

xChange Standard Container Lease Agreement

1. Preamble

This xChange Standard Container Lease Agreement (“Standard Lease Terms”) serves as the default terms for Transactions on The Leasing Platform. While all commercial details (e.g. pick-up charge, free storage period, daily rental fee etc.) are negotiated and agreed on The Leasing Platform, the terms below govern the process and responsibilities around the transaction. These terms have been designed with the objective of maximum neutrality and fairness between The User and The Supplier. Both parties are free to agree on deviations as part of their negotiation on The Leasing Platform, but acknowledge that in case of deviations xChange cannot guarantee to police transactions or to handle payments according to the Leasing Payment Handling Terms and Conditions.

2. Definitions

“**The Supplier**” (lessor) means the party supplying the Equipment to the other party.

“**The User**” (lessee) means the party renting the Equipment supplied by the Supplier.

“**The Leasing Platform**” means the online Platform operated by xChange Solutions GmbH which The User and The Supplier use to facilitate a transaction.

“**Agreed Lease Terms**” means the specific financial and conditions details related to the lease of Equipment agreed between The Supplier and The User. These Terms are mutually agreed by The Supplier and The User for each individual transaction on The Leasing Platform.

“**DPP**” means damage protection plan. Any costs for repair or cleaning of a piece of Equipment after it has been returned that are above the agreed DPP amount are to be paid by The User to The Supplier. Costs below the agreed DPP amount are borne by The Supplier.

“**DRV**” means depreciated residual value. It is determined by calculating the reduction in the newbuild price of the Equipment over time, based on the agreed yearly depreciation rate and minimum replacement value outlined in the Agreed Lease Terms. The DRV is determined by subtracting the accumulated depreciation amount, calculated per year from the manufacturing date of the Equipment, from the newbuild price. However, the DRV cannot be lower than the minimum replacement value.

“**Container Number**” means the Equipment’s unique container identification. The identification system provides uniform international identification of containers, in documentation and in communication associated with the movement of containers from door to door. It consists of a 3-digit owner code, a 1-digit equipment category identifier, a 6-digit serial number and a 1-digit check digit.

“**Release Date**” refers to the date stated on the release document upon which The User can pick up the Equipment.

“**Free Storage Period**” means the time after the Release Date in which The Supplier covers the cost for storage.

“**The xChange Claims Terms and Conditions**” are a set of terms regulating claims of container leasing transactions facilitated on The Leasing Platform. In the event of any conflict between the provisions of this document and The xChange Claims Terms and Conditions the provisions of The xChange Claims Terms and Conditions shall prevail. The xChange Claims Terms and Conditions can be found under: <https://www.container-xchange.com/claims-terms-and-conditions//>

“**Equipment**” means freight containers as defined by the International Organization for Standardization ISO and/or related equipment, such as clip-ons.

“Latent Defect” means any defect that is not, or was not, apparent at the time of pick-up of the Equipment, arising from any event occurring before pick-up, including but not limited to a defect in the design, material, manufacture, workmanship, modification or maintenance.

“Wear and Tear” means the unavoidable loss or deterioration in value or damage sustained to Equipment in the course of continued normal use and which may affect the cosmetic appearance of Equipment and by accumulation or degree may eventually affect the integrity of Equipment. Wear and Tear shall include, but not be limited to:

- Corrosion of metal components not due to contact with foreign substances;
- Delamination or rot of wooden components, such as general deterioration of floor, including expansion, shrinkage or warping;
- Colour fading or adhesion failure of decals;
- Loose or missing parts or marking, except those that are normally removable, in the absence of evidence or accompanying damage;
- General paint failure or fading not due to contamination;
- General wear and deterioration at corner fittings;
- General deterioration at door gasket and fitting, including loose and corroded fittings or loose fittings arising from normal deterioration of doors;
- Scratches to metal.

In addition to the above, Wear and Tear for reefer Equipment shall include but not be limited to:

- General deterioration of kazoos, to include age hardening;
- General electrolytic corrosion from dissimilar metals in contact with each other in an electrolyte such as salt water;
- Flooring de-laminations resulting from routine cargo loading and unloading cycles;
- Failures and/or malfunctions of machinery components although machinery has been maintained according to manufacturer’s recommendations;
- De-lamination to panels not attributable to any ascertainable impact.

