

TRANSPORTATION AGREEMENT

No: 16-AZRT-_____

Baku, Azerbaijan _____, 2016

“Azrustrans” CJSC in a person of chairman Javid Guliyev acting on the basis of the charter, hereinafter referred to as “Executor” on one hand and “_____”, in person of general director _____ hereinafter referred to as “Customer” on the other hand, collectively referred to as “Parties” have signed the present agreement (hereinafter referred to as “Agreement”) on the following:

1. SUBJECT OF THE AGREEMENT

- 1.1.** The Executor undertakes to perform or organize the performance of the following operations as per the Customer’s order and Customer undertakes to compensate the Executor for such performance. Terms and prices of each operation shall be reflected in addendums to the Agreement:
- 1) Transportation of cargo;
 - 2) Customs clearance and/or other formalities;
 - 3) Loading–offloading and handling;
 - 4) Quality and quantity measurements;
 - 5) Cargo storage;
 - 6) Other operations as agreed between Parties.
- 1.2.** The description, duration, direction and quantity of the transported goods shall be determined according to the appendixes of the Contract.

2. PAYMENT TERMS

- 2.1.** The Customer shall make payment for services rendered according to Executor’s invoice.
- 2.2.** The Customer shall make payment 100% in advance by bank transfer to the Executor’s designated bank account after the date of submission of the invoice within agreed period unless otherwise set forth in the appendixes of the Contract.
- 2.3.** The price and order of payment for the services provided under the present contract are determined by the appendixes of the contract.
- 2.4.** The prices for the services provided under the present contract are determined in US dollars.
- 2.5.** If the vehicles are occupied for the longer period than it was agreed earlier during the customs clearance and handling because of the Customer’s fault, the Customer shall pay a penalty per each delayed day and vehicle.
- 2.6.** All fees for bank services shall be borne by the Customer at his own expense.

3. RIGHTS AND OBLIGATIONS

3.1. Executor’s rights and obligations

- 3.1.1.** Perform or organize performance of operations as indicated in clause 1.1. of the Agreement based on Customer’s orders;

- 3.1.2.** Give advice to Customer on increasing efficiency of the transportation by selecting optimum route, reduction of loading-offloading and other operational expenses;
- 3.1.3.** Within 7 days after departure provide Customer with Way Bill (CMR, RWB, AWB, BL), specification, certificate, copy of cargo customs declaration and other documents related to shipment of cargo;
- 3.1.4.** At Customer's request, provide information on transportation tariffs;
- 3.1.5.** As per Customer's request the Executor shall provide the full risk or partial insurance of the cargo at Customer's expense.

3.2. Customer's rights and obligations

- 3.2.1.** To initiate transportation operations, Customer shall submit following documents to Executor:
 - 1) Written order indicating the location of receipt (departure) of cargo, final destination, type, weight, dimensions, characteristics etc.;
 - 2) Document showing country of cargo's origin, including customs import (export) documents of cargo;
 - 3) Other documents reasonably required by the customs or other state authorities necessary for customs clearance of the cargo for import (export).
- 3.2.2.** Customer shall prepare all necessary documents for customs clearance for export/import from/to Azerbaijan.
- 3.2.3.** The Customer shall make the customs clearance at his own expense unless otherwise set forth in the appendixes of the Contract.
- 3.2.4.** The Customer shall notify the Executor by phone, fax or by e-mail at least 48 hours before the goods are ready for transporting.
- 3.2.5.** The handling expenses of the goods shall be borne by the Customer at his own expense. In case of the handling is made by the Executor the value of the executed services shall be paid additionally.
- 3.2.6.** The Customer shall provide timely payment for the services.
- 3.2.7.** At detection of shortage of the whole place, opened packaging or other lacks the Customer (addressee) does corresponding record in accompanying documents of the goods signed by both parties and within 48-hours notifies the Executor in writing.
- 3.2.8.** The Customer shall submit the following detailed information:
 - Date of shipment;
 - Destination station;
 - Consignee;
 - Wagon or container numbers;
 - Dispatch station;
 - Name of the shipper;
 - Description of the cargo (HS codes) and gross weight;

- Type of the wagon, ownership and amount;
 - Prices of the valuables (if any);
 - UN codes of dangerous and potentially dangerous cargo (if any) and the additional measures to be taken.
- 3.2.9.** The Customer shall load the cargo according to the “Cargo loading and fastening rules”. The Customer is responsible for the hidden defects of the packaging.
- 3.2.10.** The Executor has a right to detain the cargo of the Customer on the railway network of CIS for delay in sending of dispatch information, as well as for delay in transfer of the balance amount. Any additional charges caused by such delay (and detain) shall be borne by the Customer.

