



CARGOX BLOCKCHAIN BASED SMART BILL OF LADING SOLUTIONS SPECIAL TERMS AND CONDITIONS 1.0

DEFINITIONS:

CargoX: is the owner of the website, which interacts with a decentralised blockchain platform, that is made available to users for a fee and is the provider of the Service.

Electronic signature: means the digital signature on the Smart Bill of Lading applied by the Originating User at the time of uploading the Smart Bill of Lading to the Cargo.

Fee or Fees: refers, respectively, to the fee payable by the Originating User and the fees payable by each Subsequent User for the Service.

Originating User: is the natural or legal person who has opened the CargoX website, ticked the box thereby accepting these ST&C's and uploaded a Smart Bill of Lading to the CargoX website, whether as shipper or as carrier.

Service: is a Blockchain based Smart Bill of Lading E-courier service for the rapid and secure transfer of the Bill of Lading between the Originating User (shipper/carrier) and the Subsequent Users (shipper/original holder, endorsees/subsequent holders, pledgees & consignees).

Smart Bill of Lading or Smart B/L: is an electronic bill of lading uploaded by the Originating User and containing the terms and conditions chosen by the Originating User, to the CargoX website. It is a bill of lading issued, signed and existing in electronic form and transmitted electronically, unless and until it is switched to paper. This electronic transmission shall be known as "taking possession".

ST&C: are CargoX website special terms and conditions. In case of any conflict between general terms and conditions (GT&C's) and the ST&C's the ST&C's shall prevail.

Subsequent User: is a shipper, holder, endorsee, pledgee and/or consignee who, having checked the box thereby accepting these ST&C's, has become the holder of the Smart Bill of Lading or is the carrier.

Third Party Sources: are any communications, websites or other sources directed to the Originating User and/or to Subsequent Users from any third party directly or indirectly in connection with the Service.

User Supplied Data: it is open to the Originating User to upload meta-data relating to the Smart Bill of Lading or B/L at the time of uploading the Smart Bill or B/L. This meta-data will then be accessible by Subsequent Users.



User/Users: comprises both the Originating User and each and every Subsequent User from time to time.

1. Agreement

1.1. The CargoX website is owned and made available by CargoX d.o.o., Jalnova ulica 70, 1000 Ljubljana, Slovenia (EU). All content, information, services and software ordered or provided on or via the CargoX website may only be used on the basis that the website general terms and conditions (hereinafter: GT&C) and these ST&C are applicable to the exclusion of any other terms and conditions.

1.2. In order to make use of the Service the Originating User and all Subsequent Users will need to check the box accepting these ST&C's. These ST&C's constitute an agreement between Users, and between each User and CargoX acting on its own behalf and on behalf of all other Users from time to time.

1.3. CargoX does not undertake or accept any responsibility or liability for the performance of any obligation or duty owed by one User to any other User under these ST&C's or otherwise.

2. The CargoX License.

2.1. CargoX grants a license to Users to make use of its website and the Service in accordance with these ST&C's. This licence is limited, nonexclusive and revocable and may be revoked by CargoX at any time, without CargoX having to specify a reason for revocation.

2.2. If the license is revoked any Smart Bill of Lading which might otherwise be affected by the revocation may still be processed through to Switch to Paper or to Accomplishment.

3. Limitations on Use

3.1. Any use of CargoX Smart B/L and/or CargoX Website that is contrary to the purpose of CargoX Website and/or Smart B/L is prohibited.

3.2. The User may not decompile, reverse engineer, disassemble, rent, lease, loan, sell, sublicense, or create derivative works from the CargoX Website.

4. Registration

4.1. Use of Smart B/L requires Users to register. Users agree to provide CargoX with accurate and complete registration information. CargoX is not obliged to verify or control the information Users provide and is not responsible for the accuracy of this information. It is Users' responsibility to inform CargoX of any change(s) to the information provided.



