

# Jónar Transport hf.

## General Terms - Customs Brokerage

These Terms shall apply to the services which Jónar Transport hf. undertakes as a customs broker for a customer, whether the services are paid for or not.

Goods transported to and from the country shall be cleared through customs in accordance with the provisions of the Customs Act applicable at any given time. Customs clearance consists in completing the formalities/documentation required by the Customs Act for authorized delivery of goods for domestic use, for transit or for exportation.

### 1. Definitions

Under these Terms, the following terms shall be defined as follows:

“Import charges” shall mean all duties and other taxes, charges and costs which must be paid upon customs treatment of goods at importation or exportation, as well as interest and costs related to such charges.

“Subsidiary” shall mean other companies in which the Company holds a majority ownership and/or controls a majority of the votes and/or owns in its entirety at any given time.

“The Company” shall mean, Jónar Transport hf., ID no. 440189-1219, Kjalavogur 7-15, 104 Reykjavík, Iceland and its subsidiary / affiliated company, as well as any person acting as an employee, agent or otherwise in the interest of the Company or its subsidiary.

“SDR” is the international unit of account used by the International Monetary Fund, which shall be converted into Icelandic currency according to the exchange rate on the date when payment takes place.

“Customs Act” shall mean Customs Act No. 88/2005, as amended, as well as regulations, rules and other administrative instructions issued on the basis of the aforementioned Act.

“Customs documentation” shall mean a customs declaration and other documents to be submitted at customs clearance as stipulated in the Customs Act, whether by letter or in electronic form.

“Goods” shall mean any object or objects listed in an individual customs declaration and may be subject to customs treatment according to the customs tariff.

“Customer” shall mean a person or legal entity and applies to a party who has requested the Company to act on his behalf before the customs authorities in order to perform the services that the company is permitted to provide as a customs broker under the the Customs Act as well as any person acting as an employee, agent or otherwise in his interest.

“Invoice” shall mean the invoice which a Customer initially delivers to the Company for the purpose of determining the customs value of the goods concerned.

“Services” shall mean all work, or part thereof, which the Company undertakes for a Customer and falls within the role of acting before the customs authorities and performing the services stipulated in Article 4.

## **2. Scope of Application.**

These Terms, including exemptions from liability, defences, rights and limitations of liability, shall apply in all legal actions against the Company, whether or not the claim is founded in contract or in tort and even if the liability is a result of intention or gross negligence or rejection of contract or significant defaults.

These Terms shall govern the legal relationship between the Customer and the Company as well as the legal relationship between the owner of goods, which the Company has undertaken to clear through customs, and the Company if the owner is not also a customer.

## **3. Agency.**

The Company is a licensed customs broker according to the Customs Act and is therefore authorized under the Customs Act to act as an agent for its customers before the customs authorities at customs clearance of goods transported into Iceland and out of the country.

By requesting that the Company handle customs clearance on behalf of the Customer the Customer gives the Company full and unrestricted power to act on his behalf before the customs authorities in accordance with the provisions of the Customs Act, to sign a binding guarantee on the customs declaration of goods cleared through customs in the name of the Customer and to request the debiting of import charges to the Customer in accordance with the Customer’s permissions from the customs authorities for deferred payment of import charges.

## **4. The Company's Services.**

The Company’s services as a customs broker pursuant to the powers conferred according to Article 3 are limited to the following services, as applicable and as requested by the Customer in each case:

1. Advice in the preparation of tax documentation, such as tariff classification and calculation of import charges.
2. Customs declaration for importation and exportation.
3. Request for electronic customs clearance of goods using Electronic Data Interchange (EDI customs clearance).
4. Payment of import charges on behalf of the Customer.

The above enumeration is considered exhaustive and is delimited by the Company’s obligations as a customs broker according to the applicable Customs Act.

The Company is obligated to provide the services it undertakes for a Customer in a reasonable and careful manner and to maintain confidentiality. Furthermore, the Company undertakes to fulfil the conditions of the Customs Act for granting an operating license for customs brokerage.

The Company undertakes to send the Customer a copy of all customs documentation for review no later than fifteen (15) days after a request for customs clearance has been sent to the Directorate of Customs.

