

# Terms and Conditions of Air Service

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United Parcel Service through its affiliates ("UPS") is engaged in the transportation of small packages in "UPS Air Services" which for the purpose of this explanation, include UPS Next Day Air Early A.M.<sup>®</sup>, UPS Next Day Air<sup>®</sup>, UPS Next Day Intra<sup>®</sup>, and UPS 2nd Day Air<sup>®</sup>, small packages in UPS Worldwide Express Plus, UPS Worldwide Express, UPS Worldwide Expedited services. All packages covered under a single UPS Waybill shall be considered a single shipment, and (3) small packages in its own territory and jointly through interchange with an affiliated United Parcel Service company.

## Commodities Handled and Restrictions on Service

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

- a. No service shall be rendered in the transportation of articles of unusual value. Articles having a value or declared value of more than \$50,000 (U.S.) - \$500 (U.S.) for packages containing jewelry - will not be accepted for transportation. The maximum liability per package assumed by UPS shall not exceed \$100 (U.S.) regardless of the declaration of value in excess of \$100 (U.S.), provided that the shipper complies with the terms and conditions of the services hereby establish. The maximum liability per package assumed by the applicable insurance company shall not exceed \$50,000 (U.S.) - \$500 (U.S.) for packages containing jewelry - regardless of the value in excess of the maximum, except for packages containing jewelry, in which case the maximum value or declared value is \$500 (U.S.) per package and the maximum carrier liability per package is \$500 (U.S.).
- b. No service shall be rendered in the transportation of any package or article weighing more than 150 pounds, or exceeding 108 inches in length, or exceeding a total of 130 inches in length and girth combined. Each package or article shall be considered as a separate and distinct shipment.
- c. The maximum weight for a hazardous materials package is 70 pounds unless further restricted in the UPS Guide for Shipping Ground and Air Hazardous Materials.
- d. 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 damage occasioned by exposure to heat or cold.

## Hazardous Materials

UPS offers transportation of hazardous materials (1) in passenger aircraft quantities prepared according to the requirements set forth in the Code of Federal Regulations Title 49 and the UPS Guide for Shipping Ground and Air Hazardous Materials. (2) hazardous materials which comply with the requirements set forth in the Code of Federal Regulations Title 49 and the UPS Guide for Shipping Ground and Air Hazardous Materials. (Only Other Regulated Materials (ORMs) are accepted in Hundredweight Ground Service.).

For each hazardous materials package requiring shipping papers under 49 C.F.R. Section 172.200, an additional charge, as stated on the current rate chart, will be assessed.

If a hazardous materials package is refused by the consignee or is damaged, it will be returned to the shipper, if possible. UPS reserves the right to charge the shipper for all costs resulting from improperly packed hazardous materials, or the cost of disposal if the shipper refuses to accept a returned item.

## Right of Inspection

UPS reserves the right to open and inspect any package tendered to it for transportation.

## Refusal of Unsafe Packages

UPS reserves the right to refuse any package which by reason of the dangerous or other character of its contents is liable, in the judgment of UPS, to soil, taint, or otherwise damage other merchandise or equipment, or which is economically or operationally impracticable to transport, or which is improperly or insecurely packed or wrapped.

Packages must be so packed or wrapped as to pass the tests set forth in International Safe Transit Association Projects 1 & 1A. Common fireworks will not be accepted by UPS for transportation.

## C.O.D. Packages

C.O.D. means, for all purposes, Collect On Delivery.

Preparation and Listing of C.O.D. Packages: C.O.D.s are accepted for amounts up to US\$50,000 per package. The shipper will prepare and attach to each C.O.D. package a UPS C.O.D. Tag showing the amount to be collected and will enter such amount on the UPS shipping record in the space provided for that purpose.

Responsibility for C.O.D.s: UPS will collect for C.O.D. merchandise the amount shown on the C.O.D. Tag attached to the package and be responsible for and promptly transmit to the shipper the amount so collected 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 C.O.D. shipments if the shipper has not received payment of the C.O.D. amounts.

Consignee's Checks in Payment of C.O.D.s: Unless instructions to collect cashier's check or money order only are shown on the C.O.D. Tag, UPS will accept a check or other negotiable instrument issued by or on behalf of the consignee, in

conformity with the instructions on the tag. When instructions to collect cashier's check or money order only are clearly indicated on the C.O.D. Tag, UPS reserves the right to accept cashier's check, money order, official bank checks, or other similar instrument issued by or on behalf of the consignee. All checks (including cashier's checks and official bank checks) and money orders tendered in payment of C.O.D.s will be accepted by UPS at the shipper's risk including, but not limited to, risk of nonpayment and forgery, and UPS shall not be liable upon any such instrument. All checks and money orders 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. Payment for any C.O.D. package of \$10,000 or more must be received in a single check or monetary instrument such as a cashier's check, money order, or official bank check.