4.2. The Smart Bill of Lading may only be transferred between connected and registered companies who become Users. Connection can only be accepted or initiated via the CargoX online address book. It is the duty of the User to verify the identity and standing of the company or companies in the CargoX address book with which the User proposes to connect and CargoX accepts no liability whatsoever in this regard.

5. Fees

5.1. In consideration of payment of the agreed fees, CargoX makes its website available to the Originating User to upload its Smart B/L and to Subsequent Users to receive, hold and/or transfer the Smart B/L.

6. Right to Create Bill of Lading and Transfer of Possession

6.1. Some jurisdictions demand certain legal acts, permits or something else for the creation, issuing and/or circulation of bills of lading. CargoX is not checking if the issuer has a right to create, issue and/or circulate bills of lading. It is an issuer's duty to provide everything that is demanded by issuer's jurisdiction to create, issue and/or circulate bills of lading.

6.2. it is a condition of the use of the CargoX Service that no contemporaneous paper bill of lading will be issued and that a paper bill of lading will only come into being, if at all, in the circumstances set out in clause 9 (Switch to Paper).

6.3. CargoX is not responsible for the content of Smart B/L or any other document that is created/sent through CargoX website. In particular, CargoX takes no responsibility whatsoever for any meta data uploaded by the Originating User.

6.4. The carrier, be he the Originating User or a Subsequent User, irrevocably appoints CargoX as his agent for the purpose of acknowledging that the carrier holds the goods to the order of the shipper or of any transferee of the Smart Bill of Lading.

6.5. The transfer of constructive possession of the goods after the creation of a Smart Bill of Lading shall be effected by transfer of the Smart Bill of Lading such that the carrier acknowledges that he holds the goods described in the Smart Bill of Lading to the order of the transferee.

6.6. In the event that any transferee refuses to accept the novation of the contract of carriage in accordance with clause 7, the carrier thereupon ceases to hold the goods to the order of that transferee and constructive possession of the goods shall remain with the immediately preceding transferee or, if none, with the shipper.



7. Novation of the Contract of Carriage

7.1. The Originating User and each and every Subsequent User hereby irrevocably appoints Cargo X as its agent for the sole and limited purpose of effecting the novations referred to in 7.2 (below).

7.2. It is expressly agreed between the Originating User and CargoX as agent for each and every Subsequent User that each and every Subsequent User, upon accepting these ST&C's and becoming a transferee of the Smart B/L, thereupon becomes a party to the Smart B/L by novation, such Smart Bill of Lading evidencing the contract of carriage between the Originating User and the Subsequent Users. In accordance with clause 8 below, each Originating User and Subsequent User has accepted that, firstly, the electronic signature on the Smart Bill of lading shall have precisely the same force and affect as a manuscript or printed signature on a paper bill of lading and, secondly, the Smart B/L shall have precisely the same status and attributes as a paper bill of lading and therefore the transfer of title and the transfer of rights and liabilities operate in precisely the same manner as if the Smart B/L were a paper bill of lading. All Users undertake not to deny these effects. Further, any third-party transacting on the basis of the Smart B/L likewise recognises and accepts that transfer of title and transfer of the parties' rights and liabilities operate in precisely the same manner as if the Smart B/L were a paper bill of lading.

7.3. Notwithstanding the foregoing a Subsequent User such as a bank taking possession of the Smart B/L as pledgee only shall not thereby become a party to the Smart B/L by novation unless such Subsequent User takes steps to make a claim under the Smart B/L.

8. Smart B/L, Bill of Lading Content, Rights and Liabilities, Signature and Status

8.1. The Smart B/L has the same status and attributes as a paper bill of lading. All Users undertake not to deny these effects. For that reason and also in accordance with clauses 1.2 and 6 (above), the Originating User together with each and every Subsequent User may sue and/or be sued in precisely the same manner as if the Smart B/L were a paper bill of lading. To the extent that this is not recognised in any jurisdiction then the Originating User i) may switch to paper (see clause 9 below) and ii) at the request of any Subsequent User, must switch to paper for the purpose of any process relating to the contract of carriage evidenced by the bill of lading.

