarantee does not apply to UPS shipments that are delayed due to causes beyond UPS's control, including but not limited to, the following: the unavailability or refusal of a person to accept delivery of the shipment; acts of God; acts of public authorities acting with actual or apparent authority; acts or omissions of customs or similar authorities; insufficient information provided by a customer; Hazardous Materials packages improperly offered for transport; the application of security regulations imposed by the government, or otherwise applicable to the shipment; riots, strikes or other labor disputes; civil unrest; disruptions in air or ground transportation networks; and natural disasters. UPS reserves the right to refuse any request for a credit or refund when such request is either (a) made by, or (b) based on information obtained by, a party other than the payer of the shipping charges.
9. The guarantee does not apply to UPS Ground shipments or UPS Standard to Canada shipments that are picked up or scheduled to be delivered during the period December 1 through December 31.
10. The guarantee does not apply to Air Services shipments that are picked up in the United States and Puerto Rico on the three calendar days before December 25. In addition, the delivery commitment time for on-schedule delivery for all Air Services and International Services shipments delivered within the United States and Puerto Rico will be extended by 90 minutes on the Day after Thanksgiving Day, during the seven calendar days before December 25, and on December 26 and New Year's Eve.

## **VI. LIABILITY LIMITATIONS AND CLAIMS**

### **A. Claims and Legal Actions**

1. Claims against UPS must be filed within strict time limits, including as set forth in Section V(M) ("Payment of Charges") regarding invoice adjustments or billing disputes; Section VI(D) ("Time Limit For Filing Claims For Loss or Damage To Property") regarding claims for loss or damage to property; and pursuant to the UPS Service Guarantee.

2. All claims against UPS arising from or related to the provision of services by UPS, including, but not limited to, demands for damages, refunds, credits, and any legal or equitable relief whatsoever, shall be extinguished unless the shipper or claimant (1) timely and completely complies with all applicable notice and claims periods set forth in the UPS Tariff/Terms and Conditions of Service and in the UPS Rate and Service Guide, including as to claims for loss or damage to property, claims under UPS's Service Guarantee, or claims for invoice adjustments; and (2) pleads on the face of any complaint filed against UPS satisfaction and compliance with those notice and claims periods as a contractual condition precedent to recovery.
3. Claimants may not deduct the amounts of pending claims from any charges owed to UPS, and the shipper waives any and all rights, including any statutory or common law rights, to set off the amount of any claim against charges owed to UPS.

**B. Filing of Claims For Loss Or Damage To Property**

1. All claims for loss of or damage to property transported or accepted for transportation must: (1) be in writing (or an electronic communication) and must include reference to the source document or pickup record number and date of shipment or copies of other documents sufficient to identify the shipment involved, and the declared value; (2) assert the liability of UPS for alleged loss or damage; (3) make claim for payment of a specified or determinable amount of money; and (4) be accompanied by a copy of the original invoice or, if no invoice was issued, other proof, certified to in writing, as to the purchase price paid by the consignee (where the property involved has been sold to the consignee), actual cost or replacement cost of the property, or extent of the damage to the property.
2. No claims will be voluntarily paid unless filed in writing or transmitted electronically by or on behalf of the shipper in accordance with these provisions.

**C. Acknowledgement of Claims For Loss Or Damage To Property**

After receiving a proper written or electronic transmission of a claim in the manner and form and with the supporting documents described in Section VI(B) ("Filing of Claims For Loss Or Damage To Property") and Section VI(E) ("Investigation of Claims For Loss Or Damage To Property") herein, UPS or its designee will acknowledge the receipt of such claim in writing or electronically to the claimant within 30 days after the date of receipt, unless such claim has already been paid or denied in writing or electronically. UPS will at the time each claim is received create a separate file and assign thereto a successive claim file number and note that number on all documents filed in support of the claim and all records and correspondence with respect to the claim including the written acknowledgment of receipt and, if in its possession, the source document and delivery receipts, if any, covering the shipment involved. At the time such claim is received, UPS will cause the date of receipt to be recorded on the face of the claim document, and the date of receipt will also appear on the acknowledgment of receipt sent to the claimant.

