

# SFC Shipping Service: Service Level Agreement

Effective Date: 1 January 2014

Your registration as a User shall constitute your acceptance to this Agreement. Any revisions to the Terms of Service in this Agreement shall be announced via notifications in the SFC User Center and you have to accept the updated terms to continue using the service.

The term "Service Provider" herein refers to SFC Service Ltd. (including its branches) and its partners.

## 1. Account Registration, Verification and Activation

Prior to using the service, you have to register as a User at the Service Provider's website with valid business or personal information. You have to submit verification document to the Service Provider. The name on the document must match that of your PayPal or bank account. Upon verification, the Service Provider shall activate the account. You can then login to the User Center and have full access.

## 2. Shipment

### 2.1. Counterfeits, Prohibited and Restricted Items

The Service Provider does not accept counterfeits and prohibited items that are listed in the Customs Law. The User must not tender such items for shipment. The User is liable for all consequences resulting from non-compliance and the Service Provider reserves the rights to pursue legal actions against the User.

Prohibited Items:

- Branded goods that are protected by the Intellectual Property Rights (unless with a valid Certificate of Authorization and official invoice). Counterfeit goods.
- Weapons, replica weapons (e.g. replica toy guns), ammunition, toxic chemicals, hazardous chemicals, explosives (fireworks, gas lighters, gasoline, alcohol, sulfuric acid, paint, etc.), firearms, dangerous goods, white crystals, powder, fluid, lotion, gel, paste, goods containing liquid, e-cigarettes, etc.
- Cash, checks, money orders, securities, bearer negotiable instruments, counterfeit currency, debit cards, credit cards, passbooks, lottery tickets etc.
- Drugs (e.g. opium, morphine, heroin, marijuana, methamphetamine, etc.), prescription drugs, herbal supplements, health or medical products, narcotic drugs, psychotropic substances, etc.
- Pornography (whether in printed, film or digital format). Indecent, obscene or offensive articles, sex toys, etc.
- Animals and plants, animal carcasses (e.g. specimens), human body or parts, harmful organisms, biological samples, etc.
- Tobacco, cigarettes, alcohol, sugar, mahogany, seeds, cosmetics, food, tea, perishable goods, etc.
- Medical waste, chemical waste, industrial waste, poisons, etc.
- Precious antiques, audiovisual products (e.g. CDs, audio tapes, video tapes, etc.), precious metals, precious stones, jewels, pearls, ivory, skins, fur, personal or corporate seals, passports, etc.
- Aerosol sprays, asbestos, butane lighters, strong magnetic materials, oxidizing substances, organic peroxides, etc.
- Goods that are considered illegal in the origin, transit and/or destination countries.
- Prohibited items that are listed by shipping carriers and airlines.
- The Service Provider may at its sole discretion refuse to accept other items not listed above.

Restricted Items:

- Some shipping carriers have restrictions for batteries or goods containing batteries.
- Some shipping carriers have restrictions for goods that are boxed in wooden cases.
- Hongkong Post has restrictions for metal products.
- China-DHL has restrictions for wigs.
- Taiwan-DHL has restrictions for car players.
- China-FedEx has restrictions for branded LED products, goods (or its packaging) that have CE, UL, ROHS, RU, FCC or any certification labels, circuit boards, books, auto parts.

## **2.2. Handover (from User to Service Provider)**

### **2.2.1. Order Information**

- Prior to handing over the parcel to the Service Provider, the User has to login and create a shipping order, which includes providing information such as product name, description, quantity, Declared Value, insurance, etc. The User also has to print the Address Label and Delivery List.
- The User is responsible to ensure the accuracy of the order information.
- The Service Provider has no obligation to verify the identity of the person who submits the information or whether the person has been authorized by the User to do so. The Service Provider also has no obligation to verify the accuracy of the order information.
- The Service Provider shall ship according to the order information.
- The User is responsible to check for any restrictions and provide additional documents (e.g. permits, certificates, license, proofs, reports, etc.) that may be required for export/import. The Service Provider has no obligation to offer advice and is not liable for all consequences resulting from insufficient information or documents.
- The order information shall be used for Customs Declaration. The User is liable for all consequences (e.g. delays, confiscations, fines, etc.) resulting from inaccurate information and the Service Provider reserves the rights to pursue legal actions against the User.