4. LIABILITY OF PARTIES

4.1. General conditions

- 4.1.1.** Parties are liable for full or partial failure to perform under the Agreement in accordance with the Azerbaijan Legislation in force.
- 4.1.2.** Party failing to perform under the Agreement, shall take measures to shortly reestablish performance under the Agreement.
- 4.1.3.** Parties are exempted from liability for full or partial failure to fulfill under the Agreement if such failure is caused by Force Major to an extent of the period of Force Major.
- 4.1.4.** Executor is liable for damage caused to Customer’s cargo within the scope of Executor’s responsibility.
- 4.1.5.** Customer shall be held liable for damage caused to Executor in following circumstances:
- Failure to fulfill terms of the Agreement;
 - Submission of false or incomplete information;
 - Failure to submit cargo for transportation (to an extent of the amount of penalties levied by transport companies/carriers);
 - Actions causing demurrage of transport facilities (to an extent of the amount of penalties levied by transport companies/carriers);
 - Groundless refusal to make payment;
 - In case of failure to timely make payment against Executor’s invoice, the Customer shall pay penalty in amount of 0.5% of the invoice value for each day of delay.
- 4.1.6.** In case of any amendments or annulment of transportation requiring re-registration and sending of new telegrams to the destination and junction stations, the Customer shall pay the Executor USD 40,00 (forty) for each telegram.
- 4.1.7.** The Parties shall make a reconciliation and sign a reconciliation act regarding the provided services within 5 (five) working days for each previous month. Reconciliation act shall contain codes, railcar numbers, RWB numbers, origin and destination stations, cargo description and HS Code, gross weight, type of wagon, and wagon ownership. If the signing of reconciliation

act is delayed by the Customer, the prices and other information provided by the Executor shall be considered relevant and accepted.

4.1.8. If the Customer uses the codes given by the Executor for the transportation of the cargoes that were dispatched in volume more than 100% from agreed volume, the Customer pays for transportation of such cargoes on the basis of the 105% rate of international transport tariff or single transit tariff of each unagreed shipment.

4.1.9. In case of delay of supply, damage, shortage or loss of cargo of the Customer, the respondent shall be the railway of shipment or point of destination according to the provisions of AIFRC and By-laws of railway.

4.1.10. The Executor is not responsible for losses on the way and during handling in the terminals.

4.1.11. The Customer is responsible for nomination of independent inspection at the loading / unloading places.

5. FORCE-MAJEURE

5.1. Parties are not liable for full or partial failure to perform or improper performance of obligations under the Agreement if such failure is caused by flood, fire, earthquake, war, blockade, acts of state authorities or other natural calamities.

5.2. Party referring to Force-Major event shall inform the other Party about these circumstances in written, latest within 5 working days after Force-Major event.

5.3. As an evidence of Force-Major, Party referring to Force-Major event shall provide the other Party with an official document issued by country's Chamber of Industry and Commerce or other authority within a reasonable time period.

5.4. If Force-Major event lasts for more than 2 (two) months, either Party may terminate the Agreement by issuing written notification to this respect.

6. DISPUTE RESOLUTION

6.1. The disputes arising during the fulfillment of the present contract shall be addressed to the Courts of Azerbaijan Republic and the applicable law shall be the Azerbaijan Law or by the decision of the plaintiff shall be solved by Geneva Arbitrage according to English law by 1 (one) arbiter. The language of the process shall be English.

7. CONFIDENTIALITY

7.1 Unless otherwise agreed to in advance, in writing, by the disclosing Party or except as expressly permitted by this Agreement, the receiving Party will not, except as required by law or court order, use Confidential Information (the price lists, customer lists, marketing plans and etc.) of

the disclosing Party or disclose it to any third party for the Term and for a period of 2 (two) years thereafter.

8. FINAL PROVISIONS

- 8.1.** The Agreement shall be effective on the date of its signing and shall be valid for the period of 3 (three) years. In case the Parties do not notify each other regarding their intention to terminate the Agreement 1 (one) week prior to the termination date, the term of the Agreement shall be automatically extended for the next 3 (three) years.
- 8.2.** The Parties may terminate the contract by notifying other party in written form 1 (one) month in advance.
- 8.3.** The Parties are fully responsible for the obligations arise before termination of the contract.
- 8.4.** The Agreement has been drawn up in two originals in Russian and English. Both originals have equal legal effect and Parties shall have one original each.
- 8.5.** In case of discrepancies between Russian and English versions, the English version shall prevail.
- 8.6.** All addenda and amendments to the Agreement are valid only if made in writing and signed by authorized representatives of Parties.
- 8.7.** All addenda and amendments to the Agreement are an integral part of the Agreement.

9. ADDRESSES and REQUISITES OF PARTIES

9.1. EXECUTOR:

«Azrustrans» CJSC

TIN: 2003950691

Address:

U.Hajibeyov str. 62, Baku AZ1010, Azerbaijan
Marine Plaza, 11th floor

Bank Details:

İBA Nagliyyat Branch

TIN: 9900001881

KOD: 805711

Cor/acc: AZ03NABZ01350100000000002944

SWIFT: IBAZAZ2X

Acc: AZ72IBAZ38150018405849360205-USD

9.2. CUSTOMER:

Address:

Bank Details:

CUSTOMER / ЗАКАЗЧИК:
