

Warehousing Conditions of the Estonian Logistics and Freight Forwarding Association

The Estonian Logistics and Freight Forwarding Association's (ELFA) general meeting approved on January 27, 2011. The Warehousing Conditions (hereinafter referred to as Conditions) of the Estonian Logistics and Freight Forwarding Association apply to all legal relations between warehousing companies and their customers concerning goods storage, and protect the customers at least to the extent set out in the Conditions. The Conditions are based on the Warehousing Conditions Amsterdam-Rotterdam (*Warehousing Conditions Amsterdam-Rotterdam*), registered in the Amsterdam and Rotterdam Circuit Court's register on March 1-st, 1994. The Warehousing Conditions shall enter into force on February 1-st, 2011.

GENERAL PROVISIONS

§ 1. Conditions apply

- (1) The Chapter 1 of the Conditions shall apply to all legal relations between the agreed warehousing companies and their Principals. The Chapter 2 hereof shall apply to the legal relation between warehousing companies and the warrant holders, where the warrant indicates that these Conditions are applicable.
- (2) Neither the warehousing companies nor the Principal nor the warrant holder may appeal to regulations and provisions where they are contrary to these Conditions, unless explicitly agreed in an another agreement.
- (3) If the warehousing company performs or supplies other services and acts in the capacity of forwarding agent, shipbroker, stevedore, carrier, insurance broker, superintending company or whatever, the conditions customary to that relevant branch of the specific trade shall be enforceable in addition to which other terms and conditions which have been specifically agreed between the parties shall also apply.

§ 2. Definitions

In these conditions:

Warehousing company is the party which undertakes to store and after termination of the storage deliver the goods of another party (the Principal) (Chapter I) or the party who has goods in custody against which a warrant issued by him is in circulation (Chapter II). The warehousing company accepts instructions for the storage or custody or delivery of goods.

Principal is the party who instructs the warehousing company to store or deliver goods, or the party for whom the warehousing company stores goods for which no warrant is in circulation. The principal shall give instructions to the warehousing company for the storage, custody or delivery of goods.

Warrant is a numbered and legally signed or stamped receipt entitled "Warrant" stating that the bearer has the right to receive the goods mentioned therein.

Warrant holder is the party who identifies themselves to the warehousing company as the holder of a warrant by producing the warrant or who establishes ownership in any other manner acceptable to the warehousing company.

Last warrant holder known to the warehousing company is the party to whom a warrant has been issued and subsequently the warrant holder whose written request to the warehousing company to be considered as such bears the most recent date, provided, however, that the warehousing company shall have the right but not be obliged to regard someone else as such, if they have reason to assume that the latter is the last warrant holder.

Warehousing is a paid service offered by the warehousing company, the warehousing company undertakes to store, preserve and provide other agreed services.

§ 3. Law

All agreements shall be subject to the laws of Estonia.

§ 4. Disputes

- (1) All disputes which may arise between the warehousing company and the warrant holder shall be decided in Estonian court.
- (2) Before the court, the disputing parties may refer the dispute to the ELFA arbitral court, if one is formed. ELFA arbitral court is set up and it operates according to the rules and procedures agreed by the general meeting of ELFA.

§ 5. Publication of the Warehousing Conditions

- (1) The Conditions shall be forwarded to the Estonian Chamber of Commerce and Industry, who will publish these on their website.
- (2) The Conditions shall be made public on the ELFA website in Estonian, English and Russian. In case of difference between the Estonian text and the text in any other language of these Warehousing Conditions, the Estonian text shall be decisive.

CHAPTER 1

PROVISIONS RELATING TO STORAGE AND DELIVERY

§ 6. Written Procedures

- (1) All tenders, agreements, instructions regarding delivery, storage, handling and issue of goods, shall be recorded in writing. Also electronic correspondence and any other written declaration is consistent with the written form requirement.
- (2) Verbal or telephone communications shall only be binding on the warehousing company if immediately confirmed in writing, unless otherwise agreed.

§ 7. Description of Goods and Supply of Information

- (1) The Principal shall provide the warehousing company with a written inquiry, an order and storing and handling instructions with the exact and full description of the goods, where the following is stated: the value of the goods, the number of packages, gross weight and other important particulars of such nature that can affect the signing of the contract or its conditions.
- (2) If goods are subject to customs and excise provisions or any other special regulations, the Principal shall timely supply all information and documents required in this connection to the Warehousing Company, in order to enable the Warehousing Company to comply with such provisions or regulations.

§ 8. Rates/Payments

- (1) Current rates and payments for work done and all verbal or written agreements between the warehousing company and the Principal regarding rates and payments for work done shall be based on the cost of labour prevailing at the time the instructions were given or the agreement was made. In the event of an increase in the cost of labour, the current rates or the agreed rates and payments may be adjusted accordingly. The warehousing company shall also have the right to adjust the rates in cases where the Authorities introduce or increase charges imposed on the services rendered by the warehousing company.
- (2) Current and agreed rates for storage shall be based on the customary method of stacking the relevant goods unless otherwise agreed. If at the Principal's request or due to the condition of the goods the customary method of stacking is not followed, an increase in the rates shall be applied proportional to the additional floor space occupied compared to normal stacking.