### **2.2.2. Delivery List**

The Delivery List must match the actual parcels that are to be handed over to the pick-up driver. Both the User and the pick-up driver have to sign on the Delivery List to acknowledge the handover.

### **2.2.3. Packaging**

The User is responsible to ensure proper packaging for transportation, especially if the items are expensive and/or fragile. The User is also responsible to include additional documents (e.g. permits, certificates, license, proofs, reports, etc.) that may be required for clearance at the Customs.

## **2.3. Spot Check**

The Service Provider performs spot check and has the rights to open parcels without prior notification to the User. If any prohibited or infringing item is found, then

- The Service Provider shall charge an Inspection Fee of 100 RMB/package.
- The Service Provider shall increase the frequency of inspecting parcels coming from the User and is not liable for all consequences (e.g. delays) resulting from the increased frequency.

## **3. Fees, Billing and Payment**

### **3.1. Fees**

- **Shipping Fee**

The shipping fee is the actual cost incurred based on the published rates on the Service Provider's website. The Service Provider has the rights to adjust the rates according to the market conditions and shall notify the User via email.

- **Insurance Fee**

Compensation depends on the terms of the shipping carrier. The User may purchase additional insurance at the User Center.

- Insurance is not available for Non-Registered International Air Mail (Postal Service).
- Insurance is optional for Registered International Air Mail (Postal Service), but is mandatory if the Declared Value  $\geq$  25 USD.
- Insurance is mandatory for SFC Special Shipping Line and Express Service.
- The Service Provider shall collect the Insurance Fee from the User. The Service Provider shall assist to file a claim on behalf of the User, but the User is responsible to provide proof. The User is liable for all consequences resulting from failure to provide satisfactory proof.

- **Return Shipping Fee**

The parcel may be returned if delivery is unsuccessful or if the recipient refuses it. The Service Provider shall charge the Return Shipping Fee based the rates of the shipping carrier, plus any Customs clearance fee and warehouse fee which may incur during the return process.

- **Other Fees**

The Service Provider is responsible to quote Shipping Fee and Fuel Surcharge only. It does not include Customs clearance fee, warehouse fee (due to delayed clearance), duties, fines, etc. Such fees are not related to the Service Provider and not possible to quote prior to shipment. The Service Provider shall charge the User based on the actual bill received from the shipping carrier.

### **3.2. Billing and Payment**

The Service Provider uses a prepay system. The User has to deposit fund into the prepaid account, from which the Service Provider shall deduct service fees.

If the User requests for official invoice, then there will be a 6% value-added tax applied to all transactions. The invoice can only be issued to the registered User on a monthly basis. The User may also have to provide the Service Provider with additional documents for accounting and tax records.

## **4. Delivery and Unsuccessful Delivery**

### **4.1. Delivery**

- The Service Provider is responsible to handover the parcel to the shipping carrier in an accurate, timely and safe manner.
- The User is responsible to ensure the accuracy of the recipient's address. The address must be complete and not just a P.O. box number or postal code.
- For postal service, the actual (or first) recipient may not necessary be the person whose name is printed on the Address Label.
- If the recipient's address is at a Collection Point, then the parcel shall be delivered to the Collection Point.

### **4.2. Unsuccessful Delivery**

Delivery may be unsuccessful due to the following reasons:

- The recipient refuses the parcel or refuses to pay duties.
- The content is unacceptable or illegal in the transit and/or destination countries.
- The Customs feels that the declared information does not match the content. If the Customs requests for additional information from the actual consigner, then the User must deal with the Customs directly.
- The recipient cannot be confirmed or cannot be found.

#### **4.3. Notification for Unsuccessful Delivery**

The Service Provider shall notify the User immediately about any abnormality and assist in the resolution.