**D. Time Limit For Filing Claims For Loss Or Damage To Property**

As a condition precedent to recovery, all claims for loss or damage to property must be filed in writing or electronically with UPS within the following time limits: for domestic shipments, claims must be filed within nine months after delivery of the package or, in case of failure to make delivery, then within nine months after a reasonable time for delivery has elapsed. For international shipments, claims must be filed within sixty days

after delivery of the package or in the case of non-delivery, within sixty days after a reasonable time for delivery has elapsed. Suits shall be instituted within two years after denial of any portion of the claim. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, such claims shall be deemed waived and will not be paid. A request for proof of delivery does not constitute the filing of a claim.

**E. Investigation of Claims For Loss Or Damage To Property**

1. Prompt Investigation. Each claim for loss or damage to a package or shipment filed in the manner prescribed herein will be promptly and thoroughly investigated, if investigation has not already been made prior to receipt of the claim.
2. Supporting Documents. A necessary part of an investigation requires that each claim be supported by the following: evidence of payment of the shipping and any declared value charges; and either the original invoice, a photocopy of the original invoice or an exact copy thereof, or an extract made there from, certified by the claimant to be true and correct with respect to the property and cost thereof involved in the claim, or certification of prices or costs, with trade or other discounts, allowance, or deductions of any nature whatsoever and the terms thereof, or depreciation reflected thereon; provided, however, that where the property involved in a claim has not been invoiced to the consignee shown on the bill of lading or receipt or where an invoice does not show price or cost, or where the property involved has not been sold, or where the property has been transferred at bookkeeping values only, UPS will, before paying a claim thereon, require the claimant to establish the value in the quantity shipped, transported, or involved and to certify the correctness thereof in writing. UPS reserves the right to request the original shipping record or source document. For an asserted claim in excess of \$1,000 for a package shipped as a result of a request for service made through the internet by a shipper who has a UPS Internet shipping account only, the shipper must provide a copy of the signed receipt obtained from UPS at the time of tender to support the claim.
3. Original Packaging Materials. In the event that a claim is made for damage to a package, the original packaging materials must be made available to UPS or its designee for inspection.
4. Verification of Loss. When an asserted claim for loss of an entire package or an entire shipment cannot be otherwise authenticated upon investigation, UPS will obtain from the consignee of the shipment involved a certified statement in writing that the property for which the claim is filed has not been received from UPS or from any other source. UPS reserves the right to require verification by the filing of a police report and providing a copy of the filed report to UPS in support of the claim.
5. Salvage. When UPS pays the actual cost, the purchase price, or the replacement cost of the property, all rights, title to, and interest in the property shall thereupon pass to UPS, and UPS reserves the right to obtain the property for salvage. Payment of a claim in such circumstances shall be contingent on UPS's receipt of the damaged property in the same condition as on the date the damage was incurred.

## **F. Disposition of Claims For Loss Or Damage To Property**

UPS or its designee, after receiving a written claim for property transported, will pay, decline, or make a firm compromise settlement offer in writing to the claimant within 120 days after UPS receives the claim; provided, however, that if the claim cannot be processed and disposed of within 120 days after receipt, UPS or its designee will at that time and at the expiration of each succeeding 60-day period while the claim remains pending, advise the claimant in writing of the status of the claim and the reason for the delay in making final disposition thereof and shall retain a copy of such notice to the claimant in its claim file.

## **G. Limitations of Liability**

1. Each UPS domestic package or international shipment is automatically protected by UPS against loss or damage up to a value of \$100. Unless a greater value is recorded in the declared value field of the UPS source document or the UPS shipping system used, the shipper agrees that the released value of each domestic package or international shipment is no greater than \$100, which is a reasonable value under the circumstances surrounding the transportation, and that UPS shall not be liable for more than \$100 for each domestic package or international shipment.
2. If additional protection is desired, the shipper may declare a value in excess of \$100, subject to the maximum allowable limits, by showing a value in excess of \$100 in the declared value field of the UPS source document or the UPS shipping system used. An additional charge as set forth in the UPS Rates in effect at the time of shipping will be assessed. UPS shall not be liable under any circumstances for an amount in excess of the declared value of a domestic package or international shipment. When a shipper declares a value in excess of \$100, it does not receive any form of insurance. Shippers desiring cargo insurance, all risk insurance, or another form of insurance should purchase such insurance from a third party.
3. The maximum declared value per package is \$50,000, except for:
  - a. packages shipped as a result of a request for service made through the internet by a shipper who has a UPS Internet shipping account only, for which the maximum declared value is \$5,000 per package;
  - b. packages shipped via a UPS Drop Box, for which the maximum declared value is \$500 per package;
  - c. international shipments containing jewelry (not including costume jewelry), for which the maximum declared value is \$500 per shipment;
  - d. packages returned via UPS Print Return Label, UPS Print and Mail Return Label, Electronic Return Label, or 1 UPS Pickup Attempt Return Services, (including via UPS Returns on the Web) for which the maximum declared value is \$1,000 per package; and
  - e. packages shipped via Shipper Release service, for which the maximum declared value is \$999 per package.
4. Shippers cannot declare a value for UPS Prepaid Letters.