3. Condition of Equipment on Pick-up

- (a) The Supplier warrants that the Equipment shall be in a good and serviceable condition and shall have been designed, manufactured, tested and maintained in compliance with the regulations and standards detailed hereinafter:
- (i) International Organization for Standardization (ISO) - Specifications and Classification Series 1 Freight Containers;
 - (ii) International Convention for Safe Containers (CSC) of 1972 or any amendment thereof;
 - (iii) Customs Convention on Containers of 1956 and 1972 or any amendment thereof;

- (iv) Australian Quarantine Regulations in respect of Timber Component Treatment; and
 - (v) Unified Container Inspection and Repair Criteria/Refrigerated Container Inspection and Repair Criteria (UCIRC/RCIRC) or any amendments thereto
- (b) The Supplier warrants that the Equipment is delivered free from all liens and encumbrances.
 - (c) The Supplier warrants that all Equipment delivered is operated under CSC Approved Continuous Examination Programme (ACEP). For clarity, this means that the Equipment must have a valid CSC certificate and plate at the time of pick-up.
 - (d) The User may appoint a surveyor to inspect the Equipment prior to the pick-up. The costs of such surveyor as well as the costs for the handling of containers at the depot shall be for the User's account. The Supplier shall make the Equipment available for this inspection. The surveyor shall apply the standards set out in Sub-clause 3(a)(v) above. The surveyor's report of the condition of the Equipment prior to the pick-up shall be prima facie evidence of the condition of the Equipment at the time of the pick-up.
 - (e) In the event of mis-picks this Equipment shall be picked-up on "as is" basis and Sub-clause 3 (a) shall not apply.

4. Condition of Equipment on Redelivery

- (a) The Equipment shall be returned in the condition specified in Sub-clause 3 (a). Unless otherwise informed by The Supplier in accordance with Sub-clause 5, the Equipment will be considered as returned in an undamaged condition.
- (b) In case Equipment gets redelivered in a damaged condition, The Supplier has to raise a claim in accordance with The xChange Claims Terms and Conditions as specified in Sub-clause 5.
 - (i) Repair fees for damages and costs for cleaning below the agreed upon DPP amount shall be paid by The Supplier. If no specific value has been agreed upon in The Agreed Lease Terms as DPP it should be 100 USD per piece of Equipment.
 - (ii) Repair fees for damages caused by the usage of The Equipment by The User and costs above the DPP, excluding Wear and Tear, shall be paid by The User.
- (c) All damages shall be defined in accordance with the standards set out in Sub-clause 3 (a) and all repairs shall be performed in accordance with the Institute of International Container Lessors (IICL) Repair Manual.

5. Raising and Settlement of Claims

- (a) The xChange Claims Terms and Conditions act as the standard claim resolution policy for claims under this agreement and apply for claims and consequential settlements for affected Equipment.
- (b) The version of The xChange Claims Terms and Conditions that was valid at the time of the acceptance of The Agreed Lease Terms shall be used and can be found under:
<https://www.container-xchange.com/claims-terms-and-conditions/>

6. Pick-up Procedures

- (a) The Supplier shall, in order to enable an orderly pick-up process:
 - (i) inform The User of the earliest pick-up date when the Equipment is available.
 - (ii) provide The User with a release reference which details Equipment type, quantity, depot name, depot address, local contact Phone number and local contact email address. In case The Supplier has nominated specific containers for the transaction, the Container ID also needs to be included. The release reference shall be valid for 30 (thirty) days after the earliest pick-up date unless otherwise specified by The Supplier.
- (b) The User shall, in order to ensure an orderly pick-up process:
 - (i) notify The Supplier's depot and The Supplier at least 24 (twenty-four) hours prior to pick up to verify availability of the Equipment and ability to retrieve. Failure to contact The Supplier and the depot at least 24 (twenty-four) hours prior to pick up shall result in a waiver of claims for damages against The Supplier or its affiliates or agents relating to unavailability of Equipment.
 - (ii) pick up The Equipment 24-96 (twenty-four to ninety-six) hours after the notice and during the opening hours of the depot. Failure to pick up The Equipment 24-96 (twenty-four to ninety-six) hours after the notified pickup time shall result in a waiver of claims for damages against The Supplier or its affiliates or agents relating to unavailability of Equipment.
- (c) The Supplier and The User may also agree on immediate availability of the containers. In this case, The Supplier has to bear reasonable costs incurred to The User for unsuccessfully trying to pick-up the Equipment within the period agreed with The User.
- (d) An Equipment Interchange Receipt (EIR) evidencing the pick-up of the Equipment shall be signed by The User or the party commissioned by The User upon pick-up of the Equipment.
- (e) In case reefer Equipment is picked-up, pre-trip inspections of reefer Equipment shall be conducted by a surveyor appointed by The User.
- (f) The Supplier or The User shall within 24 (twenty-four) hours after a pick-up of the Equipment provide a gate-out report on The Leasing Platform for each piece of Equipment stating location, depot or terminal, container number and type, date and time of gate-out move, pick-up references, and other information required by local authorities. Disputes on reported gate-outs are handled according to The xChange Claims Terms and Conditions.
- (g) In case of a failed or obstructed pick-up of Equipment for which The User followed the provisions in Sub-clause 6 (b) The Supplier has to bear reasonable costs incurred to The User for unsuccessfully trying to pick-up the Equipment.