- For abnormality related to a specific parcel or shipping order, the Service Provider shall post it on the User Center. The User is responsible to login and check for any abnormal issues and be cooperative with the Service Provider to resolve them.
- For general abnormalities that affect a wider group of Users, the Service Provider shall notify via emails and via announcements on the website. The User is responsible to ensure that the registered email address is valid and to check the email inbox and/or the announcements regularly.
- If the User fails to respond in time or if the Customs does not accept the User's response, then the Service Provider has the right to abandon the parcel and has no liability to the User or any person.

### **5. Reroute and Returns**

#### **5.1. Reroute**

- If the User selects to ship via Hongkong Post but the Service Provider is unable to meet the daily minimum total weight requirement set by Hongkong Post, then the Service Provider has the right to ship via a different (but equivalent) postal carrier. The shipping fee shall remain unchanged.
- If a parcel is returned to UK Processing Center, then the User has the option to reroute to another address. The Service Provider shall charge a new shipping fee and a Rerouting Fee of 50 RMB/package.

#### **5.2. Returns**

- The Service Provider cannot estimate or guarantee the time it will take to return to Shenzhen Processing Center.
- Upon receiving the returned parcel, the Service Provider shall hold it for 7 days, free of charge. The User has to advise the handling method within 7 days, otherwise the parcel shall be disposed.
- The Service Provider shall charge the actual fees associated with handling the returned parcel, including any fees that have already been paid on-behalf. If the User wants to dispose the parcel, then the Disposal Fee is 1 RMB/kg.

### **6. Delays**

#### **6.1. Causes**

The Service Provider is not liable for delays due to causes beyond its control, including but not limited to, the following: Acts of God, natural disasters, wars, disruption in air or ground transportation networks, unexpected over-capacity, riots, civil commotions, terrorism, actions or inactions of unrelated Third Parties, strikes or other labor disputes. The Service Provider is also not liable for any audio, video, digital image or data losses.

## **6.2. Routes**

The Service Provider and its shipping carriers decide the delivery route (which may include transit points). The Service Provider is not liable for delays due to the choice of delivery route.

## **6.3. Delivery Time**

The delivery time that is published on the Service Provider's website is the period beginning from the moment when the shipping carrier has its first record to the moment when the parcel arrives at the final destination. It does not include pick-up, handling and sorting at the Processing Center, and clearance at the Customs. The delivery time is just an estimate (for reference purpose only) and not a guarantee. This cannot be used for filing a claim for delay.

## **7. Inquiry**

### **7.1. Order Information**

Order information and the associated financial transactions are available in the system for one month. For filing and record purposes, the User may download a spreadsheet from the User Center during this period.

### **7.2. Parcel**

- Non-Registered International Air Mail (Postal Service) is not trackable. For all other shipping carriers, the tracking information is available at the Service Provider's website. The tracking result is considered up-to-date and accurate.
- If the parcel is damaged or lost after handover to the shipping carrier, then the Service Provider shall assist to file a claim. The procedure and compensation (if any) are based on the terms of the shipping carrier.
- The User can request the Service Provider to open an inquiry ticket with the shipping carrier if any of the following situations arise:
  - There is no tracking information or no further update after a reasonable period of time.
  - The parcel is not delivered successfully after a reasonable period of time.
  - The shipping carrier's website indicates successful delivery but the recipient has not received it yet.
  - Damaged parcel, wrong parcel, missing items, missing quantities.
  - There are additional unknown fees.
- The User (and the Service Provider) can only file a claim or open an inquiry ticket during a certain period defined by the shipping carrier.
- The User must provide accurate order information during shipping. If this information does not match that provided during inquiry, or if the information does not meet the conditions for inquiry, then the shipping carrier has the right to deny the inquiry and the User is liable for all losses or consequences. The Service Provider shall offer full support and follow-up with the shipping carrier but is not responsible for late replies from the shipping carrier.