§ 9. Duties, Costs and Taxes

- (1) All costs (freight, disbursements, taxes, duties, fines and/or other charges or costs of whatever nature), incurred by or relating to the goods, shall be for the account of the Principal. The Principal shall pay in advance or reimburse these costs at the warehousing company's first demand, irrespective of whether the goods are still on the premises or have since been removed.
- (2) When the warehousing company deems it necessary to conduct law suits or take other legal steps with regard to duties, taxes, fines or other charges or costs imposed by the Authorities; or if the Principal requests the warehousing company to conduct such law suits, the resulting costs, including the costs of legal and/or fiscal and/or other advice or assistance deemed necessary by the warehousing company shall be reimbursed by the Principal at the warehousing company's first demand. The warehousing company shall consult with the Principal and try to obtain instructions from the Principal, before proceeding to implement law suits within the terms of this Section 9.
- (3) In the event of the warehousing company acting as financial or fiscal agent, all taxes, duties, fines, interest, and costs of whatever nature, or indemnifications shall be for the account of the Principal, without prejudice to the provisions of Section 9.1. The Principal shall pay such amounts at the warehousing company's first demand.

§ 10. The Principal's Liability

- (1) The Principal shall be liable to the warehousing company and third parties for any loss or damage resulting from incorrect or misleading and incomplete descriptions or indications or information, as well as for the loss and damage resulting from defects of the goods and the packaging, that was not

notified before, even when such loss or damage was caused through no fault of his. If the weight of the goods has been omitted or stated incorrectly, the Principal shall be liable for all resulting damage.

(2) The Principal is responsible for damages, resulting from the Conditions or from a separate agreement between the Principal and the warehousing company, from non/late/improper execution of any obligation by the Principal, unless the damage has resulted directly from willful or gross negligence by the warehousing company themselves.

(3) The Principal shall also indemnify the warehousing company against justified claims from third parties for loss and damages paid or due to third parties, including claims from employees of both the warehousing company and the Principal, resulting from the nature or condition of the goods stored, unless the damage has resulted from willful or gross negligence.

§ 11. Refusing an Order

The warehousing company shall have the right to refuse an instruction for storage without having to give any reasons therefore. In the event of the warehousing company having accepted the instructions, the agreement may only be broken by mutual consent of the parties concerned, unless in the case of a compelling reason. A compelling reason is mainly the change in the storing conditions unrelated to the actions of the warehousing company, administrative constraints, as well as all reasons from the Section 27 Subsection 3 of the Conditions.

§ 12. Inspection of Goods

(1) The warehousing company shall not be obliged to weigh or measure the goods without having received specific instructions to this effect.

(2) The warehousing company may weigh or measure the goods in order to check and verify the specifications received from the Principal. If the warehousing company ascertains that the weight or measure vary from the specification, the cost of weighing or measuring shall be for the account of the Principal. The warehousing company shall only be responsible for weights or measurements, if the goods have been weighed or measured by the warehousing company on the Principal's instructions and without prejudice to the provisions of Section 20 of the warehousing company's liability.

(3) Packages may only be opened for inspection of the contents by the warehousing company at the Principal's request. The warehousing company shall at all times have the right, but not be obliged, to open the packages in order to verify the contents, should they have reason to suspect that the contents have been incorrectly declared.

(4) If on inspection it appears that the contents differ from the specification, the costs of the inspection shall be for the Principal's account. The warehousing company shall never be responsible for the description or designation of the goods taken into custody.

(5) The warehousing company shall never be responsible for the deficit of the contents, unless the damage has resulted directly from willful or gross negligence by the warehousing company themselves.

§ 13. Delivery and Receipt

Delivery to and receipt by the warehousing company shall be made by the Principal's delivery of the goods and their acceptance by the warehousing company at the place of storage. The place of storage is the place of receipt by the warehousing company, even if the warehousing company arranges transportation or delivers the goods themselves.

§ 14. Condition of the Goods on Arrival

(1) Goods shall be delivered to the warehousing company in good condition and if packed, shall be properly packed.

(2) If the goods sent to the warehousing company arrive in outwardly visible damaged or defective condition, the warehousing company shall have the right, but not be obliged, to take any steps to protect the Principal's interests against the carrier or others and shall provide evidence of such condition. The warehousing company shall do this for the Principal's account and risk, without the Principal however being able to make any claim against the warehousing company for the manner in which the warehousing company have performed such tasks. The warehousing company shall notify the Principal without delay, without the latter however having any right to claim against the warehousing company because of failure to notify.