8.2. The rights of any User (including the shipper) under the Smart B/L are extinguished once the Smart B/L has been transferred to a Subsequent User. The shipper may still be liable under the Smart B/L following transfer of the Smart B/L to Subsequent Users but the liability of any other User under the Smart B/L shall be extinguished upon transfer of the Smart B/L. In circumstances when the shipper is the Originating User or the Subsequent User and concurrently the charterer under a charterparty for the carriage of the goods then it shall be the charterparty rather than the Smart B/L which evidences the contract of carriage. However, as soon as a



Subsequent User other than such shipper has taken possession of the Smart B/L, the Smart B/L shall evidence the contract of carriage.

8.3. The content of Smart B/L is created by the issuer of Smart B/L. CargoX cannot change an uploaded Smart B/L. Therefore, the only one to be held accountable for the content of Smart B/L is the issuer of Smart B/L, be he the Originating User or a Subsequent User.

8.4. The Parties to the contract of carriage evidenced by the Smart B/L, the Originating User and Subsequent Users, expressly agree that electronic signature of Smart B/L is a valid signature and undertake not to deny this.

9. Switch to Paper

9.1. At any time before delivery of the goods covered by the Smart B/L, the Originating User commits, at the request of any Subsequent User being the then holder of the Smart B/L, to accept the return of the Smart B/L, destroy it and issue a paper bill of lading in its place. The paper bill of lading shall replicate precisely the wording of the Smart B/L together with the terms and conditions contained in and/or incorporated by reference into the Smart B/L. The paper bill of lading shall state the date of issue as per the Smart B/L, the date of the switch to paper and (except for in the case of bearer or blank endorsed bills of lading) there shall be attached to the paper bill of lading a printout of the electronic record of Subsequent Users between the date of issue and the date of the switch to paper.

10. Creation of Smart B/L through scan of paper document

10.1. Paper bills of lading are commonly issued in sets of three originals. The Originating User and Subsequent Users are on notice that the Smart Bill of Lading once uploaded exists in one original only.

11. Terms of the Smart B/L

11.1. The Smart B/L shall set out the terms selected by the Originating User and be subject to those terms, to any terms incorporated by reference (from, for example, a charterparty) and any provisions of an international treaty, convention or national law compulsorily applicable to a paper bill of lading. The Originating User, each and every Subsequent User and any third-party transacting on the basis of the Smart B/L hereby agrees that each and all of the foregoing terms shall apply to the Smart B/L as a matter of law or hereby as a matter of contract.

11.2. If the carrier is the Originating User he may clause the Smart Bill of Lading with remarks as to the leading marks, number, quantity, weight and/or apparent good order and condition of the goods ("remarks") and such remarks shall have the same effect as if contained in a paper bill of lading.



11.3. If the carrier is a Subsequent User he may request that the Originating User insert the remarks in the Smart Bill of Lading and, if the Originating User refuses to do so, the Subsequent User may call for a Switch to Paper in accordance with clause 9.

12. Accomplishment

12.1. Upon the Smart Bill of Lading being presented to the Originating User alone (if the carrier) and to the Subsequent User as carrier or his nominee, as the case may be, against delivery of the goods, the originating User commits to mark the Smart Bill of Lading "accomplished" and no further transfer of the Smart Bill of Lading shall then be possible. The carrier shall be entitled to require reasonable proof (e.g. passport, official personal identification documents or other documents as agreed between the Originating User and the Subsequent User) that the party taking delivery of the goods is entitled so to do.

13. Liability for Errors, Malfunction and Corrections.

13.1. CargoX shall not be under any liability whatsoever to any Originating User or Subsequent User for any loss, damage or delay of whatsoever nature whether direct or indirect, physical or financial due to a cause or combination of causes, any of which is beyond the reasonable control of CargoX.

