

SPECIAL CONDITIONS OF FORWARDING SERVICES RENDERING DURING CARGO TRANSPORTATION TO/FROM PRC

1. General terms and definitions

Special Conditions – these Special Conditions determine special features of relationship between TransContainer and the Customer during TransContainer's rendering of Services related to organization of Cargo transportation between the territories¹ of the Russian Federation (Russia) and the People's Republic of China (China) in export, import and transit traffic by rail and rail-waterborne transport (hereinafter referred to as the transportation).

Depot – TransContainer's representative which accepts, releases, stores and performs other operations with TransContainer's containers in China.

Customs clearance – performance of a set of operations stipulated by the customs legislation and required for export/import of Cargo across the border of the Russian Federation (export, import, transit).

Terms and definitions used in the General Conditions of forwarding services rendering (hereinafter referred to as the General Conditions) are also used in these Special Conditions.

In case of conflict between the provisions of these Special Conditions and other Conditions of forwarding services rendering to be applied, these Special Conditions shall prevail.

2. Planning

2.1. For the purpose of organization of transportation to/from China the Customer shall provide TransContainer with the information on the planned volume of transportation for next calendar month (with distribution by each 10 days), the route, quantity of the required wagons and/or containers of TransContainer, transportation solution (however the cost of transportation solution is not fixed) and other essential information (hereinafter referred to as the Plan) on a monthly basis not later than the 10th day of the current month.

The Plan shall be submitted in electronic form set by TransContainer through TransContainer's sales and customers service manager.

2.2. Not later than the 23rd day of the current month the Parties shall approve the submitted Plan taking into account the Customer's requirements and TransContainer's resources.

From now onwards the Parties shall be governed by the Plan when executing Orders and rendering Services.

2.3. If it is necessary to reduce the volume of transportation the approved Plan shall be amended:
by sending written notification to the other Party in a prescribed manner without incurring liability if such amendment is made at least 10 calendar days prior to the planned date of shipment;
through approval if such amendment is made less than 10 calendar days prior to the planned date of shipment.

Amendment of the approved Plan (execution of an additional Plan) due to the necessity to increase the volume of transportation shall be approved by the Parties.

2.4. Approval of the Orders and provision of TransContainer's wagons and/or containers for transportations beyond the approved Plan/ additional Plan shall not be performed or shall be performed by residual principle.

3. Special features of Order execution and its fulfillment in China

¹ Is applied to transportation via third countries as well

3.1. During Cargo transportation from China if TransContainer does not render forwarding services in China and/or does not organize Cargo transportation on sea leg between China and Russia, it is allowed to execute separate limited Order for one service of container release (hereinafter referred to as the Release Order). The Release Order and main Order are integrated and complement one another.

Submission of a Release Order shall be made within the framework of the approved Plan / additional Plan.

The Release Order shall without fail state the dispatch point and border-crossing point in Russia. In the "Notes" column of the Release Order it is necessary to state information on the destination point. In exceptional cases it is allowed to change the destination point stated in the Notes; such changes may be made only within the framework of the approved Plan / additional Plan.

At the same time the main Order shall be submitted and approved by the Parties, as a rule, not later than 3 days before Cargo arrival in Russia unless other deadline is set by the Forwarding Conditions or by the Parties' agreement. The main Order shall comply with the Release Order(s) with respect to quantity, type of containers and border-crossing point, it shall also contain a reference to the respective Release Order(s) (details of the Release Order(s) shall be stated in the "Notes" column).

3.2. If it is necessary to specify the name, weight of Cargo, NHM codes and other information including the one stated in the Order, the Customer shall immediately provide TransContainer with the respective data and documents. In order to avoid negative consequences, such information (depending on the particular circumstances) shall be provided beforehand prior to the Cargo transfer to the carrier / its arrival at the border-crossing point / Cargo release etc.

3.3. According to the General conditions the Customer shall notify the consignor, the consignee being its representatives about the terms and conditions of the Contract including about necessity of ensuring reliability of the information about the Cargo's name and weight, timely provision of the required information and documents, proper execution of shipping and other documents, usage TransContainer's containers in accordance with the approved terms of the Order, meeting the set deadlines, check of containers' condition, proper fixing and placement of cargo in a container, container cleaning after cargo unloading, etc.

The Customer shall bear all the risks related to failure to fulfill / improper fulfillment of the Contract terms and conditions by the consignor, the consignee.

3.4. During the Order fulfillment TransContainer interacts with the Customer's representatives. Their actions are considered to be performed on the Customer's behalf and upon its approval unless their authority was limited during the Order execution.

3.5. The Containers shall be released to the Customer at the Depot on the basis of a Release in accordance with the approved Order.