5. Whenever property is damaged or lost by UPS in the course of transportation, UPS's maximum liability per domestic package or international shipment shall not exceed the lesser of:
  - a. \$100 when no value in excess of \$100 is declared on the source document or shipping system used (or when a value in excess of \$100 is declared, but the applicable declared value charges are not paid);
  - b. the declared value on the source document or shipping system used when a value in excess of \$100 is declared and the applicable declared value charges paid;
  - c. the purchase price paid by the consignee (where the shipped property has been sold to the consignee);
  - d. the actual cost of the damaged or lost property;
  - e. the replacement cost of the property at the time and place of loss or damage; or
  - f. for the cost of repairing the damaged property.
6. UPS's liability for a package containing a check or checks is limited to the cost of stopping payment on and reissuing the check(s), not to exceed \$100 per package. In no event shall UPS be liable for the face value of the check(s).
7. UPS's liability for a package containing a phone card, gift certificate, gift card, coupon, or other similar printed matter with an exchange value is limited to the cost (which shall not include any amount of the value attached to the card, certificate, or coupon, or similar printed matter) of replacing the physical card(s), certificate(s), or printed matter, not to exceed \$100 per package. In no event shall UPS be liable for the face value of any phone card, gift certificate, gift card, coupon, or similar printed matter.
8. UPS's liability for loss or damage to a package containing documents, film, photographs (including negatives), slides, transparencies, videotapes, compact discs, laser discs, computer tapes, and media of similar nature is limited to the replacement cost of the media on which the content is recorded.
9. Declaring a value in the declared value field of the UPS source document or UPS shipping system used does not provide protection for, and shippers may not declare a value for protection for, damages related to providing or failure to provide C.O.D. service, including, but not limited to: failure to collect the C.O.D. amount; failure to collect the specified form of payment; collection of an instrument in the wrong amount; failure or delay in delivering the collected instrument to the shipper; or collection of forged, insufficient funds or otherwise invalid instruments.
10. In the event of loss of or damage to a pair or set of articles, UPS's liability is limited to the value of that part of the pair or set which is lost or damaged, and UPS shall not be liable for the value of the whole pair or set. In the event of loss of or damage to any part of property (including any part of a machine) which, when complete for sale or use, consists of several parts, UPS shall be liable only for the value of the part lost or damaged, not to exceed the declared

- value of the part lost or damaged. In no event shall UPS be liable for the value of the complete item.
11. No claim for loss or damage shall be paid unless a valid claim has been filed in accordance with terms set forth herein (in Section VI(B), "Filing of Claims for Loss or Damage to Property," Section VI(D), "Time Limit for Filing Claims For Loss Or Damage To Property" and Section VI(E), "Investigation of Claims For Loss Or Damage To Property"). UPS reserves the right to refuse to pay any claim for loss or damage to property until all outstanding charges owing to UPS have been paid in full.
  12. UPS shall not be liable or responsible for:
    - a. loss or damage to articles of unusual value (as defined in the UPS Tariff/Terms and Conditions of Service);
    - b. Prepaid Letters;
    - c. loss or damage to any package resulting from insects, moths, vermin, inherent vice, deterioration, dampness of atmosphere, extreme of temperature, ordinary wear and tear, or that which occurred or arose prior to or after the course of transportation by UPS;
    - d. loss or damage to any package resulting from improper, inadequate or unsafe packaging or wrapping that fails to meet UPS's published standards related thereto set forth in the UPS Tariff/Terms and Conditions of Service or at ups.com;
    - e. loss or damage to perishable commodities or commodities requiring protection from heat or cold to the extent the loss or damage results from exposure to heat or cold or the perishable nature of the item; or
    - f. loss or damage to human remains, fetal remains, human body parts, or components thereof;
    - g. loss or damage to fluorescent tubes or bulbs;
    - h. loss or damage due to war risks, acts of God, natural disasters, acts of terrorism, nuclear damage, acts of public authorities acting with actual or apparent authority, acts or omissions of customs officials, authority of law, the application of security regulations imposed by the government or otherwise applicable to the shipment, riots, strikes or other labor disputes, civil unrest, disruptions in air or ground transportation networks, disruption or failure of communication and information systems, or natural disasters.
  13. UPS shall not be liable for, and reserves the right in its sole discretion to deny claims pertaining to, a package for which UPS has no record reflecting that the package was tendered to UPS by the shipper.
  14. UPS shall not be liable for any loss or damage arising from providing service to, or on behalf of, a person or entity that obtains such services, including the delivery of property, by trick, false pretense, or other fraudulent scheme.

15. UPS shall not be liable for any damages arising from UPS's inability, failure or refusal to comply with a request to stop, return, or re-route shipment of a package after tender to UPS.
16. UPS shall not be liable or responsible for the loss of or damage to any package containing articles that shippers are prohibited from shipping, that UPS does not or is not authorized to accept for transportation, that UPS states that it will not accept, or that UPS has a right to refuse.
17. Any declared value in excess of the maximums allowed in the applicable UPS Tariff/Terms and Conditions of Service or service guide is null and void. Acceptance for carriage of any package or shipment bearing a declared value in excess of the allowed maximums specified in the applicable UPS Tariff/Terms and Conditions of Service or service guide, or any package or shipment containing articles that shippers are prohibited from shipping, that UPS does not or is not authorized to accept for transportation, that UPS states it will not accept, or that UPS has a right to refuse, does not constitute a waiver of any provisions of the UPS Tariff/Terms and Conditions of Service or service guide limiting UPS's liability or responsibility for any such package or shipment.
18. In the event that UPS fails to attempt delivery in accordance with the terms of the UPS Service Guarantee, set forth in full in the Tariff/Terms and Conditions of Service in the UPS Rate and Service Guide and at ups.com, UPS, at its option, will either credit or refund the transportation charges for each such package to the payer only, upon request, provided that the conditions set forth in the UPS Service Guarantee are met. This is the sole remedy available under the UPS Service Guarantee.
19. The rules relating to liability established by the Convention for the Unification of Certain Rules Relating to International Carriage by Air signed at Warsaw, Poland, on October 12, 1929, and any amendments thereto shall apply to the international carriage of any shipment insofar as the same is governed thereby. There are no stopping places which are agreed upon at the time of tender of the shipment, and UPS reserves the right to route the shipment in any way UPS deems appropriate.
20. Under no circumstances shall UPS be liable for any special, incidental, or consequential damages arising from any package or shipment, including but not limited to, damages arising from loss, misdelivery of, or damage to property, delayed delivery, or failure to attempt delivery in accordance with the UPS Service Guarantee. Under no circumstances shall UPS be liable for any damages whatsoever for delayed delivery, except as specifically provided for shipments made under the UPS Service Guarantee.

#### **H. UPS Tariff/Terms and Conditions of Service**

1. All shipments are subject to the terms and conditions contained in the UPS Tariff/Terms and Conditions of Service which is available at UPS locations and can be found at ups.com. UPS may engage subcontractors to perform transportation and incidental services and contracts on its own behalf and on behalf of its servants, agents and subcontractors, each of whom shall have the benefit of the terms and conditions set forth in the UPS Tariff/Terms and

Conditions of Service. No such party has authority to waive or vary any of these terms and conditions.

2. The effective UPS service guide and the description of UPS services at [ups.com](http://ups.com), as well as any modifications, amendments, supplements or successive publications thereof, are hereby incorporated by reference as part of the terms and conditions of the UPS Tariff/Terms and Conditions of Service. The UPS Tariff/Terms and Conditions of Service and the UPS source document for each shipment, together comprise the complete and exclusive agreement of the parties, except as modified by any existing or future written agreement between the parties, and may not be contradicted or modified by any oral agreement.