13.2. CargoX does not represent or warrant that its website will be error-free, free of viruses or other harmful components (viruses, trojan horses, worms, time-bombs, keystroke loggers, spyware, adware or any other technologically harmful programs, phishing, data or code.), or that defects will be corrected or that it will always be accessible. CargoX does not warrant or represent that the information available on or through this website will be correct, accurate, timely, or otherwise reliable. CargoX may make improvements and/or changes to its features, functionality or content at any time.

13.3 Notwithstanding 13.1 and 13.2 above, CargoX accepts liability, up to but not exceeding the limit of liability in clause 14 below, in the event that an Originating User or Subsequent User suffers loss, damage or delay directly caused by failure of the CargoX website.

14. Limitation of liability.

14.1. In the event that CargoX is under any liability whatsoever (whether in contract, tort or otherwise) to an Originating User or Subsequent User, such liability shall be limited to 3.000.000,00 EUR (Three Million Euros), inclusive of all interest and costs.

14.2. CargoX will insure its potential liability under this clause with insurers incorporated, regulated and domiciled in an EU Member State, EEA Member State, UK, Switzerland, USA or Canada.



15. Compliance

15.1. CargoX warrants that it holds any necessary license(s) to operate the CargoX website and provide the Service.

15.2. CargoX reserves the right to investigate complaints or reported violations of these ST&C's and to take any action deemed appropriate including but not limited to reporting any suspected unlawful activity to law enforcement officials, regulators, or other third parties and disclosing any information necessary or appropriate to such persons or entities relating to User profiles, e-mail addresses, usage history, posted materials, IP addresses and traffic information.

15.3. For the purposes of monitoring unlawful activity and preventing fraud, CargoX may keep system logs, history of User access, and User interaction with the CargoX website in a centralized log storage.

15.4. CargoX has no access nor means of access to any User's private key. The User is the sole custodian of the key and fully responsible for its safe custody. CargoX cannot recover or replace User's private key nor retrieve or transfer the Smart Bill of Lading if User lose access to this key. It is User's exclusive responsibility to keep it safe and secure. CargoX is therefore not liable in any circumstances whatsoever for any loss or theft of the private key.

16. Governing Law and Jurisdiction.

16.1. These ST&C's will be governed by and construed in accordance with English law.

16.2. In the event of any dispute or difference whatsoever between the User and CargoX, the parties submit to arbitration in Slovenia in accordance with the rules of the Chamber of Commerce of the Republic of Slovenia. If for any reason the arbitration cannot proceed the parties will submit to the jurisdiction of the courts of the Republic of Slovenia.

16.3. Third parties transacting on the basis of the Smart B/L are deemed to accept the ST&C's and all terms of the Smart B/L but no third-party shall have any rights arising out of or in relation to this Agreement and the Contracts (Rights of Third Parties) Act 1999 shall not apply.

17. Changes to these ST&C's

17.1. CargoX may revise these ST&C's at any time and will post any amendment(s) on their website. Such amendment(s) shall not prejudice Users in relation to any specific transaction which commenced prior to notification of the amendment(s). As from the date and time of publication of the amendment(s) on the website they shall be deemed an integral part of these ST&C's and shall govern all transactions thereafter commenced and Users' use of this website.



18. Severability of Provisions.

18.1. These ST&C's together with GT&C's and disclaimers published on CargoX website constitute the entire agreement for the access to and use of the CargoX Service and transfer of Smart B/L. If any provision of these ST&C's is unlawful, void or unenforceable then that provision shall be deemed severable from the remaining provisions and shall not affect their validity and enforceability.

19. Unauthorized Use

19.1. If a User believes there has been unauthorized use of the website and/or Service, the User must notify CargoX immediately by emailing security@cargox.io.

20. Questions

20.1. If you have any questions regarding these ST&C's and/or the Service, you may contact us by sending us an email to legal@cargox.io. We will be glad to help you.

Ljubljana, 10 February 2020