(3) Goods received for storage may at any time be requested by the warehousing company to be removed, or destroyed or rendered harmless in any other manner by the Principal, when as a diligent

warehouse-keeper, had he known that they could be dangerous after receipt, would not have accepted the goods for storage.

(4) The warehousing company has the right to take measures from Section 14.3 for storing goods, whose hazards were known to the warehousing company, but only if the goods present immediate danger.

(5) The warehousing company shall not be liable for any claim for damages in the event of taking the measures stated in 14.2–14.4. The Principal shall be liable to cover all costs and damages to the warehousing company resulting from the delivery for storage, from the storage itself or from the measures taken, unless such costs and damages or the need for taking such action are exclusively due to faults on the part of the warehousing company.

(6) As a result of the measures taken the agreement for the storage of goods stated therein shall cease to apply. In the event that the goods are still delivered, the agreement shall only be terminated after their delivery. The provisions relating to dangerous goods shall not prejudice Section 22.

§ 15. Commencement of Execution of Order for Storage

The warehousing company shall commence to action the agreed instructions for delivery or storage as soon as possible after accepting these instructions and on receipt of the required particulars and handling instructions, unless agreed otherwise or prevented from doing so by special circumstances.

§ 16. Speed of Execution of Order

The warehousing company shall determine the speed at which an order for storage or delivery of goods is executed. The Principal's wishes shall be taken into consideration by the warehousing company as far as possible in this connection, but the warehousing company shall not be liable for costs incurred by the Principal where the speed at which the instructions are carried out are slower than desired by the Principal.

§ 17. Late or Irregular Delivery or Removal of Goods

If the Principal has advised the warehousing company that goods are to be delivered for storage in a certain quantity or at a specified time, or that goods to be removed, are to be collected in a certain quantity or at a specified time; and if the said Principal then fails to deliver or collect in the agreed manner or at the agreed times, then the Principal shall be obliged to pay the warehousing company any costs incurred for labour or equipment not utilised, or not fully utilised, which had been engaged or assigned to carry out the relevant instructions by the warehousing company.

§ 18. Working Hours

Delivery of goods to and removal of goods from the place of storage shall be carried out during the official working hours of the warehousing staff. Should the Principal require work to be carried out outside the official working hours, the warehouse may at its own discretion comply or not comply with this request. Extra costs incurred for working outside of official working hours shall be borne by the Principal.

§ 19. Place of Storage. Moving of Goods

(1) Unless otherwise agreed, the warehousing company shall have sole discretion of where the goods are to be stored.

(2) The warehousing company shall at all times have the right to remove the goods to another place of storage.

(3) The costs of such transfer and insurance or normal transport risk, shall be for account of the warehousing company, unless such a transfer is made in the interests of preserving the goods or due to circumstances beyond the control or responsibility of the warehousing company.

(4) When the goods are moved to another place of storage, the warehousing company shall notify the Principal, however without the latter being able to lodge any claim against the warehousing company because of failure to notify.

§ 20. Damage/Loss of Goods

(1) By accepting these warehousing conditions, the Principal renounces any right to lodge claims or recover damages from third parties in the case of loss or damage of the goods. The Principal will only be able to hold the warehousing company liable, even when the warehousing company has employed the services of these third parties in the course of their business. The following limitations shall apply to the warehousing company's liability:

(2) In the case of damage and/or loss because of theft by burglary, the warehousing company shall be considered to have applied adequate care, if they have provided a proper closure for the storage place.

(3) In the case of goods stored on open ground or which can only be stored on open ground or for which it is customary for the warehousing company to store them on open ground, any liability of the warehousing company for damage, possibly in connection with such storage, shall be excluded.

(4) In the case of damage or loss caused by rodents, birds, insects or other vermin, the warehousing company shall be considered to have applied adequate care if they have provided the normal pest control in the place of storage.

(5) The warehousing company shall not be liable for any damage and/or loss arising from the following causes, regardless of their origin:

- a) natural properties of goods that can cause changes in quality, inner rot, wetting, dehydration, leaking, heating, seeping, sweating, fermenting, freezing, rusting, breakage, as well as natural wastage and insufficient packaging.
- b) force majeure, government measures, requisitioning, seizure, strike, lockout, sabotage, riot, looting, interruption of power supplies.
- c) fire, smoke, explosion, radiation, water damage, break of water pipes, floods, storm and generally every external calamity.

(6) The compensation payable by the warehousing company for the loss of the goods shall be limited to the value of the goods applicable on the day of discovering the damage.

(7) In the case of damage the indemnification shall be the difference between the value of the undamaged goods on the day of storage and the value of damaged goods.

(8) The warehousing company indemnity shall not exceed the value of the damaged or lost goods on the day of their arrival to the warehouse, if there are no produced evidence of this value, the actual value is used instead. The warehousing company shall not be held liable for loss of earnings or any other indirect loss.

