



General Conditions

ARTICLE 01 : DEFINITIONS

As used in these conditions of Carriage, terms shall be defined as follows:

(1) "AAR" means ASIANA AIRLINES INC.

(2) "AIR WAYBILL", which is equivalent to the term ' Air Consignment Note ' , mean the document entitled 'Air Waybill/Air Consignment Note' made out by or on behalf of the shipper which evidences the contract between the shipper and AAR for carriage of cargo over the routes of AAR.

(3) "CARRIER,. includes the air carrier issuing the air Waybill and all carriers that carry or undertake to carry the cargo or to perform any other services related to such air carriage.

(4) "ADVANCE ARRANGEMENT" means any special arrangement between the shipper and AAR, made prior to tendering the consignment.

(5) "CARRIAGE--", which is equivalent to the term 'Transportation ' , means the carriage of cargo by air, gratuitously or for reward . "International Carriage Other Than That Defined By The convention" means any carriage which is not international carriage as defined either by the Warsaw Convention or the Warsaw Convention as amended at The Hague, 1955, but in which, according to the agreement made by the parties, the place of departure and the place of landing are situated the more than one country

(6) "CONVENTION" means one of the followings, whichever may be applicable to carriage under the contract of carriage :

1) The convention for the Unification of Certain Rules Relating to international Carriage by air signed at Warsaw on 12 October 1929 (hereinafter referred to as 'the Warsaw Convention') ;or

2) The Warsaw Convention as amended at the Hague on 28 September 1955 (hereinafter referred to as ' The Warsaw Convention as amended at The Hague , 1955').

3) The Convention for the Unification of Certain Rules Relating to International Carriage by Air signed at Montreal on 28 May 1999 (hereinafter referred to as 'the Montreal Convention')

(7) "COUNTRY", which is equivalent to the term 'State, includes all territory subject to the



sovereignty, suzerainty, mandate, trusteeship, or authority thereof.

(8) "CARGO", which is equivalent to the term Goods , means anything carried or to be carried in an aircraft , except mail or baggage carried under a passenger ticket and baggage check, but includes unaccompanied baggage moving under an air waybill.

(9) "VALUABLE CARGO" means a consignment which contains more of the following articles :

1) Any article having a declared value for carriage of US\$1,000.00 (or its equivalent) or more, per gross kilogram;

2) A. Gold bullion (including refined and unrefined gold in ingot form) , dore bullion, gold specie ; B. Gold only in the form of grain , sheet, foil, powder, sponge, wire, rod, tube, circles , mouldings and castings ;

3) A. Platinum, platinum metals (palladium, iridium, ruthenium, osmium and rhodium) ; B. Platinum alloys in the form of grain, sponge , bar, ingot, sheet , rod, wire , gauze , tube and strip; provided that those radioactive isotopes of the above metals and alloys are dangerous goods.

4) Legal bank notes, traveller's cheque , securities , shares and share coupons, postage stamps and revenue stamps (excluding mint), ready for use bank cards and/or credit cards.

5) A. Diamonds (including diamonds for industrial use), rubies, emeralds, sapphires, opals and real pearls (including cultured pearls); B. Jewelry consisting of any of the articles under A. above;

6) Jewelry and watches made of platinum and/or gold and/or silver ; and

7) Articles made of platinum and/or gold , other than platinum and/or gold plated.

(10) "CHARGES PREPAID CONSIGNMENT" means the consignment of which the freight charge and/or service charges are entered on the air waybill for payment by the shipper.

(11) "CHARGES COLLECT CONSIGNMENT,, means the consignment of which the freight charge and/or service charges are entered on the air waybill for collection from the consignee against delivery of the shipment.

(12) "UNACCOMPANIED BAGGAGE,, which is equivalent to the term 'Baggage Shipped As Cargo, , means baggage of a passenger moving under an air waybill, which is not carried on the same aircraft as that on which the passenger is carried.

(13) "SHIPPER", which is equivalent to the term 'Consign or , means the person whose name



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appears on the air waybill as the party contracting with AAR for carriage of cargo.

(14) "CONSIGNEE" means the person whose name appears on the air waybill as the party to whom the shipment is to be delivered by AAR.

(15) "CUSTOMS CONSIGNEE,, which is equivalent to the term 'Customs Clearance Agent, , means a customs broker or other agent of the consignee designated to perform customs clearance services for the consignee

(16) "PICK-UP SERVICE,, means the surface carriage of export consignment from the point of pick up to the airport of departure .

(17) "DELIVERY SERVICE,, means the surface carriage of import consignment from the airport of destination to the address of the consignee or that of his designated agent or to the custody of the appropriate government agency when required.

(18) "CITY TERMINAL SERVICE,, means the surface carriage of consignment between AAR's city handling station and the airport or departure or destination ,as the case may be.

(19) "RATE" means the amount per unit established by AAR for the purpose of computing freight charge . Such amount is established based on the weight (or volume) of cargo and is held out to the public through the publications AAR normally uses.

(20) "DECLARED VALUE FOR CARRIAGE" means the value of cargo declared to AAR by the shipper for the purpose of fixing he limit of AAR's liability for loss, damage or delay (hereinafter referred to as 'Damage') to the cargo.

(21) "DAYS" means full calendar days ,including Sundays and legal holidays; provided that for the purpose of notification the balance of the day upon which notice is dispatched shall not be counted , and when the last day falls on Sunday or a legal holiday, such Sunday or legal holiday will not be counted.

(22) "TARI FFS" means published rates and other service charges and related rules and regulations , which are made part of these conditions of Carriage.