Currency in Payment of C.O.D.s: UPS will not accept currency in any amount for payment of C.O.D. shipments.

Charges for C.O.D. Collections: An additional charge, as stated on the current rate chart, will be assessed for each C.O.D. received for collection.

C.O.D. and Call Tag services are not provided for international shipments.

#### **Delivery Confirmation**

At the time a shipper tenders a package to UPS, the shipper may request Delivery Confirmation Service by indicating Delivery Confirmation on the shipping record provided to UPS, or, as applicable, by attaching a special label approved by UPS, requesting Delivery Confirmation Service. 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, as stated on the current rate chart, will be assessed for each such response. All responses will be consolidated and provided to the shipper weekly in printed or electronic format.

A shipper may instruct UPS to obtain the recipient's signature and to include it on the response at an additional charge, as stated on the current rate chart.

A shipper may elect to direct the response to a return address specified on the label. In such case, the response will be mailed individually and an additional charge, as stated on the current rate chart, will be assessed.

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

The shipper may request optional verbal confirmation of delivery by indicating Verbal Confirmation of Delivery on the UPS Next Day Air Early A.M. Shipping Document in the space provided. When this service is selected, the carrier will call the shipper to confirm delivery on the day of delivery. An additional charge, as stated on the rate chart in effect at the time of shipping, will be assessed for each Verbal Confirmation of Delivery request.

#### **FAX P.O.D. (Proof Of Delivery)**

Upon request, UPS will provide proof of delivery via facsimile transmission. The request must include a FAX number, including area code, for an operating FAX machine. An additional charge, as stated on the current rate chart, will be assessed for each successfully transmitted FAX P.O.D.

#### **Saturday Delivery of UPS Next Day Air and UPS Next Day Air Early A.M.**

The shipper may request optional Saturday delivery of UPS Next Day Air and UPS Next Day Air Early A.M. shipments to the destinations identified in the UPS Guaranteed Delivery Schedule by attaching a Saturday Delivery routing label (provided by UPS) to each package. An additional charge, as stated on the current rate chart, will be assessed for each UPS Next Day Air or UPS Next Day Air Early A.M. package received for Saturday delivery.

#### **Hold for Pickup Service**

The shipper may request UPS to hold a package at a designated UPS facility 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 facility. In addition, the shipper will apply a UPS Hold for Pickup label below the address label on the package.

UPS will hold the package at the designated facility and will attempt to contact the consignee at the telephone number shown on the label. Packages will usually be made available by 8:30 a.m. on the scheduled day of delivery. Packages not picked up within five business days from the date of arrival will be returned to the shipper.

#### **Correction of Wrong Address**

If UPS is unable to deliver any package because of an incorrect address, UPS will refer to the telephone directory and make every other reasonable effort to secure the correct address. If the correct address is secured, UPS will make another attempt at delivery and the shipper will be notified of the correction of address. An additional charge, as stated on the current rate chart, will be assessed for each Address Correction.

#### **Use of the ZIP Code**

The consignee's postal code, telephone number, and contact name are essential information. To ensure prompt delivery, always include the postal code, telephone number, and contact name on the UPS Waybill or address label.

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

In case UPS is unable to complete delivery of a package, a non-delivery 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.

#### **Interruption of Service**

UPS shall not be liable for any interruption of delivery service due to a cause beyond its control, including but not limited to, the absence of a person or the refusal of such person of accepting the delivery of the shipment, demure due to the

consignee, force majeure, action of the public authorities or real or apparent authority over the facilities, action or omissions of the public customs authorities or the like, riots, strikes, or other labor disputes, public disturbances, factors that disrupt the air and ground transportation systems such as weather conditions and natural disasters, and an act of God.

#### **Return of Undeliverable Packages**

Packages refused by consignees or which for any other reason cannot be delivered will be promptly returned to the shipper without additional charge.

#### **Package Charge**

See the current rate chart for UPS Air Services' rates. Transportation charges for a package measuring one cubic foot or less, except the charges for UPS Air Services Letters, are based on the gross weight of the package. Transportation charges for a package measuring over one cubic foot are based on the gross weight of the package or the dimensional weight of the package, whichever is greater. Dimensional weight is determined by dividing the volume of a package (in cubic inches) by 194. Fractions of a pound will be increased to the next full pound.