(9) When damage is caused to only part of the goods, which can be classified as having a value of its own (e.g. machine parts) or where damage is caused to one or more items of several goods belonging together (e.g. furniture), the warehousing company shall compensate only the value of the damaged parts or objects, any depreciation of the remaining part or of the undamaged goods shall be excluded and not be considered.

(10) In no event shall more than the actual cost of the damage be paid, and then only to a maximum amount of SDR 2 per kilogram damaged or lost gross weight, provided that in all cases the warehouse's liability is limited to SDR 100,000 per event or series of events resulting from one and the same cause.

(11) Any right to claim compensation for the damages shall cease if no complaint is filed on receipt by or on behalf of the Principal receiving the goods.

(12) The Principal shall be liable for any damage of goods caused by the non/late/improper execution of any obligation under these Warehousing Conditions, or under the separate agreement made between the warehousing company and the Principal.

(13) The warehousing company shall be liable for damage of goods in connection with customs or other formalities, in all cases the warehouse's liability is limited to SDR 7500 per event or series of events resulting from one and the same cause.

§ 21. Admittance to the Premises

(1) The warehousing company shall be obliged to admit the Principal or the persons designated by him to the place where his goods are stored, subject to the requirement to comply with customs or other formalities.

(2) The following conditions shall apply to all persons whom the warehousing company has granted admission:

- a) all persons visiting the place of storage, including the personnel of vehicles, shall observe the warehousing company's regulations when arriving at the warehouse;
- b) admittance shall be granted by the warehousing company only during normal working hours and always under escort;
- c) the cost of escorting visitors shall be paid to the warehousing company by the Principal;
- d) the Principal shall be liable for any damage caused directly or indirectly by the visitors;

(3) The Principal shall indemnify the warehousing company against claims from third parties, including claims from employees of both the warehousing company and the Principal, resulting from damage described in the previous sections.

§ 22. Handling of Goods

(1) If the Principal is required to execute work, such as sampling, servicing, repacking, restacking, lotting, weighing, etc., as well as delivery, then these shall be entrusted to the warehousing company having the goods in custody at the appropriate fees and on the appropriate conditions.

(2) Any work the warehousing company does not wish to undertake may, with the warehousing company's consent, be carried out by or on behalf of the Principal, under the supervision of the warehousing company, subject to the conditions laid down by the warehousing company and against payment of the costs involved. The warehousing company shall not be held liable for the consequences of these tasks.

§ 23. Special Method of Handling Goods

(1) The warehousing company shall not be obliged to take any measures in respect of the goods or their packing received into custody, other than such which are considered normal for the storage of the goods concerned.

(2) The warehousing company shall only be obliged to take special measures if such measures have been agreed.

(3) However, the warehousing company shall have the right to take immediate action at the Principal's cost and risk, including the clearance or removal, or destruction, or rendering harmless in any other way, if it is feared that failure to take such action may cause loss or damage to the goods themselves or to other goods, or to the warehouse or to equipment, or cause harm to persons, or when such a measure is required or indicated for some other reason, such in the discretion of the warehousing company. The warehousing company shall immediately inform the Principal of the measures taken, without the latter having any right to claim against the warehousing company for failure to meet this obligation.

(4) Without prejudice to the provisions of the preceding subsection, the Principal shall indemnify the warehousing company against any claims by third parties an account of damage caused by the Principal's goods to goods belonging to third parties.

§ 24. Insurance of Goods

(1) Unless expressly agreed in writing with the Principal, the warehousing company shall not be obliged to effect any insurance on the goods. If it has been agreed between the warehousing company and the Principal that the warehousing company is to effect insurance of the goods for account of the Principal, then the warehousing company shall have the right in their discretion to effect the agreed insurance in the name of the Principal, or to include such insurance in a warehousing policy. The value to be insured shall be the amount stated by the Principal. The warehousing company shall in all insurance cases exclusively be regarded as intermediary without any liability and shall not be held responsible for the conditions negotiated with the insurers or be responsible for their reliability or their solvency.

(2) In all cases where the goods have been insured through the intervention of the warehousing company, the warehousing company shall have the right to collect the sums claimed for and on behalf of the parties interested in the goods and shall furthermore have the right to deduct all money owed to them for whatever reason by the Principal from the insurance settlement. The balance remaining shall be paid to the Principal.

(3) In case of damage to or loss of goods by fire or any other cause and the assistance of the warehousing company for assessing the damage or loss is desirable or necessary, such assistance shall be rendered by the warehousing company against payment of the costs involved plus additionally a fee for their efforts. The warehousing company may make such assistance conditional on the cash payment of, or the provision of security for all sums owing for whatever reason and all costs referred to in this Section by the Principal to the warehousing company.

(4) When partial delivery of the goods has been made by the warehouse, the Principal must inform the warehouse of the value for which he wishes the remainder of the goods to be insured. In the absence of such a declaration the warehousing company shall have the right to reduce the insurance value at their own discretion, in proportion to the decrease in number, weight, measure or contents of the goods.