(23) "FRENCH GOLD FRANCS,, means French Francs consisting of 65.5 milligrams of gold



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with a fineness of nine hundred thousandths, and it may be converted into any national currency in round figures.

(24) "SDR" means Special Drawing Rights as defined by the International Monetary Fund. Conversion of the S.D.R sum into a national currency shall be made as follows:

- 1) In the case as defined in Article 14-1 of these Conditions of Carriage, in the existence of 'shipper's declared value for carriage' on the face of the air Waybill, it shall be made at the exchange rate between the currency and SDR in effect on the date of issuance of the air waybill.
- 2) In the case as defined in Article 14-1 of these Conditions of Carriage, in the absence of 'shipper's declared value for carriage' on the face of the air waybill, it shall be made, in the case of judicial proceedings, at the exchange rate between the currency and SDR in effect on the date of the judgment. In case of other than judicial proceedings, it shall be made at the exchange rate between the currency and SDR in effect on the date when the damages to be paid is agreed upon.

(25) "CASH ON DELIVERY (hereinafter referred to as 'C.O.D .')" means an arrangement between the shipper and carrier whereby the latter , up On delivery Of the consignment, collects from the consignee the amount indicated on the air waybill as payable to shipper and remits such amount to the shipper.

ARTICLE 02 : APPLICATION OF CONDITIONS OF CARRIAGE

1. General

Nothing in these conditions of Carriage and other applicable tariffs modifies or waives any provisions of the Convention.

2. Applicability

These Conditions of Carriage shall apply to all carriage of cargo including all services incidental thereto performed by AAR except to the extent AAR'S General conditions of Carriage for Domestic Cargo shall apply.

3. Gratuitous Carriage

With respect to gratuitous carriage ,AAR reserves the right to exclude the application of all or any part of these Conditions of Carriage

4. Charter Agreement Carriage of cargo performed pursuant to a charter agreement with AAR shall be preferably subject to such charter agreement ,and any others not specifically provided in



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the charter agreement shall be subject to these conditions of Carriage. The shipper , by accepting carriage pursuant to a charter agreement and a carriage is performed thereunder , shall be regarded as having agreed to said agreement and these conditions of Carriage , whether or not he has concluded the charter agreement with AAR.

5. Change without Notice Except as may be required by applicable laws ,government regulations ,orders or requirements, these conditions of Carriage and the other applicable tariffs are subject to change without notice. However, no such change shall apply to the contract of carriage after the date of issuance of the air waybill.

6. validity All carriage of cargo shall be subject to these Conditions of Carriage and other applicable tariffs in effect on the date of issuance of the air waybill.

ARTICLE 03 : EXECUTION OF AIR WAYBILL

1. Execution by Shipper

(1) The shipper shall make out ,or have made out on his behalf ,and air waybill in the form, manner and number of copies prescribed by AAR, and shall deliver such air waybill to AAR simultaneously with the acceptance of the cargo by AAR for carriage. However, freight charge and other service charges , insofar as they have been ascertained, shall be inserted in the air waybill by AAR.

(2) AAR may require the shipper to make out, or have made out on his behalf, separate air waybills when there are more than one package or when all of the consignment cannot be carried in one aircraft or cannot, without breach of applicable laws, government regulations, orders, requirements or AAR's regulations ,be carried on one air waybill.

2. Apparent Order of Cargo If the apparent order—and condition of the cargo and/or packing is other than good, the shipper shall insert in the air waybill what the apparent order and condition is, and if the shipper fails to do so or if such statement is inaccurate , AAR may insert in the air waybill a statement of the apparent order and condition or note a correction thereon.

3. Preparation , completion or Correction by AAR AAR may at the request of the shipper, expressed or implied , make out the air waybill . In such event , subject to proof to the contrary, AAR shall be deemed to have done so on behalf of the shipper. If the air waybill handed over with the cargo does not contain all the required particulars, or if it contains any error , AAR may



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complete or correct it to the best of AAR's ability without being under any obligation to do so.

4. Responsibility for Particulars and Statements The shipper is responsible to AAR and all other persons for all damage arising out of irregularity, incorrectness or incompleteness of said particulars or statements which he inserts in the air waybill, or which AAR inserts on his behalf.

5. Alteration of Air Waybill Air waybills, on which the writing has been altered or erased by other than the carrier , need not be accepted by AAR.

ARTICLE 04 : FREIGHT CHARGE AND/OR SERVICE CHARGES

1. Applicable Rates and Service Charges

(1) Rates and service charges governed by these Conditions of Carriage shall be those duly published by AAR and in effect on the date of issuance of the air waybill.

(2) When the amount collected does not correspond to the above duly published rates and service charges , AAR will refund the balance to, or collect from, the shipper or consignee , as the case may be.

2. Airport to Airport Except as otherwise provided in applicable tariffs, published rates shall only for carriage from airport of departure to airport of destination.

3. Precedence of Rates Except as otherwise provided in applicable tariffs, a published through rate takes precedence over the combination of intermediate rates applicable between tile same points via the same routings.

4. Quantity Reduction When two or more rates subject to different minimum weight category are provided on the same cargo, the freight charge to be collected shall be either the amount computed on the weight shipped at the rate applicable to such weight or the amount computed on the next higher weight category for which a lower rate is provided at the rate applicable to such weight category, whichever is lower

5. Services not Included in Published Rates Except as otherwise provided in applicable tariffs , published rates do not include following service charges:

(1) Charges for pick-up ,delivery and city terminal service to and from the airport from which AAR operates;

(2) Storage and warehouse charges;



- (3) Insurance premium;
- (4) C.O.D. service charges ;
- (5) Disbursement fees ;
- (6) Expenses incurred by AAR in clearing the cargo through customs, or incurred by any other person whether acting as agent for the shipper ,the consignee, the owner of cargo, or AAR;
- (7) Charges for penalties imposed or collected by government authority including duties and taxes;
- (8) Expenses incurred by AAR in repairing faulty packing ;
- (9) Charges incurred by AAR in returning of consignment to point of origin;
- (10) Valuation charges ;
- (11) International priority service ; and 12. Any other similar service charges or costs.

6. Disposition of Fractions

- (1) When the freight charge and/or service charges are reckoned respectively or the payment of aggregate sum of freight charge and/or service charges are made in a currency other than the currency in which the freight charge and/or service charges are stated on the air waybill, fraction amount will be increased or disposed to the next higher or lower unit in accordance with AAR's regulations. When the aggregate sum of freight charge and/or service charges are converted into Korean currency WON , fraction amount less than WON 10 will be dropped.
- (2) To obtain cubic dimensions, fractions, of less than a half centimeter or a half inch shall be rounded down to the next lower whole centimeter, or to the next lower whole inch, and fractions of more than a half centimeter or a half inch shall rounded up to the next higher whole centimeter, or to the next higher whole inch.
- (3) In computing weights, fractions of a half kilogram or less shall be charged for as a half kilogram and fractions over a half kilogram shall be charged for as the next higher whole kilogram. Similarly, fractions of one pound shall be charged for as the next higher whole pound
- (4) Cubic measurements shall be based on the greatest rectangular dimensions of the package, and where the packages are tied together, cubic measurements will be based on the greatest rectangular dimensions of the tied group of packages. Greatest rectangular dimensions shall be based on the greatest length times greatest width times greatest height of the consignment.

7. Basis of Freight Charge and/or Service Charges

- (1) Freight Charge shall be based on the actual gross weight or volume weight, whichever is higher.
- (2) To obtain the weights by using cubic measurements , measurements of 6,000 cubic centimeters equals one kilogram, measurements of 3,000 cubic centimeters or less equals a half



kilogram and measurements exceeding 3,000 cubic centimeters will be charged for as the next higher whole kilogram. Similarly, measurements of 366 cubic inches equal one kilogram, measurements of 183 cubic inches or less equals a half kilogram and measurements exceeding 183 cubic inches will be charged for as the next higher whole kilogram, and consignment the extreme dimensions of which result in an average of more than 166 cubic inches per pound shall be charged on the basis that each 166 cubic inches equals one pound.

8. Declaration of Value for Carriage The shipper must make a declaration of value for carriage on the air waybill of all consignments regardless of whether or not the valuation charge is applicable, and such declaration of value for carriage may be in any amount or 'No Value Declared (NVD)' at his option.

9. valuation charge

(1) For the purpose of applying valuation charges, the value per kilogram must be determined by dividing the shipper's declared value for carriage by the actual gross weight of the consignment stated in the gross weight box of the air waybill.

(2) Consignment valued at more than 19 SDR (or its equivalent) per kilogram will be assessed valuation charge of 0.75% of the shipper's declared value for carriage.

10. Minimum Freight Charge Except as otherwise provided in applicable tariffs, a minimum freight charge per consignment as specified in applicable tariffs will be assessed whenever a lower total freight charge is computed on the basis of the applicable rate and actual gross weight of the consignment.

11. Construction or Combination of Unpublished Rate and Service Charge. When the rate or charge between any two point is not specifically published, such rate or charge will be constructed or combined in accordance with applicable tariffs.

12. Disbursement Fee. When so requested by the shipper, AAR will collect from the consignee an amount advanced by AAR, shipper or his agent as disbursements such as charges for storage, government duty or other fees, customs clearance, insurance premium and loading or unloading not performed by AAR, and the charge for collecting such amount of the disbursement from the consignee will be 10% of disbursement amount subject to a minimum disbursement fee of US\$20.00 (or its equivalent) per consignment. Notwithstanding the above, when the disbursement amount is less than US\$50.00 (or its equivalent), a charge of US\$8.00 (or its equivalent) will be assessed for the collection of the disbursement amount. In no case shall the



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disbursement amount be in excess of the freight charge and valuation charge indicated on the air waybill, except that when the freight charge and valuation charge is less than US\$100.00 (or its equivalent), disbursement amount of up to US\$100.00 (or its equivalent) shall be permitted.

13. For transportation of dangerous goods as defined in the applicable Dangerous Goods Regulations, handling fee as provided in the applicable tariffs shall be applied in addition to applicable transportation charges. Dangerous Goods Handling Fee For transportation of dangerous goods originated from Korea as defined and listed in the applicable Dangerous Goods Regulations other than those bearing the notation "Not Restricted", handling fee of KRW 11,400 (or its equivalent) shall be assessed for each package or overpack subject to a minimum dangerous goods handling fee of KRW 51,800 (or its equivalent) per consignment. In no case shall the fee be more than KRW 258,800 (or its equivalent) per consignment.

14. For consignment transported on a charges collect basis, a fee shall be assessed as provided by the applicable tariffs. Fee for Charges Collect For consignment arriving in Korea on the basis of charges collect, a fee of 5% of the freight charge and valuation charge shall be collected ; provided that in no case shall this fee be less than KRW 12,900 (or its equivalent).