## **8. Claims**

### **8.1. Conditions**

The User (and the Service Provider) can only file a claim after the shipping carrier has completed its investigation. The User is responsible to provide proof.

### **8.2. Compensation**

#### **8.2.1. Total number or weight of parcels received from the User is different from the Delivery List**

- Total number of parcels received from the User is different from the Delivery List:

- The Service Provider shall verify with the User before handing over to the shipping carrier.
- Weight of parcel received from the User is different from the Delivery List:
    - International Air Mail (Postal Service):  
If the weight difference is less than 100 g, then the Service Provider does not have to contact the User and the actual weight measured by the Service Provider shall prevail. If the weight difference is more than 100 g, then the Service Provider shall verify with the User before handing over to the shipping carrier. If the User did not input any information into the system, then the Service Provider does not have to contact the User and the actual weight measured by the Service Provider shall prevail.
    - SFC Special Shipping Line and Express Service:  
If the weight difference is less than 500 g, then the Service Provider does not have to contact the User and the actual weight measured by the Service Provider shall prevail. If the weight difference is more than 500 g, then the Service Provider shall verify with the User before handing over to the shipping carrier.

The Service Provider is responsible for reporting the differences to the User only and is not liable for any losses due to the differences.

### **8.2.2. Lost**

- Lost by Service Provider  
If the parcel is lost after the User handover to the Service Provider and before the Service Provider handover to the shipping carrier, then the Service Provider shall be responsible. Compensation depends on the Declared Value (which the User inputs into the system) or the actual cost (on the invoice or receipt), whichever is lower. Maximum compensation is 100 USD/package.
- Lost by Shipping Carrier  
If the parcel is lost after the Service Provider handover to the shipping carrier, then the shipping carrier shall be responsible. The Service Provider shall assist to file a claim. Compensation depends on the terms of the shipping carrier.
- Lost at Customs  
The Service Provider is not liable for losses due to the parcel lost at Customs, partial content lost during Customs inspection, or confiscation by Customs.
- Counterfeits, Prohibited and Restricted Items  
The Service Provider does not accept counterfeits and prohibited items that are listed in the Customs Law. The User must not tender such items for shipment. The User is liable for all consequences resulting from non-compliance and the Service Provider reserves the rights to pursue legal actions against the User.

### **8.2.3. Wrong Shipment**

If the recipient received a damaged or wrong parcel, then the User must provide photographs of the parcel and proof of shipment to the Service Provider.

- If it is not due to mishandling by the Service Provider, then the Service Provider shall assist to file a claim. Compensation depends on the Declared Value and terms of the Service Provider.
- If it is due to mishandling by the Service Provider, then the Service Provider shall resolve in one of the following methods, whichever is cheapest:
  - Refund the shipping fee and compensate the Declared Value or the actual cost, whichever is lower.
  - Pay the postage for returning to Shenzhen Processing Center (via Postal Service).
  - Pay the postage for forwarding to the correct address (via Postal Service).

### **8.3. Others**

- The Service Provider is responsible for direct losses only. Compensation shall not exceed the limit set by the shipping carrier.
- The Service Provider is not responsible for indirect losses, such as loss of profit, income, interest, or sales etc.
- The Service Provider is not responsible for any disputes on brand or quality of the User's goods.

## **9. Confidentiality**

- The Service Provider is responsible to safekeep the User's document. The document is for account verification and no other purpose.
- The User shall not disclose sensitive business information to a Third Party. This includes, but not limited to, agreed rates, financial status, logistics operations, procedures, system or technical information, etc.
- The User is responsible to safekeep the login password. The Service Provider is not liable for all consequences resulting from the lost of password.

## **10. Applicable Law and Dispute Resolution**

Both parties shall use their best efforts to negotiate in good faith to resolve all controversies or disputes in an amicable manner. When negotiation fails, either party may file a lawsuit in the Service Provider's local court.

## **11. Severability**

If any term of this Agreement is determined to be invalid, all other terms of this Agreement shall nevertheless remain in full force and effect.