§ 25. Charging Warehouse Rent in Case of Destruction of Goods

Should the goods stored in the warehouse be destroyed by fire or otherwise, the day of destruction shall count as the date of delivery. The Principal shall pay the full warehouse rent plus the insurance

premium (if the goods were insured through the warehousing company) and costs, calculated in full monthly periods up to and including the date of destruction of goods.

§ 26. Removal of Goods

(1) The Principal may, upon payment of all that is due to the warehousing company (taken in the broadest context) and subject to the provisions of these General Conditions, at any time remove the goods placed in custody.

(2) The warehouse rent, and if the goods have been insured through the warehousing company, then also the insurance premium and costs, shall always be charged in full months, part of a month counting as a full month. If a fixed period of storage has been agreed, the Principal shall compensate the warehousing company for expenses that the latter had already incurred, taking into account the agreed deadline.

(3) If a fixed period of storage has been agreed, the warehousing company cannot require the Principal to remove the goods prior to the expiration of the agreed period of time.

(4) Where no fixed period of storage has been agreed or where the agreed period of storage has expired, the warehousing company has the right to require the goods to be removed at one month's notice, however not within three months of the commencement of storage.

(5) In the case of a force majeure the agreement remains in force, but the warehousing company's liabilities are suspended for the time of the force majeure.

§ 27. Premature Removal of Goods for Compelling Reasons

(1) The warehousing company shall at all times have the right to require the goods received for storage to be removed prior to the expiration of the storage period, without observing any period of notice, where there is a compelling reason to do so.

(2) Compelling reasons shall be understood to be circumstances of such nature that applying sensible standards of fair judgement, the Principal could not reasonably expect continuity of storage.

(3) A compelling reason for removal shall be deemed to exist inter alia, if the Principal fails to comply with one or more of the provisions of these General Conditions. If for instance it appears that owing to the presence of the goods, the hazard of loss and damage to other goods, or to the storage place or to equipment, or danger or harm to personnel is to be suspected or feared; and further more if the goods are of a perishable nature or liable to inherent changes, which in the opinion of the warehousing company justifies the assumption of deterioration, and the Principal has neglected to give instructions for preventing or controlling.

(4) The Principal shall remain liable to pay the warehouse rent in full up to and including the day of the removal of the goods.

§ 28. Payment

(1) All amounts owing/due to the warehousing company by the Principal however incurred, such as: warehouse rent, insurance premiums and costs, rent, fees for storage and delivery, charges for work done or to be done, costs of cleaning work and such like during or after a fire or otherwise, extraordinary expenses, additional wages, taxes, duties, fines, etc. shall be payable on the first demand.

(2) Without prejudice to the provisions of the preceding subsection, the Principal shall always pay the warehouse rent due promptly within the term agreed between the parties, but at least once per 12 months.

(3) Should the Principal not immediately pay the amount due to the warehousing company, the warehousing company shall have the right to charge interest at the official rates in the law prevailing at the time.

(4) Payments received on account shall in the first instance be allocated towards the reduction of ordinary debts, regardless of whether these monies were intended for other purposes when the payments were made.

(5) When in the case of late payment the debt is collected by judicial or other means, the amount of the debt shall be increased by 10% to cover administrative costs, while the judicial and extra-judicial costs shall be for account of the Principal.

§ 29. Right of Lien

(1) As security for the payment of all that the Principal owes or will owe the warehousing company for all warehousing agreements and for previous carriage, forwarding and storing agreements, the warehousing company shall have a lien on all goods, monies, documents, and/or bonds or securities belonging to or on behalf of the Principal. A warrant provides for a lien on claims arising from the

warrant and the claims, which were known to the warrant holder or had to be known to them. Such right of lien shall be extended to insurance claims and to the accompanying documents.

(2) Right of lien shall be extended to also include sums from insurance claims the warehousing company has collected or will collect on behalf of the Principal.

(3) The warehousing company shall regard anyone who, on behalf of the Principal, entrusts goods to the warehouse, authorized by the Principal to create a pledge on such goods.

(4) In case of a failure to pay the claim, the secured goods shall be sold privately in agreement with the Principal or sold at an auction in accordance with the law.

§ 30. Public Sale

(1) Should the Principal fail to remove the goods entrusted to the warehousing company for storage, on expiry of the rental period covered in the agreement; or fail to remove the goods after the agreed or specified time for storage or at any other point of time in the case of a compelling reason regarding the early removal of goods as mentioned under Section 27 above. The warehousing company shall have the right to sell the goods entrusted to them, or to have them sold, without observance of any formalities, in the place and in the manner and on the conditions the warehousing company sees fit, publicly or in any other legal manner. The sale shall be at the expense of the Principal, and the warehousing company shall have the right to recover from such proceeds all amounts the Principal owes them.