15. Charge for C.O.D. Service When AAR accepts C.O.D. consignment, AAR has a right to assess charges for C.O.D. service.

16. Terminal and Special Service Charge Terminal and special service charge shall be assessed to the shipper or consignee named in the air waybill, as applicable, and will apply whenever such services are performed by AAR.

17. International priority service. The rate for the priority shipments will be 140% of the applicable rate (TACT rate) or charge.

ARTICLE 05 : PAYMENT OF FREIGHT CHARGE AND/OR SERVICE CHARGES

1. All freight charge and/or service charges applicable to a consignment are payable in cash or other means of payment acceptable to AAR at the time of acceptance of the consignment by AAR in case of charges prepaid consignment, and at the time of delivery thereof by AAR in case of charges collect consignment. When the payment of freight charge and/or service charges are made in a currency other than the currency in which the freight charge and/or service charges are stated on the air waybill, such payment will be made in accordance with Paragraph



2. below. The current statement of exchange rate is available for inspection at AAR's office and nothing in those provisions modifies or waives any currency exchange laws or regulations.

3. The exchange rate established by AAR shall be applied in accordance with subparagraph below: 1. In case of charges prepaid consignment, the exchange rate shall be in effect on the date of issuance of the air waybill; and 2. In case of charges collect consignment, the exchange rate shall be in effect on the date when the consignment arrives at the airport of destination. However, in case of charges collect consignment arriving in Korea, the exchange rate shall be in effect on the date when the consignment arrives at the first arriving airport in Korea.

4. When payment of freight charge and/or service charges are made in Korea in Won, the applicable exchange rate shall be those set forth below:

(1) Banker's telegraphic transfer selling rate shall be applied. In such case , the banker's telegraphic transfer selling rate announced on Monday shall be applied from Tuesday of the week through Monday of the following week. However, in case Monday is bank holiday, the exchange rate announced on Saturday of the previous week shall be applied from Tuesday of the week through Monday of the following week

(2) Notwithstanding subparagraph 1. above, when the fluctuation difference of exchange rate is greater than 1% compared with the previous day's applicable exchange rate , such new exchange rate shall be applied from the next day of its announcement for the remaining days of the same period as specified above.

5. Full applicable freight charge and/or service charges, whether prepaid or collect, fees, duties, taxes, advances and payments, made or incurred or to be incurred by AAR and any other sums payable to AAR, will be deemed fully earned, whether or not the cargo is lost or damaged, or fails to arrive at the airport of destination specified in the air waybill.

6. No claim for loss or damage to a consignment will be entertained until all freight charge and/or service charges thereon have been paid. However, when no part of the consignment is delivered, a claim with respect to such consignment will be entertained even though freight charge and/or service charges thereon are unpaid. The amount of claims may not be deducted from such freight charge and/or service charges.

7. With respect to any charges, expenses or disbursements which cannot be determined at the time when the cargo is handed over for carriage, AAR may require the shipper to deposit with



AAR a sum estimated by AAR to be sufficient to cover such charges, expenses and disbursements. Any balance due from AAR to the shipper or from the shipper to AAR in connection with such deposit shall be paid after completion of such contract of carriage and determination of the exact amount of such charges, expenses and disbursements.

8. The shipper guarantees payment of all unpaid freight charge and/or service charges and all expenditures, fines and penalties which AAR may incur or suffer by reason of Subparagraphs below :

- (1) The inclusion in the consignment of article, the carriage of which is prohibited by law;
- (2) Illegal, incorrect or insufficient packing of packages, addressing or marking;
- (3) The absence of any export/import license or any required certificates or packages;
- (4) Any improper customs valuation; or
- (5) All in correct statement of weight or volume.

9. Except prepaid by the shipper, the consignee, by taking delivery or exercising any rights arising out of the contract of carriage, shall agree to pay all such unpaid freight charge and/or service charges, expenditures, fines, penalties and advances. However, this shall not discharge the shipper's guarantee to pay the same. AAR shall have a lien on the cargo for each of the foregoing, and in the event of non-payment thereof, shall have the right to dispose of the cargo at public or private sale (provided that prior to such sale, AAR shall have informed to the shipper or the consignee named on the air waybill by ordinary methods) and to pay it self out of the proceeds of such sale any and all such amounts due. No such sale shall, however, discharge any liability to pay any deficiencies for which the shipper and the consignee shall remain jointly and severally liable. No such lien or right of sale and no right of AAR to collect any of the foregoing shall be in anyway affected, lost or prejudiced by reason of the acknowledgement of payment, if not actually paid, or so far as concerns the right of AAR to collect any of the foregoing, by reason of the delivery of the cargo or the surrender of the possession thereof.

10. If the actual gross weight, measurement, quantity or declared value for carriage of the cargo exceeds the actual gross weight, measurement, quantity or declared value for carriage on which freight charge and/or service charges for carriage have been previously computed, AAR shall be entitled to require payment of freight charge and/or service charges on such excess.

ARTICLE 06 : ACCEPTANCE OF CARGO FOR CARRIAGE

1. Limitation by Declared Value for Carriage



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(1) No consignment having a declared value for carriage in excess of US\$500,000.00(or its equivalent)will be accepted by AAR for carriage unless advanced arrangement therefor has been made.

(2) The limit of declared value for carriage of one consignment or group of consignments which is to be carried in one aircraft is US\$8,000,000.00(or its equivalent) If the aggregate sum of declared value for carriage to be carried in the same aircraft exceeds such limit, it may not be carried in the same aircraft without advance arrangement but may be divided between two or more aircraft solely at the discretion of AAR.

2. Packing AND Marking of Cargo

(1) Cargo must be packed so as to insure safe carriage with ordinary care in handling and so as not to injure or damage any persons, aircraft, other cargo or property, and each package shall be legibly and durably marked with the name and full street address of the shipper and consignee.

(2) No valuable cargo shall be accepted for carriage unless it is packed and sealed in accordance with AAR's regulations.

3. Cargo not Acceptable Except as otherwise provided in AAR's regulations, AAR undertakes to transport, subject to the availability of suitable equipment of the kind and type capable of handling and to the extent within the allowable cabin load of such aircraft, provided that no consignments listed below will be accepted for carriage:

(1) The transportation, exportation or importation thereof is prohibited by laws or regulations of any country to be flown to, from, through or over ;

(2) They are not packed in a manner suitable for carriage by aircraft ;

(3) They are not accompanied by the requisite shipping documents ;

(4) They are likely to endanger persons, aircraft , other cargo or property, or cause annoyance to passengers.

4. Cargo Acceptable only under Prescribed Conditions

(1) Dangerous goods, live animals, perishable cargo, human remains or articles' possessing inherent characteristics which make them unsuitable for air carriage will only be accepted for carriage subject to the conditions provided in AAR's regulations.

2) Consignments will be accepted for carriage by AAR either on a charges prepaid basis or charges collect basis. However, AAR's will decline to transport following consignments on a charges collect basis :

1) Consignments to persons restrained of their liberty.



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- 2) Consignments addressed to government agencies, except when shipped by government agents presenting proper credentials ;
- 3) consignments not equal in resale value to freight charge and/or service charges thereon;
- 4) Perishable cargo;
- 5) Consignments to countries where currency regulations or AAR's regulations do not permit consignments to be delivered upon a charges collect basis ;
- 6) Live animals ; and
- 7) Human remains.

(3) consignments of unusual weight, shape or size will not be accepted for carriage unless advance arrangements have been made. consignments requiring special devices for safe handling will be accepted by AAR for carriage only when such special devices are provided and operated by and at the cost of the shipper or consignee.

(4) Consignment with a floor-bearing weight per square unit in excess of the floor load limitation specified in AAR's regulations must be furnished with a suitable supporter or spreader for use in such aircraft, which will reduce the floor-bearing weight per square unit to such floor load limitation or less.

5. Responsibility for Non-observance of conditions Responsibility for non-observance of the conditions relating to cargo which is not acceptable for carriage or is acceptable only under prescribed conditions rests upon the shipper, and the shipper shall indemnify AAR for any damage it may incur because of carriage of any such cargo.

6. Inspection of Cargo The cargo is subject to being opened and the contents thereof inspected by AAR without being obligated to perform such inspection.

ARTICLE 07 : CARRIAGE OF CONSIGNMENT

1. Compliance with Government Laws 1. The shipper shall comply with all applicable laws, government regulations, orders or requirements of any country to be flown to , from, through or over which the cargo may be carried, including those relating to the packing, carriage or delivery of the cargo or other service and shall furnish such information and attach such documents to the air waybill as may be necessary to comply with such applicable laws, government regulations, orders or requirements. AAR shall not be obligated to inquire into the correctness or sufficiency of such information/or documents. AAR will not be liable to the shipper, consignee or any other person for damage due to shipper's failure to comply with this provision 2. No liability shall



attach to AAR for refusing to carry any consignment if AAR reasonably determines in good faith that such refusal is required by any applicable laws, government regulations, orders or requirements.

2. Disbursements and Customs Formalities AAR will, but shall be under no obligation to, advance any duties, taxes or expenditures with respect to the carriage of cargo in such case, the shipper and consignee shall be jointly and severally liable for the reimbursement thereof. AAR shall be under no obligation to incur any expense or to make any advanced in connection with the forwarding or re-forwarding of the cargo except against prepayment by the shipper. If it is necessary to make customs entry of the cargo at any stopping place, and no customs clearance agent has been named on the face of the air waybill, the cargo shall be considered to be consigned at such place to customs consignee designated by AAR. For any such purpose a copy of the air waybill certified by AAR shall be deemed an original.

3. Certain Rights of AAR over the Consignment in Course of Carriage If it is necessary to hold the consignment at any place for any purpose, either before, during or after transit, AAR will, upon giving notice thereof to the shipper or consignee at the address stated in the air waybill, store the consignment or any one of them in warehouse or other available place, or deliver the consignment to another transportation service for onward carriage to the consignee. In such event, the shipper and consignee shall be jointly and severally liable to indemnify AAR against any expense or risk so incurred.

4. Schedules, Routings and Cancellations

(1) Schedules or routings shown in timetables or other printed matter are approximate and not guaranteed by AAR and form no part of the contract of carriage. No time is fixed for the commencement or completion of carriage or delivery of cargo, and AAR may without notice substitute alternate carriers or aircraft. AAR assumes no obligation to carry the cargo by any special aircraft/or over any particular route or routes, or to make connection at any point according to any particular schedule and AAR may select or deviate from the routes of consignment, notwithstanding that the same may be stated on the face of the air waybill. (2) AAR will not be responsible for errors or omissions either in timetable or other printed matter. No agent, employee or representative of AAR is authorized to bind AAR by any statements or representations as to the dates or times of departure or arrival, or of the operation of any flight

(3) AAR reserves the right without notice, to cancel, terminate, divert, postpone or delay, any flight, or the further right of carriage of any cargo, or to proceed with any flight without all or any part of the cargo, if it considers that it would be advisable to do so:



1) Because of circumstances beyond AAR's control (including, but not limited to, meteorological conditions, act of God, force majeure, strikes, riots, civil commotion, embargoes , war or warlike action, hostilities, disturbances, or unsettled international conditions) actual, threatened, or reported, or because of any delay, demand, conditions, circumstance or requirement due, directly or indirectly, to such facts ;

2) Because of any fact not to be foreseen , anticipated or predicted;

3) Because of any applicable laws , government regulations , orders or requirements ; or

4) Because of shortage of labor, fuel or facilities, or labor difficulties of AAR or others.

5) Because of any reason for airplain safety or airplain security.

(4) AAR may cancel the carriage of cargo upon refusal of the shipper, after demand by AAR, to pay the amounts or portion thereof so demanded. In such case , AAR shall not be under any liability for such cancellation of carriage.

(5) In accordance with the reasons in Subparagraph 3. above, if any flight is so cancelled, postponed, advanced or terminated at a place other than the place of destination, AAR shall not be under any liability with respect thereto. In accordance with the reasons in Subparagraph 3. above, if the carriage of the consignment or any part thereof is so terminated, delivery thereof by AAR to any transfer agent for transfer or delivery or the placing of such consignment in storage shall be deemed complete delivery under the air waybill, and AAR shall be without any further liability with respect thereto, except to give notice of the disposition of the consignment to the shipper or the consignee, at the address stated in the air waybill. In accordance with the reasons in Subparagraph 3 above, the carriage of the consignment or any part thereof is so terminated, AAR may, but shall not be obligated to, forward the consignment for carriage by any other route at the request of shipper or consignee, or forward the consignment for carriage by any other means of transportation as agent of shipper or consignee.

(6) Subject to applicable laws, government regulations, orders or requirements, AAR is authorized to determine, on a reasonable and not unjustly discriminatory basis, the priority of carriage as between consignments, and as between consignments and other cargo, mail and passengers, and to decide which articles shall be carried and which articles shall not be carried or shall be removed at any time or place whatsoever and to proceed with any flight without all or any part of them .If as a result of determining such priority, cargo is not carried or carriage thereof is postponed or delayed or if any articles are removed from a consignment, AAR will not be liable to shipper or consignee or to any other party for any consequences therefor.

ARTICLE 08 : SHIPPER'S RIGHT OF DISPOSITION



1. Exercise of Right of Disposition Every exercise of the right of disposition of the consignment must be made by the shipper or his designated agent, if any, and must be applicable to the whole shipment under a single air waybill. The right of disposition over the cargo may only be exercised if the shipper or his designated agent produces the part of the air waybill which was delivered to him. Instructions as to disposition must be given to AAR in writing in the methods prescribed by AAR. In the event that the exercise of the right of disposition results in a change of consignee, such new consignee shall be deemed to be the consignee appearing on the original air waybill.

2. Shipper's Option Subject to his liability to carry out all his obligations under the contract of carriage and provided that such right of disposition is not exercised in such way as to prejudice AAR or other shippers, the shipper may exercise his right of disposition over the cargo as provided below: A. Withdrawing it at the airport of departure or of destination; B. Stopping it in the course of the journey on any landing; C. Calling for it to be delivered at the place of destination or in the course of the journey to a person other than the consignee named in the air waybill ; or D. Requiring it to be returned to the airport of departure.

3. Payment of Expenses The shipper shall be liable for and shall indemnify AAR for all damage suffered or incurred by AAR as a result of the exercise of his right of disposition.

4. AAR's Inability to Comply Notwithstanding the provision of Paragraph c above, AAR reserves the right to refuse such execution of shipper's right of disposition, if in the opinion of AAR it is not practicable to carry out such instruction of the shipper. In such event, AAR shall so inform him promptly, and the cost of doing so attaches to the freight charge and/or service charges of such consignment.

5. Extent of Shipper's Right The shipper's right of disposition shall cease at the moment when, after arrival of the cargo at the airport of destination, the consignee takes possession or requests delivery of the cargo, or otherwise shows his acceptance of the cargo. Nevertheless, if the consignee declines to accept the air waybill or the cargo, or if he cannot be communicated with, such right of disposition shall be deemed to be continuously vested in the shipper.

ARTICLE 09 : DELIVERY OF CONSIGNMENT

1. Arrival Notice Unless the consignment is to be re-forwarded in accordance with Article 11, arrival notice of the consignment will, in the absence of shipper's instructions, instructions , be



sent to the consignee by ordinary methods. However, if a person to be notified is named on the air waybill, such arrival notice of the consignment will be sent to such person. AAR is not liable for non-receipt or delay in receipt of such notice.

2. Delivery to Consignee Except as otherwise specifically provided in the air waybill, delivery of the consignment will be made only to the consignee. However, if a person to be notified is specifically indicated on the air waybill, delivery to the consignee shall be considered to have been effected when arrival notice has been made in advance in accordance with Paragraph c above, and the consignment has been delivered to such person indicated on the air waybill as the person to be notified.

3. Place of Delivery consignee must accept delivery of and collect the consignment at the airport of destination unless advance arrangement has been made between shipper or consignee and AAR.

4. Failure of consignee to Take Delivery

(1) Subject to the Subparagraph 2. below , if the consignee refuses or fails to take delivery of the consignment after its arrival at the place of delivery, AAR will endeavor to comply with any instructions of the shipper set forth on the air waybill. If no such instructions are so set forth, or if such instructions cannot be reasonably complied with, AAR, after forwarding to the shipper notice of the failure of the consignee to take delivery, may take an action as mentioned below:

1) Returning the consignment on its on service or on any other transportation means to the airport of departure, there to await instructions of the shipper; provided, however, that conditions for such returning shall be made subject to original conditions unless otherwise specified ; or

2) Selling such consignment in one or more lots at public or private sale after holding the consignment for a period of not less than 30days

(2)The shipper is liable for all charges and expenses resulting from or in connection with the failure to take delivery of the consignment , including but not limited to, freight charge and/or service charges incurred in returning the consignment. If the consignment is returned to the airport of departure and the shipper refuses or neglects to make such payments within 15 days after Such return, AAR may dispose of the consignment or any part there of at public or private sale after giving the shipper at the address stated on the air waybill 10 days notice of its intention to do so



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(3) In the event of the sale of the consignment as provided in Subparagraph 2.above, either at the place of destination or at the place of to which the consignment has been returned, AAR is authorized to pay to itself and other transportation means out of the proceeds of such sale all advances, expenses and costs of sale, holding any surplus subject to the order of the shipper. The sale of any consignment shall, however, not discharge the shipper's liability hereunder to pay any deficiencies due to AAR.

5. Disposal of Perishables When a perishable cargo is delayed in the possession of AAR, is unclaimed or is refused at the airport of destination, or other reasons is threatened with deterioration, AAR may immediately take such steps necessary for the protection of itself and other parties in interest. Such steps include, but not limited to, the destruction or abandonment of all or any part of the consignment the sending of communications for instructions at the cost of the shipper, the storage of the consignment or any part there of at the risk and cost of the shipper, or the disposition of the consignment or any part there of at public or private sale without notice, and such disposition of the consignment shall not discharge the shipper's liability to pay any amounts due to AAR.

ARTICLE 10 : CARGO ATTENDANTS

AAR, in consideration of the nature of the consignment involved or so as to ensure safety to persons, aircraft, other cargo or property , may request the shipper to arrange cargo attendants for the purpose of accompanying such consignment. Except as otherwise provided in AAR's regulations, such transportation of cargo attendants will be subject to AAR's general conditions of Carriage for International Passengers and Baggage.

ARTICLE 11 : PICK-UP , DELIVERY AND CITY TERMINAL SERVICE

1. The consignments are accepted for carriage from their receipt at AAR's cargo terminal or airport office at the place of departure to the airport at the place of destination.

2. If AAR performs pick-up, delivery and city terminal service upon request of the shipper or consignee, such service shall be performed subject to:

(1) Pick-up, delivery and city terminal service will be available at the places and subject to the charges and conditions established by AAR's regulations;

(2) If such transportation is operated by AAR itself, it shall be upon the same terms and limitations as to liability as set forth in Article 14 of these conditions of Carriage.



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(3) AAR may, however, for the account and as an agent of the shipper or the consignee, as the case may be, and without being responsible itself, charge other transportation service with such transportation. In such case , AAR shall not be liable for damage of whatsoever nature arising in connection with such transportation, unless to have been caused by his own negligence or willful fault. If AAR engages other transportation service, the shipper or consignee will authorize AAR to do all things deemed advisable to effect such transportation, including, but without limitation, selection of the means and routes thereof, execution and acceptance of necessary transportation documents (which may include provisions exempting from, or limiting AAR's liability), and consigning of cargo with "No Value Declared (NVD)" notwithstanding any amount of declaration of value on the air waybill.

ARTICLE 12 : SUCCESSIVE CARRIERS

Carriage to be performed under one air waybill by several successive carriers is regarded as a single operation.

ARTICLE 13 : APPLICABLE CONVENTION , LAWS AND PROVISIONS

1. Applicable convention

International carriage as defined by the Warsaw convention is subject to the rules and limitation relating to liability established by the Warsaw convention, and international carriage as defined by the Warsaw convention as amended at the Hague, 1955 is subject to the rules and limitation relating to liability established by the Warsaw convention as amended at The Hague, 1955. International carriage as defined by the Montreal Convention is subject to the rules and limitation relating to liability established by the Montreal Convention.

2. Applicable Laws and Provisions To the extent not in conflict with the provisions of Paragraph cabove, all carriage and other services performed by AAR are subject to:

(1) Applicable law (including national laws implementing the convention or extending the rules of the convention to the international carriage other than that defined by the convention), government regulations, orders or requirements; and

(2) These conditions of Carriage , applicable tariffs and other regulations, which may be inspected at any of AAR's offices and at airports from which AAR operates regular services.

ARTICLE 14 : AAR'S LIABILITY

1. Limit of Liability



(1) In the acceptance of the consignment by AAR for carriage , the shipper acknowledges that he has been given an opportunity to make a declaration of value for carriage of the consignment up to an amount exceeding 19 SDR (or its equivalent) per kilogram on the air waybill.

(2) With respect to damage to the consignment for which an amount is entered on the air waybill for the declaration of value for carriage, the liability of AAR will be the actual value of damage, but in no event shall the liability of AAR exceed such declared value for carriage stated on the air waybill.

(3) With respect to damage to the consignment for which 'No Value Declared (NVD)' is entered on the air waybill for the declaration of value for carriage, the liability of AAR will be the actual value of damage, but in no event shall the liability of AAR exceed 250 French Gold Francs (19 SDR or its equivalent) per kilogram of cargo damaged.

(4) The actual value of damage must be proved by shipper or consignee e Limitation of Liability
1. AAR is not liable to the shipper, consignee or any other persons for any damage of whatsoever nature arising out of, or in connection with the carriage of the cargo or other services performed by AAR incidental there to, unless such damage is proved to have been caused by the negligence or willful fault of AAR and there has been no contributory negligence on the part of the shipper or consignee
2. AAR is not liable for any damage directly or indirectly arising out of compliance with applicable laws, government regulations, orders or requirements, or from failure of the shipper, consignee or any other person to comply with the same, or out of any cause beyond AAR's control
3. In case of damage of a consignment, the weight to be taken into account in determining AAR's limit of liability shall be only total weight of package or packages damaged. Nevertheless, if such damage of part of consignment affects the value of other packages carried under the same air waybill, total weight of such packages shall also be taken into account. Notwithstanding the above, for transportation to, or from U.S.A. in case of damage or part thereof, the weight to be used in determining AAR's limit of liability shall be the "weight which is used (or proportional share in the case of partial loss, damage or delay) to determine the freight charge of such consignment.
4. AAR shall not be liable under any circumstances for destruction, loss of or damage to cargo , if such destruction, loss of or damage to cargo is proved to have resulted solely from the inherent defect, quality, nature or vice of that cargo. Shipper and consignee whose consignment caused damage to persons, aircraft, other cargo or property shall indemnify AAR for all losses and expenses incurred by AAR as a result thereof
Cargo which is likely to endanger persons, aircraft , other cargo or property may be abandoned or destroyed by AAR at any time without notice and without liability therefor attaching to AAR.

(5) No warranty concerning air worthiness of any aircraft engaged in the carriage or its fitness for the carriage of the cargo to which the contract relates is implied in the contract of carriage.

(6) When AAR issues an air waybill for carriage over the lines of another carrier , AAR does so



only as the agent of such carrier. AAR shall not be liable for the loss, damage , or delay of cargo not occurring on its on line. Nevertheless, when AAR is a first carrier or last carrier under the agreement to carry, shipper or consignee shall have a right of action against AAR for loss, damage or delay of the cargo.

(7) AAR shall not be liable for any loss, damage or expense arising from death due to natural causes or death or injury of any animal caused by the conduct or acts of the animal itself for of other animals, such as biting, kicking, goring or smothering, nor for that caused or contributed to by the conditions, nature, propensities, or safety of the animals.

(8) Consignments, the contents of which are liable to deteriorate or perish due to change in climate, temperature, altitude, ordinary exposure or because of length of time in transit, will be accepted for carriage without responsibility the part of AAR for loss or damage due to such deterioration or perish ability.

(9) AAR shall not. be liable in any event for any consequential or Special damage; arising from carriage subject to these conditions of Carriage, whether or not AAR had knowledge that such damage might be incurred.

(10) Whenever the liability of AAR is excluded or limited under these conditions of Carriage, such exclusion or limitation shall apply to agents, servants or representatives of AAR acting within the scope of their employment and any person whose aircraft is used by AAR and such person's agents, servants and representatives. The aggregate amount recoverable from AAR and from such agents, servants, representatives and person shall not exceed the amount of AAR's limit of liability.

(11) In no event will AAR be liable for death or injury to a cargo attendant caused by or contributed to the condition, conduct, propensities of the animals or condition of any other cargo.

(12) In the carriage of cargo, any action for damages, however founded, whether in contract or in tort or otherwise, can only be brought subject to the conditions and limits set out in the Convention. However, the Convention shall not affect in determining the persons who have the right to bring suit and what are their respective rights.

ARTICLE 15 : TIME LIMITATIONS ON CLAIMS

1. Receipt by the person entitled to delivery of the cargo without complaint is prima facie evidence that the cargo has been delivered in good condition and in accordance with the contract of carriage.

2. No action shall be maintained in the case of loss, damage or delay to cargo unless a complaint



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is made to AAR in writing by the person entitled to delivery, sufficiently describing the details of claim, within the time set forth below :

- (1) In the case of damage to or partial loss of the consignment, immediately after its discovery and at the latest within 14 days from the date of receipt of the consignment;
- (2) In the case of delay, within 21 days from the date on which the consignment has been placed at the disposal of the person entitled to delivery;
- (3) In the case of non-delivery including total loss of the consignment, within 120 days from the date of issuance of the air waybill; and
- (4) In the case of all claims other than those provided in Subparagraphs above except any claim relating to personal injury or death, within 270 days from the date of issuance of the air waybill.

ARTICLE 16 : TIME LIMITATIONS ON ACTIONS

Any right of damage against AAR shall be extinguished unless an action is brought within 2 years, reckoned from the date of arrival at the airport of destination, or from the date on which the aircraft ought to have arrived, or from the date on which the transportation stopped.

ARTICLE 17 : OVERRIDING LAW

Insofar as any provision contained or referred to in these conditions of carriage, air waybill or other applicable tariffs, may be contrary to applicable laws, government regulations, orders or requirements, such provision shall remain in effect to the extent that it is not overridden thereby, and the invalidity of any provision shall not affect any other part.

ARTICLE 18 : MODIFICATION AND WAIVER

No agents, servants or representatives of AAR have authority to alter, modify or waive any provision of these Conditions of Carriage, to contract of carriage or other applicable tariffs.

ARTICLE 19 : ORIGINAL COPY OF CONDITIONS OF CARRIAGE

These conditions of carriage may be published in English, and in the event of any inconsistency or conflict between Korean text and English text, the former shall prevail.

Name of Carrier: ASIANA AIRLINES INC.



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Abbreviation Of Name : AAR