The Company concludes independently whether customs documentation and the supporting documents and other information supplied by the Customer as a basis for customs declaration fulfil the conditions of the Customs Act. If the Company concludes that documents and information are not satisfactory it will request the missing documents or new documents replacing those which it considers unsatisfactory. A request for customs clearance will not be implemented until such documents or information have been delivered to the Company.

If the Company discovers that the Customer has intentionally submitted incorrect or unsatisfactory data or information, the Company will immediately notify the authorities accordingly.

## **5. Liability of the Company**

The Company is liable according to the general rules of tort law for direct loss to the Customer, which can be attributed to either intention or gross negligence on the part of the Company or persons for whom it is responsible, with the exceptions stated in these Terms. The burden of proof concerning the Company's liability shall rest with the party claiming that the Company bears liability.

## **6. Exemption from Liability**

### **6.1. Relief from Liability**

The Company shall under no circumstances be liable for damage that may be attributed to the following causes:

1. Incorrect or inaccurate data or information from the Customer.
2. Data or information that the Customer has kept secret from the Company.
3. The transaction value of goods is not considered to comply with the provisions of Section V of the Customs Act.
4. If a binding opinion on tariff classification has been requested pursuant to Article 21 of the Customs Act and a decision on a binding opinion on tariff classification is cancelled by the Directorate of Customs or amended following a complaint to the State Customs Board.
5. The Customer does not fulfil information obligation with respect to the customs authorities or is reluctant to provide the assistance that he is required to provide to the customs authorities under the Customs Act.
6. Defaults by the Customer on import charges, penalty interest or other costs and/or other charges.
7. Violations by the Customer or persons acting on his behalf of the provisions of these Terms and/or powers conferred and/or the parties' agreement.
8. Negligence or intention of the Customer or persons acting on his behalf.
9. *Force Majeure*, which cannot be foreseen or prevented.

### **6.2. Delays and/or Deferments.**

The Company shall under no circumstances be liable for any direct, indirect or consequential loss, costs or damages caused by delays or delayed customs clearance.

### **6.3. Indirect or Consequential Damages.**

The Company shall under no circumstances be liable for indirect or consequential damages or loss of profit.

## **7. Limitation of Liability.**

In the event that the company should be liable due to the customs clearance of goods, compensation shall not exceed the equivalent of five times the fee of the Company for customs clearance of the goods concerned.

If it is not possible to verify the Company's fee and consequently the above-mentioned limitation amount, compensation shall not exceed the equivalent of SDR 500 for any damage or additional damages if their cause is the same.

## **8. Customer's Own Fault.**

Compensation to the Customer shall be reduced or dismissed if it is proven that the Customer or someone acting on his behalf has contributed to the loss by intention or negligence. Furthermore, the Customer shall in all instances be obliged to take measures to limit his loss in accordance with general rules of tort law.

## **9. Interest.**

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

## **10. Obligations of the Customer.**

The Customer guarantees that he is the owner or the proprietor of the goods for which customs clearance is requested or that he is fully authorized by the owner of the goods to seek a particular service and to agree to these Terms on behalf of the owner of the goods.

The Customer shall be responsible for ensuring that all the requirements of domestic and foreign law, rules and administrative instructions applicable to the goods and the services, which he requests the Company to perform, are met as appropriate.

The Customer guarantees that all documents and all information that he provides to the Company and is obligated to provide, whether in electronic or written form, are true and accurate. The Customer is aware that the services provided by the Company are based on these documents and information.

The Customer must examine all customs documentation that the Company sends to him pursuant to Article 4, whether in writing or in electronic form, and determine whether it is correct and inform the Company without delay if they are not accurate or correct and advise the Company of the items that need correcting. If the Customer does not submit observations on the tariff classification of goods under specific tariff headings according to the customs tariff within ten (10) days of receipt of the customs documentation it shall be assumed to be correct and that the Customer has approved the relevant tariff classification and customs clearance of the goods.

The Customer is responsible for presenting these Terms to his employees, agents or others working for him.

## **11. Payment of import charges on behalf of the Customer.**

The Company is not under any circumstances obliged to lay out payment of import charges for the Customer and has no obligation to pay import charges on his behalf unless the Customer provides the Company in advance with sufficient funds to cover such payments. The

Company will decide in each case the amount that the Customer must pay according to the above. The Company shall keep the funds separate in its books. If a surplus develops after import charges and other claims that the Company may have against the Customer have been paid, it shall be reimbursed to the Customer.

