C-r-o-s-s-l-i-n-k International, Inc.

TERMS & CONDITIONS C-I INCOTERMS

Crosslink utilizes Incoterms® 2010 which provide a common set of rules to clarify responsibilities of sellers and buyers for the delivery our sales contracts. Where applicable, we apportion transportation costs and responsibilities associated with deliveries of raw materials, components, and finished goods. Incoterms® significantly reduce misunderstandings, minimize trade disputes, and ultimately reduces transportation litigation as a result.

Crosslink breaks Incoterms[®] in two basic modes of transport: general transportation, and sea and inland transportation. The two modes simplify the drafting of contracts and help avoid misunderstandings by clearly stipulating the obligations of each party.

1. MODE 1 INCOTERMS THAT APPLY TO ANY MODE OF TRANSPORT ARE:

| INCO | DEFINITION | COMMENT |
|------|--------------------------------|--------------------------------------|
| EXW | Ex Works | Apply to any mode of transportation. |
| FCA | Free Carrier | Apply to any mode of transportation. |
| CPT | Carriage Paid To | Apply to any mode of transportation. |
| CIP | Carriage and Insurance Paid To | Apply to any mode of transportation. |
| DAT | Delivered at Terminal | Apply to any mode of transportation. |
| DAP | Delivered at Place | Apply to any mode of transportation. |
| DDP | Delivered Duty Paid | Apply to any mode of transportation. |

2. MODE 2 INCOTERMS THAT APPLY TO SEA AND INLAND WATERWAY TRANSPORT ONLY:

| INCO | DEFINITION | COMMENT |
|------|------------------------------|---|
| FAS | Free Alongside Ship | Apply to ocean and inland transportation. |
| FOB | Free on Board | Apply to ocean and inland transportation. |
| CFR | Cost and Freight | Apply to ocean and inland transportation. |
| CIF | Cost, Insurance, and Freight | Apply to ocean and inland transportation. |

Observations: INCOTERMS® beginning with **F** refer to shipments where the primary cost of shipping is not paid for by the seller. Terms beginning with **C** deal with shipments where the <u>seller pays for shipping</u>. E-terms occur when a seller's responsibilities are fulfilled when goods are ready to depart from their facilities. **D** terms cover shipments where the shipper (seller's) responsibility <u>ends when the goods arrive</u> at some specific point. Because shipments are moving into a country, **D** terms usually involve the services of a customs broker and a freight forwarder. In addition, **D** terms also <u>deal with the pier or docking charges</u> found at virtually all ports and determining who is responsible for each charge.



Allocated Charges/Fees: Buyer and Seller:

| Crosslink International, Inc. Tel: 215-766-9650 Fax: 215-766-9606 | | | | | | | | | | | |
|--|-----------------|--------------|---------------------------------|-----------------------------|-------------------|--------------------------------|---------------------|----------------------------------|-------------------------|-----------------------|------------------------|
| Incoterms 2010 | Any Transp | oort Mode | Sea / Inland Waterway Transport | | | Any Transport Mode | | | | | |
| TERM | EXW | FCA | FAS | FOB | CFR | CIF | CPT | CIP | DAT | DAP | DDP |
| | Ex-Works | Free Carrier | Free Alongside Ship | Free On- Board Vessel | Cost & Freight | Cost Insurance & Freight | Carriage Paid to | Carriage Insurance Paid to | Delivery At Terminal | Delivered at Place | Delivered Duty Paid |
| Charges / Fees | Who Pays | Who Pays | Who Pays | Who Pays | Who Pays | Who Pays | Who Pays | Who Pays | Who Pays | Who Pays | Who Pays |
| Packaging | Buyer or Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller |
| Loading charge | Buyer | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller |
| Delivery to Port/Place | Buyer | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller |
| Export Duty & Taxes | Buyer | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller |
| Origin Terminal Charges | Buyer | Buyer | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller |
| Loading on carriage | Buyer | Buyer | Buyer | Seller | Seller | Seller | Seller | Seller | Seller | Seller | Seller |
| Carriage Charges | Buyer | Buyer | Buyer | Buyer | Seller | Seller | Seller | Seller | Seller | Seller | Seller |
| Insurance | | | | | | Seller | | Seller | | | |
| Destination Terminal Charges | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Seller | Seller | Seller | Seller | Seller |
| Delivery to destination | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Seller | Seller |
| Import Duty & Taxes | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Buyer | Seller |

INCOTERMS® 2010 EXPLANATIONS 3. EXW (EX-Works):

One of the simplest and most basic shipment arrangements places the minimum responsibility on the seller with greater responsibility on the buyer. In an EX-Works transaction, goods are basically made available for pickup at the shipper/seller's factory or warehouse and "delivery" is accomplished when the merchandise is released to the consignee's freight forwarder. The buyer is responsible for making arrangements with their forwarder for insurance, export clearance and handling all other paperwork.

4. FCA (Free Carrier):

In this type of transaction, the seller is responsible for arranging transportation, but he is acting at the risk and the expense of the buyer. Where in FOB the freight forwarder or carrier is the choice of the buyer, in FCA the seller chooses and works with the freight forwarder or the carrier. "Delivery" is accomplished at a predetermined port or destination point and the buyer is responsible for Insurance.

5. CPT (Carriage Paid To):

In CPT transactions the shipper/seller has the same obligations found with CIF, with the addition that the seller has to buy cargo insurance, naming the buyer as the insured while the goods are in transit.



6. CIP (Carriage and Insurance Paid To):

This term is primarily used for multimodal transport. Because it relies on the carrier's insurance, the shipper/seller is only required to purchase minimum coverage. When this particular agreement is in force, Freight Forwarders often act in effect, as carriers. The buyer's insurance is effective when the goods are turned over to the Forwarder.

7. DAT (Delivered At Terminal):

This term is used for any type of shipments. The shipper/seller pays for carriage to the terminal, except for costs related to import clearance, and assumes all risks up to the point that the goods are unloaded at the terminal.

8. DAP (Delivered At Place):

DAP term is used for any type of shipments. The shipper/seller pays for carriage to the named place, except for costs related to import clearance, and assumes all risks prior to the point that the goods are ready for unloading by the buyer.

9. DDP (Delivered Duty Paid):

DDP term tend to be used in intermodal or courier-type shipments. Whereby, the shipper/seller is responsible for dealing with all the tasks involved in moving goods from the manufacturing plant to the buyer/consignee's door. It is the shipper/seller's responsibility to insure the goods and absorb all costs and risks including the payment of duty and fees.

10. FAS (Free Alongside Ship):

In these transactions, the buyer bears all the transportation costs and the risk of loss of goods. FAS requires the shipper/seller to clear goods for export, which is a reversal from past practices. Companies selling on these terms will ordinarily use their freight forwarder to clear the goods for export. "Delivery" is accomplished when the goods are turned over to the Buyers Forwarder for insurance and transportation.

11. FOB (Free On Board):

One of the most commonly used-and misused-terms, FOB means that the shipper/seller uses his freight forwarder to move the merchandise to the port or designated point of origin. Though frequently used to describe inland movement of cargo, FOB specifically refers to ocean or inland waterway transportation of goods. "Delivery" is accomplished



when the shipper/seller releases the goods to the buyer's forwarder. The buyer's responsibility for insurance and transportation begins at the same moment.

12. CFR (Cost and Freight):

This term formerly known as CNF (C&F) defines two distinct and separate responsibilities-one is dealing with the actual cost of merchandise "C" and the other "F" refers to the freight charges to a predetermined destination point. It is the shipper/seller's responsibility to get goods from their door to the port of destination. "Delivery" is accomplished at this time. It is the buyer's responsibility to cover insurance from the port of origin or port of shipment to buyer's door. Given that the shipper is responsible for transportation, the shipper also chooses the forwarder.

13. CIF (Cost, Insurance and Freight):

This arrangement similar to CFR, but instead of the buyer insuring the goods for the maritime phase of the voyage, the shipper/seller will insure the merchandise. In this arrangement, the seller usually chooses the forwarder. "Delivery" as above, is accomplished at the port of destination.