(2) If it is probable that the cost of selling the goods will be higher than the benefits or if no buyer is found despite a reasonable attempt to do so, the warehousing company shall have the right to remove or destroy the goods. The Principal shall remain liable for all amounts due, increased by the cost of removal or destruction.

(3) After the event of sale, the warehousing company shall hold the balance of the proceeds after having deducted all costs and all the Principal's debts, at the Principal's disposal for five years. After that period the unclaimed balance accrues to the warehousing company.

§ 31. Expiration of Claims

(1) Claims against the warehousing company for loss, damage or decrease of stored goods or general claims against the warehousing company shall expire after 1 year. Claims for damage that has resulted directly from willful or gross negligence shall expire after three years.

(2) In cases of damage to or decrease in the goods, where the warehousing company have not informed the Principal of such damage or decrease, the period of expiry shall commence on the day the goods are delivered. The warehousing company delivered the goods to the Principal. In cases of total damage of goods, or if the warehousing company informed the Principal of such damage or decrease, the period of expiry of the claim shall commence on the day the warehousing company informed the Principal.

§ 32. Transfer or Transition of Goods

(1) Transfer or transition of ownership of warehoused goods, or the transfer or transition of the right to take delivery of the goods, by a Principal to a third party, shall not be accepted by the warehousing company and be without legal effect as far as the warehousing company is concerned, unless all claims the warehousing company may have against the Principal have been paid in full.

(2) The Principal shall be obliged to inform the warehousing company instantly in writing of any transfer or transition of ownership of goods.

(3) Without prejudice to the provisions above, the transfer or transition has no legal implications for the warehousing company nor shall the warehousing company recognize them, unless the new owner has explicitly accepted in writing all provisions of the agreement between the warehousing company and the original or transferring Principal as well as the present Conditions. In this case the agreement between the original Principal shall be under same conditions as with the new Principal.

(4) The warehousing company is not required to recognize the transfer or transition of ownership of the goods and shall even have the right to revoke a previous recognition made, and may furthermore refuse to release the goods, if in the warehousing company's opinion there are flaws in the legal title regarding any transfer or transition of ownership of goods, or if the new owner claims not to have accepted these present Conditions or not to be bound by them.

(5) In case of transfer or transition the original and transferring Principal shall remain solidarily liable to the warehousing company for all the warehouse's claims in connection with the storage and handling of the good, irrespective of whether the claim arose before or after the transfer or transition of the right to delivery.

§ 33. Issue of Warrants

- (1) The warehousing company may issue a warehouse warrant to the Principal at his request, describing the goods given into custody to the warehousing company by the Principal.
- (2) The warehousing company shall have the right to refuse to issue a warrant, if the Principal has not paid all claims the warehousing company may have on him or if the warehousing company has a compelling reason to do so.
- (3) Once a warrant has been issued, all the warehousing company's obligations towards the Principal shall cease, and shall be replaced by the warehousing company's obligations towards the warrant holder, these regulations being detailed in Chapter II of these Conditions. The Principal shall, even after the issue of the warrant remain liable towards the warehousing company for the effects of any discrepancies between the goods for which the warrant was issued and their description on the warrant.

CHAPTER 2

PROVISIONS REGARDING THE WARRANT

§ 34. Applicable provisions

The legal relations between warehousing companies and warrant holders shall be governed by the provisions of Chapter I, except when the provisions of Chapter II determine that a provision of Chapter I may not be applied.

§ 35. Right to Delivery of Goods

- (1) The warrant awards the right of delivery by the warehouse of the goods they have received for storage and against which the warrant has been issued. The warehousing company shall be liable towards the warrant holder for any discrepancy between the stored goods and their description on the warrants, if the warrant holder would have been unaware of any discrepancy existing when he acquired the warrant, unless it concerns goods which identification requires expert knowledge or a thorough examination or analysis.
- (2) If the warrant contains the clause: "Content, quality, number, weight and measure unknown" or a similar clause, the warehousing company shall not be bound by any statement in the warrant regarding contents, quality and the number, the weight or the dimensions of the goods.
- (3) The warrant holder shall not have any right to delivery according to the warrant as long as the warehousing company has a claim on the goods resulting from these present Conditions or until all customs and other formalities, required for the delivery, have been fulfilled.

§ 36. Expiry of the warrant

- (1) The warrant shall be valid for three years from the date of issue, unless a shorter period of validity is indicated on the warrant.
- (2) Until its expiry the warrant may be replaced at the warrant holder's request by a new warrant, against payment of all the costs involved. The warehousing company shall have the right to refuse the replacement of the warrant and may require the goods to be removed on the expiry date of the contract.
- (3) If on its expiry date the warrant has not been presented for replacement, or if after refusal to replace the warrant the goods have not been removed from the warehouse on the expiry date, the holder of the expired warrant shall be deemed to agree to the warehouse rent, and if the goods have been insured through the warehousing company, the insurance premium and costs shall be determined by the warehousing company as from such date.
- (4) If on its expiry date, the warrant has not been presented for replacement, or if after refusal to replace the warrant the goods have not been removed from the warehouse on the expiry date, against payment of the amount the warehousing company are entitled to under Section 30 above, the warehousing company shall have the right to dispose of the goods to which the expired warrant refers.
- (5) For a period of five years after the expiry date of the warrant, the warehousing company shall be obliged to deliver the goods described on the expired warrant, or should the warehousing company have exercised their right to dispose of the goods, the net proceeds of the goods, without payment of interest, shall be paid to the holder of the expired warrant, after having deducted all the amounts due to the warehousing company. After these five years have expired, the rights of the holder of the expired warrant shall cease and the warehousing company shall no longer be required to deliver the goods, or to account for their proceeds, neither to the holder of the expired warrant nor to others.

§ 37. Delivery of Goods

(1) The warehousing company shall prior to effecting full or partial delivery of the goods to which the warrant gives title, have the right to demand fulfilling the further requests:

- a) the warehouse rent due since the date when the last payment was made, as shown on the warrant and not having been otherwise paid prior to delivery, at the monthly rent noted on the warrant, parts of months to count as full months;
- b) insurance premiums and costs due since the date when the last payment was made, as shown on the warrant and not having been recorded as otherwise having been paid prior to delivery, at the monthly insurance premium rate stated on the warrant, parts of months to count as full months;
- c) the charges for delivery and documentation of the goods at the current rate applicable;
- d) disbursements and other outlays made by the warehousing company on behalf of the warrant holder requesting delivery, in connection with customs or other formalities;
- e) all costs incurred by the warehousing company after the date of issue mentioned on the warrant:
 - e.1) for preserving/retaining the goods mentioned on the warrant;
 - e.2) for eliminating any dangers caused by the goods mentioned on the warrant to the warehouse or to other goods stored therein;
 - e.3) or measures taken in respect of the goods mentioned on the warrant as a result of circumstances for which the warehousing company cannot be held responsible;
- f) all other amounts due to the warehousing company apparent from the warrant.

(2) Notwithstanding the provisions of the preceding paragraphs the warrant holder shall be obliged to pay the warehouse rent due and the insurance premiums and costs at the end of each 12 months of storage or such earlier period as has been agreed and is recorded on the warrant. The costs referred to in sections d and e above shall be paid as soon as the warehousing company have given notification of this to the warrant holder.

(3) If the warrant holder fails to meet his obligations stated in the warrant in a timely manner, the monies due to the warehousing company accrued in this manner shall be increased as from the day the 12 months storage has elapsed by a penalty of 1% of the amount due for each month in excess of the 12 month period.

§ 38. Indemnification of lost or damaged Goods

For loss or damage the Section 20 shall be applied, the day of issue of the warrant is regarded as the day of receiving the goods for storing.

§ 39. Access to and information about Goods

Access to and information about goods for which warrants have been issued shall only be given on production of the said warrant.

§ 40. Handling of Goods

(1) If the warrant holder has to carry out tasks on the goods, such as sampling, servicing, repacking, restacking, lotting, weighing, etc., as well as delivery, then these shall be entrusted to the warehousing company having the goods in custody, at the appropriate fees and on the appropriate conditions applicable at that time.

(2) Such tasks as required by the warrant holder, shall only be carried out after surrender of the warrant.

(3) Tasks the warehousing company does not wish to undertake may, with the warehousing company's consent and after surrender of the warrant, be performed by or on behalf of the warrant holder, under the supervision of the warehousing company and against payment of all costs involved, however without any liability on the part of the warehousing company. The warehousing company shall not be held liable for the consequences of these tasks.

(4) Partial deliveries and handling of the goods, causing a change in the properties or amount of the goods shall be inserted on the warrant in the space allocated for these remarks. When there is no space left on the warrant for further remarks, the warrant shall be replaced at the expense of the warrant holder.

(5) Payments due to the warehousing company for work performed in connection with the goods mentioned on the warrant or for supervising such work, shall be paid immediately. The warehousing company shall have the right to refuse to return the warrant until settlement has been made.

§ 41. Notification Of Special Method of Handling

Should the warehousing company carry out any work in connection with the goods stored covered under Section 23, the warehousing company shall as soon as possible after this event notify the last known warrant holder, without the warrant holder having any right to claim against the warehousing company for failing to give such notification.

§ 42. The Warehousing Company's Responsibility to Insure the Goods

- (1) The warehousing company shall insure the goods only if indicated so in the warrant. He shall do this on the account of the warrant holder with provisions of the Section 24.
- (2) The insured value shall be indicated by the warrant holder.
- (3) When the warrant states that the insured value is the current market value, it shall be the warehousing company's responsibility to keep the goods adequately insured.