## **12. Liability of the Customer.**

The Customer guarantees that he has a valid permission from the customs authorities for deferred payment of import charges, at any given time and undertakes to notify the Company in a verifiable manner of any changes that may be made to the permit and/or if the permit expires during the term of agency according to Article 3 of these Terms.

The Customer shall notify the Company without delay in a verifiable manner if import charges are in default and if the customs authorities refuse permission for customs clearance.

The Customer bears objective liability for all direct and indirect damages that the Company incurs as a result of information and/or data that the Customer supplied to the Company being incorrect, misleading, incomplete or not in accordance with law. In other respects, the Customer is liable to the Company according to the general rules of tort law.

The Customer is without exception liable for payment of import charges and/or other charges under the Customs Act. In the event that the Company is required to pay import charges or any other charges as decided by the customs authorities or the courts due to incorrect tariff classification or liability pursuant to the Customs Act or other incidents, the Customer shall reimburse the Company such charges or payments along with the maximum legal penalty interest and compensate the Company for the damages and costs, including legal fees, that the Company has incurred due to such payment and keep the Company indemnified from any consequences. The start of the limitation period for such a recourse claim shall be based on the date when the Company pays the aforementioned charges.

## **13. Fee.**

The Customer shall pay the Company a fee for the work and services that the Company performs for the Customer. Moreover the Customer shall reimburse the Company all costs that the Company has paid on behalf of the Customer. The fee, and its payment, shall be based on the terms of the Company's list of tariffs applicable at any given time unless otherwise agreed. If the fee and/or cost outlay have not been paid by the due date, the Company shall be entitled to charge the Customer penal interest from the due date as well as collection costs.

## **14. Notice of Damage; Expiry.**

The Customer shall notify the Company in writing of any damage, for which he considers the Company to be liable, as soon as it has been detected and no later than within ten (10) days from the time he became aware of or could have been aware of the damage. The aforementioned notice shall state clearly the goods involved, the amount of the compensation claim, if possible, and the reason for which the Company is held liable for the incident in question, if applicable. If notice of damage is not made in accordance with the foregoing, the Customer's right to claim compensation from the Company shall expire due to indifference.

Notwithstanding the above provision of notice, all claims against the Company shall be cancelled due to expiry within one (1) year of the date on which a customs declaration was dispatched to the customs authorities, whether by EDI transmission or by other means or, if not applicable, from the date on which the relevant service was performed.

In other respects, the general rules of the applicable Act on the Expiry of Debts and Claims shall apply to the expiry of claims under these Terms.

#### **15. Termination of Business.**

In the case of significant non-compliance by the Customer of his obligations according to these Terms or of a contract and/or powers pursuant to them, the Company may terminate the parties' contract and/or mandate for customs clearance without notice.

If the defaults are not significant, the Company shall be permitted to terminate the parties' contract and/or mandate for customs clearance with a notice of fifteen (15) days, and a notice to that effect shall be sent to the Customer in a verifiable manner, urging him to rectify this shortcoming within the period specified above otherwise the contract will be cancelled along with all obligations and any liability of the Company.

In cases other than those listed above, the Company shall be permitted to terminate the parties' contract and/or mandate for customs clearance with a notice of thirty (30) days.

#### **16. Delivery of Notices.**

If it is provided in these Terms or the parties' contract and/or mandate for customs clearance that one of the parties shall send the other a notification, regardless of what it is called, then it shall be sent in a verifiable manner to the addresses supplied by the parties, or to their legal domicile as registered when the notice was dispatched. Provided that this is respected, then the notification shall have its intended significance and legal effect, even if it arrives garbled, too late or not at all to the recipient.

#### **17. Laws and Jurisdiction.**

These Terms and the parties' contract and/or mandate for customs clearance shall be governed by Icelandic law. Any disputes regarding these Terms and the parties' contract and/or mandate for customs clearance shall be brought before the District Court of Reykjavík.

#### **18. Term of validity.**

These Terms on customs brokerage shall take effect as of June 1<sup>st</sup> 2013. The Company reserves the right to amend these Terms at any time. Amendments to the terms shall take effect as of the date on which amended terms are published on the Company's website.