#### **Additional Handling Charge**

Domestic shipments in the UPS system may be assessed an Additional Handling charge. This charge applies to the following:

- Any article that is encased in an outside shipping container made of metal or wood
- Any item, such as a barrel, drum, pail, or tire, that is not fully encased in a corrugated cardboard shipping container
- Any package with the longest side exceeding 60 inches or its second-longest side exceeding 30 inches

Certain Large Air Packages may be subject to the Additional Handling charge while designated Large Packages are exempt.

Additionally, UPS reserves the right to assess the Additional Handling charge for any package that, in UPS's sole discretion, requires special handling.

This charge may be applied to all packages without regard to the service level selected.

#### **Weekly Service Charge**

When pickup service is requested and furnished, a weekly service charge, as stated on the current rate chart, will be applied. UPS will call at the shipper's premises once each business day to pick up packages for delivery to all points served without special pickup request and whether or not any packages are available for delivery.

#### **Payment of Charges**

Unless otherwise indicated on the shipping record provided to UPS, shipping charges will be billed to the shipper.

UPS accepts shipments for Collect billing and 3rd Party billing providing the receiver or third party has a valid UPS account number and has agreed to accept the charges.

A processing fee, as stated on the current rate chart, will be charged for a missing or invalid account number when either Collect billing or 3rd Party billing has been selected on the shipping record provided to UPS. An account number is invalid if it is the wrong 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 nonpayment by the receiver or third party, the charges will be reversed and billed back to the shipper.

#### **Payments for Service**

UPS credit terms require payment of all charges within seven (7) days after receipt of the UPS bill.

#### **UPS Air Services Service Guarantee**

UPS guarantees on-schedule delivery of UPS Air Services packages to every address in the United States and Puerto Rico (where applicable). In the event the carrier fails to complete delivery or attempt delivery within the time commitment published in the UPS Guaranteed Delivery Schedule, UPS, at UPS's option, will credit or refund the shipping charges for each such package to the payer only, upon request, subject to the following conditions:

- a. The package is properly documented in a UPS pickup record, and bears the appropriate UPS Air Services tracking label and an address label showing the consignee's correct name, deliverable address, and ZIP Code; or the package bears a properly completed UPS Air Shipping Document.
- b. The package bears a UPS Saturday Delivery routing label when optional Saturday service is requested.
- c. The package is tendered to UPS during UPS's published business hours.
- d. UPS is notified in writing 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 Air Services tracking number.

The guarantee does not apply to UPS Air Services shipments which 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, public authorities acting with actual or apparent authority on the premises, acts or omissions of Customs or similar authorities, riots, strikes or other labor disputes, civil commotions, disruptions in air or ground transportation networks, such as weather phenomena, and natural disasters.

The guarantee does not apply to UPS 2nd Day Air or UPS 2nd Day Air A.M. shipments that are scheduled to be delivered between December 12 and December 25.

Credit or refunds for transportation charges will be remitted to the payer only.

**UPS Air Services Tracking Guarantee**

UPS guarantees a verbal report of the status of UPS Air Services shipments within 30 minutes of a tracking inquiry. In the event the carrier fails to report the latest tracking information available in the UPS TotalTrack system within 30 minutes of the initial telephone call, UPS, at UPS's option, will credit or refund the shipping charges, upon request, subject to the following conditions:

- a. The package bears a UPS Air Services tracking label or UPS Air Shipping Document.
- b. UPS is advised of the consignee's name and address, date of shipment, package weight, and UPS Air Services tracking number during the initial call.
- c. A request is made by telephone within fifteen (15) calendar days from the date of scheduled delivery.

The guarantee does not apply to UPS TotalTrack system failures caused by conditions beyond UPS's control including, but not limited to, acts of God, riots, strikes or other labor disputes, or disruptions in communication networks.

Credit or refunds for transportation charges will be remitted to the payer only.

**Responsibility for Loss or Damage**

Unless a greater value is declared in writing in the space provided on the shipping record provided to UPS, the shipper declares the released value of each package to be no greater than US\$100, which is a reasonable value under the circumstances surrounding the transportation. For each US\$100 or fraction thereof of declared value per package in excess of US\$100, an additional charge, as stated on the current rate chart, applies. UPS will remit excess valuation charges to an insurance company or companies as a premium for shipper's interest insurance for the shipper's account and on its behalf. When UPS does so, claims for loss of or damage to the shipper's property will be filed with and settled by UPS on behalf of the applicable insurance company. Shippers' Interest Policies are available for inspection at the office of UPS. Claims not made within nine months after delivery of the package or, in the case of non-delivery, within nine months after a reasonable time for delivery has elapsed, shall be deemed waived. UPS shall not be liable for any punitive, special, incidental, or consequential damages.