§ 43. Changes in, Effect and Termination of Insurance

- (1) It will only be possible to change the insured value and terminate the insurance when the warrant is surrendered to be endorsed accordingly.
- (2) Only the insurance as stated on the warrant shall be applicable.
- (3) Insurance cover shall be terminated on delivery of the goods.
- (4) If on delivery of part of the goods, it is not possible to deduce a proportionate decrease from the value indicated on the warrant, the insured value of the part to be delivered shall be quoted separately and stated on the warrant.

§ 44. Amounts of claim

The warrant holders claims shall be paid by the warehousing company against receipt of the warrant, after having deducted all amounts owed by the warrant holder to the warehousing company.

§ 45. Notification of Destruction

In the case of destruction of the goods described on the warrant, by fire or otherwise, the warehousing company shall immediately notify the last known warrant holder, without the warrant holder having any right of claim against the warehousing company for failure to notify.

§ 46. Mutilation of the Warrant

- (1) Any erasures and mutilations shall render the warrant void. Alterations to the warrant shall not be valid unless approved by the warehousing company.
- (2) The holder of a mutilated warrant may request the issue of a duplicate, on surrender of the original warrant and payment of the charges involved. The details regarding the nature and quantity of the goods to be shown on the duplicate warrant shall be exclusively determined from the relevant details as shown in the warehousing company's records.

§ 47. Loss or Destruction of Warrants

- (1) If a warrant has been lost or destroyed, the person so entitled may apply to the warehousing company for nullification of the warrant and request delivery of the goods, or request the issue of a duplicate warrant. Such applications shall, where possible, state the cause for the loss of the warrant and detail the grounds on which the applicant bases his claim to title.
- (2) If the investigation made by the warehousing company afford no reason to doubt the truth of the reasons for the application, the warehousing company shall publish the application made, by inserting two announcements at intervals of at least 14 days each in a national daily newspaper, inviting those who believe they have title to the goods described on the missing warrant to oppose the delivery of the goods or the issue of a duplicate warrant in court.
- (3) If within 14 days of the last announcement, no one has opposed the delivery of the goods or the issue of a duplicate warrant by service of a writ, the warehousing company may nullify the warrant and effect delivery of the goods or issue a duplicate warrant to the applicant. For determining the nature and quantity of the goods to be delivered or to be stated in the duplicate warrant, the warehousing company's relevant records shall exclusively be regarded as the only true record. The nullification of the warrant shall immediately after the event be published in the national daily newspaper. As a result of such nullification the original warrant shall lose its validity and all the warehousing company's obligations under the original warrant shall cease.
- (4) In case of opposition by a third party the application shall not be complied with, until it has been determined from a Court, who is entitled to the goods.
- (5) The person who has obtained a duplicate warrant or the goods, shall indemnify the warehousing company against all claims that might result from such a delivery (incl. third-party claims) and costs. The warehousing company may require an official indemnity to cover this.

(6) Any costs incurred by the warehousing company as a result of the application, shall be borne by the applicant. The warehousing company shall have the right to require an advance of money to be made before executing the application.

§ 48. Expiry of the warrant

(1) If after the termination of the validity of the warrant, the warehousing company no longer wishes to keep the goods in storage, they shall summon the last known warrant holder to remove the goods.

(2) If the last known warrant holder fails to comply with the summons within 14 days, or if he is no longer the owner of the expired warrant, and does not within 14 days inform the warehousing company who the current holder of the expired warrant is; and if the holder of the expired warrant does not present himself within such period, the warehousing company shall have the right to sell the goods described on the expired warrant. The sale shall be in accordance with the provisions of the Section 30.

(3) Prior to selling the goods described in the expired warrant, the warehousing company shall publish their intention to sell the goods for which an expired warrant is in circulation, by inserting two announcements at intervals of at least 14 days in a daily national newspaper, requesting the holder of the expired warrant to as yet meet his obligations.

(4) If after 14 days after the last announcement the warrant holder has not presented himself, or if he has presented himself but no agreement has been reached on the removal of the goods, the warehousing company shall be at liberty to sell the goods immediately. The sale shall be in accordance with the provisions of the Section 30.

§ 49. Commencement of the Period of Expiry of a Warrant

The period of expiry as referred to in Section 31, shall in case of total damage or loss commence on the day on which the warehousing company informs the last known warrant holder of such loss, or if he is no longer the owner of the warrant and no subsequent warrant holder has presented himself to the warehousing company, a 7 days after the announcement of such loss in a daily national newspaper.

§ 50. Terms of Reference of the Provisions of Chapter II

(1) The provisions of this second Chapter shall exclusively apply to the legal relationship between the warehousing company and the warrant holder as such.

(2) The moment the warrant holder for whatever reason surrenders the warrant to the warehousing company the provisions of the present Chapter II shall cease to apply. From such time on the provisions of Chapter I, regulating the legal relationship between the warehousing company and the Principal, shall apply.