3.6. The approved terms of TransContainer's containers provision in China (for Cargo dispatch) including those received from the Customer in accordance with the Release Order, are stipulated by the transportation solution conditions and are placed on the Web-site in section Services - Commercial conditions and rates (<https://trcont.com/our-services/our-rates-and-offers>).

3.7. Containers release/drop-off in China shall be carried out at the Depots located at dispatch/destination point stated in the Order respectively.

For the purpose of preliminary notification of the Customer the list of the Depots where TransContainer's container may be dropped off after cargo unloading or returned in case of non-performed transportation is placed on the Web-site in section Services - Commercial conditions and rates (<https://trcont.com/our-services/our-rates-and-offers>).

3.8. If the Customer requires changing of the Depot/ region of the Depot for the containers drop-off, such a change is allowed upon TransContainer's approval, at that a fee for the change of the Depot shall be charged. The fee amounts are placed on the Web-site in section Services - Commercial conditions and rates (<https://trcont.com/our-services/our-rates-and-offers>).

In this case the penalty in accordance with paragraph 6.7 of the General Conditions shall not be charged.

3.9. The Customer shall notify TransContainer about empty containers drop-off at the Depot within 5 (five) calendar days from the drop off, stating the respective date and the Depot. In case of return of an empty container received for cargo loading (refusal from transportation, etc.) notification shall be made within 2 (two) calendar days from the containers drop-off.

If there is a dispute, the Customer shall provide the documents confirming information on containers drop-off upon TransContainer's request.

3.10. On-the-way loading of TransContainer's containers in China is allowed in case of meeting the approved deadline for the containers provision, containers drop-off at the same Depot, security ensuring, absence of legal risks and if it is technically and technologically possible.

3.11. Upon TransContainer's request the Customer shall immediately provide information on the container's location in China, planned date of arrival at point of the Cargo transfer to TransContainer for forwarding / point of the Cargo release or dispatch, information on the transportation approval by the railway and sea carriers, on the customs clearance of the Cargo and other necessary information.

4. Preliminary notification and other special features of Cargo transportation via inland border-crossing points of Russia²

4.1. In order to reduce the period of the Cargo stay at an entry point to the Russian Federation at a border railway station including during customs clearance or other procedures of state control (phytosanitary, quarantine, etc.), trains formation and dispatch, performance of other actions aimed at making the transportation process smooth, the Customer shall provide TransContainer with the information and documents beforehand, within the deadline stipulated by this section of Special Conditions (hereinafter referred to as the preliminary notification).

TransContainer, in its turn, arranges necessary check (without check of the Cargo) of accuracy of the shipping documents execution, customs clearance of the Cargo (if this is entrusted to TransContainer), planning and provision of a rolling stock, etc.

4.2. Preliminary notification during the Cargo transportation in international rail-waterborne traffic shall be governed by the Special Conditions of forwarding services rendering at a sea port.

4.3. For the purpose of preliminary notification the Customer shall provide TransContainer with the information and documents stated in paragraph 4.4 of these Special Conditions within 1 day from the Cargo acceptance for transportation by the Chinese Railways but anyway not later than two days before the Cargo arrival in Russia.

4.4. For the purpose of preliminary notification the Customer shall provide copies of the following documents:

- duplicate of SMGS waybill (for the consignor),

- commercial documents: invoices, specifications, shipping (packing) lists.

At that the provided documents shall contain (including but not limited to) the following data: name, weight, quantity of cargo (goods) specifying the quantity of cargo items, its cost, NHM codes, FEACN codes (not less than first 6 digits).

4.5. The documents stated in paragraph 4.4 of these Special Conditions shall be provided by the Customer via Personal Accounts or Transit.dt-log.ru IT system.

4.6. Standard deadline for the customs clearance of the Cargo is 16 (sixteen) hours from the moment of its arrival at the Russian border railway station.

4.7. Taking into account the transit line of business of PJSC TransContainer's container terminal at Zabaikalsk-exp. station (Russia), customs clearance of the Cargo shall be preferably made under customs transit procedure.

4.8. If customs clearance of the Cargo is organized by the Customer:

4.8.1. Besides the information stated in paragraph 4.4 of these Special Conditions, within the same deadline the Customer shall provide TransContainer with the name of the authorized person performing customs clearance of the Cargo including his/her contact phone numbers, as well as information on the planned customs procedure. This additional information shall be provided in the same manner as the data under paragraph 4.4 of these Special Conditions.

4.8.2. The Customer shall independently ensure receipt of all the documents and information required for the customs clearance.

² The requirements on preliminary notification are currently applied to the inland border-crossing point at railway stations Manzhouli (China) – Zabaikalsk (Russia)

4.8.3. After customs clearance of the Cargo the Customer shall immediately (guided by the standard deadline) notify TransContainer about readiness of the Cargo for dispatch and send an e-mail to tolstokulakovrkh@trcont.ru with confirmation of the Cargo release issued by a customs body in accordance with the provisions of Article 118 of the Customs Code of the Eurasian Economic Union.

4.8.4. During customs clearance of the Cargo within the standard deadline stated in paragraph 4.6 of these Special Conditions the payment for the Cargo storage at a terminal, Additional Provision shall not be charged.

4.8.5. In case of failure to meet the standard deadline for the customs clearance (except for the cases when the deadline is not met through TransContainer's fault) the Customer shall be charged for the Cargo storage, Additional Provision in the prescribed manner.

4.9. For the period of the Services rendering with respect to customs clearance of the Cargo performed by TransContainer the payment for the Cargo storage at a terminal, Additional provision shall not be charged except for the cases when customs clearance of the Cargo was delayed due to the circumstances depending on the Customer (regardless of detection / non-detection of violations by the customs body).

4.10. Taking into account the transit line of business of PJSC TransContainer's container terminal at Zabaikalsk-exp. station (Russia), the Cargo arrived from the Chinese Railways shall be dispatched from this station as soon as it is ready for dispatch, as a rule within 24 (twenty-four) hours.

4.11. In case of the Cargo dispatch delay over the period stated in paragraph 4.10 of these Special Conditions for three and more days TransContainer shall have the right to dispatch the Cargo on the route, by a group, complete load on a wagon, single dispatch taking into account the particular existing circumstances regardless of the terms and conditions approved in the Order for the purpose of ensuring proper functioning of the terminal. Such dispatch is possible if the Customer is notified thereon at least one day prior to the Cargo dispatch.

4.12. In case of the Cargo dispatch delay due to the circumstances depending on the Customer (awaiting the train to be formed, delay by the controlling bodies, etc.):

a) in case of the Cargo dispatch in accordance with paragraph 4.11 of these Special Conditions the cost of the Order (proportionally to the volume of the Cargo dispatched) shall be recalculated on the basis of actual conditions of the Cargo dispatch;

b) in case of the Cargo dispatch over the period stated in paragraph 4.10 of these Special Conditions for more than one day, the Customer shall be charged for the Cargo storage at a terminal and Additional provision.

5. Liability

5.1. In case of complete or partial unilateral refusal from the order (Services) a Party shall have the right to claim and the other Party shall pay losses incurred due to such refusal and a penalty in the amount of 10% (ten per cent) of the losses incurred by the other Party.

5.1.1. In order to reach an agreement on the amount of losses and simplify the charging procedure, the total amount of the stated penalty and losses under the Order shall be calculated as follows unless otherwise stipulated by the Contract:

3 000 (three thousand) roubles – in case the cost of the Services approved but not rendered is from 25 000 (twenty-five thousand) to 50 000 (fifty thousand) roubles;

5 000 (five thousand) roubles – in case the cost of the Services approved but not rendered is from 50 000 (fifty thousand) to 100 000 (one hundred thousand) roubles;

10 000 (ten thousand) roubles – in case the cost of the Services approved but not rendered is from 100 000 (one hundred thousand) roubles to 1 000 000 (one million) roubles;

25 000 (twenty-five thousand) roubles – in case the cost of the Services approved but not rendered is from 1 000 000 (one million) roubles to 5 000 000 (five million) roubles;

50 000 (fifty thousand) roubles – in case the cost of the Services approved but not rendered is from 5 000 000 (five million) roubles to 15 000 000 (fifteen million) roubles;

100 000 (hundred thousand) – in case the cost of the Services approved but not rendered is over 15 000 000 (fifteen million) roubles.

5.1.2. This calculation shall be applied unless otherwise stipulated by the Contract in case of complete or partial unilateral refusal of a Party from receipt / rendering of Services under an approved Order less than 3 (three)days³ prior to the planned day of such Services rendering commencement.

5.1.3. The Party which received a claim to pay the losses and penalty calculated in accordance with paragraph 5.1.1 of these Special Conditions shall have the right to refuse from such calculation before expiration of the set deadline for payment and claim losses and penalty charging in the prescribed manner.

5.1.4. Paragraph 6.15 of the General Conditions shall not be applied to the relations governed by these Special Conditions.

5.2. In case the Customer fails to fulfill its obligations set in paragraph 4.3 of these Special Conditions TransContainer shall have the right to claim and the Customer shall pay a penalty in the amount of 3,000 roubles per each container.

³ All arising questions and disagreements related to the time difference (different time zones) shall be interpreted in the Customer's favour