7. Redelivery Procedures

- (a) The User may redeliver Equipment to any of the Supplier's depots in the locations specified in the Agreed Lease Terms which may contain permissible redelivery quota, or as may from time to time be mutually agreed.
- (b) The Supplier shall:

- (i) nominate the depot or terminal in the location where the User shall redeliver the Equipment as per the Agreed Lease Terms;
 - (ii) provide The User as well as xChange with respective drop-off references after it has been requested by The User. The Supplier is required to provide a drop-off reference latest 72 (seventy-two) hours after it has been requested by The User, but earliest 14 (fourteen) days before the start of the estimated time of arrival of pieces of Equipment. The drop-off reference shall detail Equipment Type, Equipment Quantity, Depot Name, Depot Address, Local Contact Phone Number and Local Contact Email Address. In case specific Container IDs have been nominated, they also have to be included. The drop-off reference shall be valid for 30 (thirty) days unless otherwise specified;
 - (iii) Enable the User to drop-off containers after a drop-off reference has been provided if The User followed the provisions of Sub-clause 7 (c).
- (c) The User shall, in order to ensure an orderly delivery process:
- (i) notify The Supplier's depot and The Supplier at least twenty-four (24) hours prior to delivery and only after a drop-off reference or drop-off instructions have been provided by The Supplier. Failure to contact The Supplier and The Suppliers depot at least twenty-four (24) hours prior to delivery shall result in a waiver of claims for damages against The Supplier or its affiliates or agents relating to inability to deliver the Equipment;
 - (ii) request a delivery timeframe with The Supplier's depot in case this is required by The Supplier's depot;
 - (iii) deliver The Equipment 24-96 (twenty-four to ninety-six) hours after the notice and within eventually provided delivery timeframes. Failure to deliver The Equipment within 24-96 (twenty-four to ninety-six) hours after the notified delivery time shall result in a waiver of claims for damages according to Sub-clause 7 (g) against The Supplier or its affiliates or agents relating to the inability to deliver The Equipment.
- (d) An Equipment Interchange Receipt (EIR) shall be signed by The Supplier evidencing the redelivery of the Equipment.
- (e) Post-trip inspections on the redelivery of reefer Equipment shall be conducted by a surveyor appointed by the Supplier.
- (f) The Supplier or The User shall within 24 (twenty-four) hours after redelivery of the Equipment provide a gate-in report on The Leasing Platform per piece of Equipment stating location, depot or terminal, container number and type, date and time of gate-in move, drop-off references, and other information required by local authorities. Disputes on reported gate-ins are handled according to The xChange Claims Terms and Conditions.
- (g) In case of a failed or obstructed redelivery of Equipment where The User followed the provisions in Sub-clause 7 (c)
- (i) The Supplier has to bear reasonable costs incurred to The User for unsuccessfully trying to deliver the Equipment.
 - (ii) The User's obligation to pay rent to The Supplier ceases for the period after failed delivery or in cases no drop-off reference was provided according to Sub-clause 7 (b) (iii) for affected pieces of Equipment.

8. Pick-up and Redelivery Costs and Charges

- (a) All depot and handling charges shall be for the Supplier's account.
- (b) Any transport cost or charges for transport from the Supplier's pick-up depot to the drop-off depot shall be for the User's account.
- (c) Costs or charges for issuance of Equipment Interchange Receipts (EIR) shall be paid by the party requesting such receipt.
- (d) Pre-trip inspections on the delivery of reefer Equipment shall be for the User's account.
- (e) Post-trip inspections on the redelivery of reefer Equipment shall be for the Supplier's account.

9. Storage Costs and Charges

- (a) The starting day of the Free Storage Period shall be the Release Date.
- (b) The Free Storage Period shall be 14 (fourteen) days from the starting day as specified in Sub-clause 9 (a) unless otherwise specified.
- (c) The storage costs to be paid by The User are calculated per piece of Equipment and per started day that the piece of Equipment is not picked-up after the Free Storage Period has ended.

10. Payment of Rent, Pick-up Fees and other Charges

- (a) In consideration for usage of The Equipment, The User shall pay rent as specified in the Agreed Lease Terms as from the pick-up date less any free days as defined in the Agreed Lease Terms to The Supplier. The User's obligations to pay rent for a piece of Equipment will cease on the day after redelivery into any of The Supplier's designated depots.
- (b) In case specified in the Agreed Lease Terms, either The User shall pay a pick-up fee per piece of Equipment picked-up to The Supplier or The Supplier shall pay a pick-up fee per piece of Equipment picked-up to The User.

11. Taxes, Dues and Charges

- (a) The User shall pay all taxes, dues and charges levied on or against the Equipment arising out of or in connection with the use of the Equipment.
- (b) The Supplier shall pay all taxes, dues and charges levied on or against the Equipment arising out of or in connection with the ownership of the Equipment.

12. Cancellation

- (a) The Supplier and The User may cancel the contract or single pieces of not picked-up Equipment within 12 (twelve) hours from the acceptance date without any penalty.
- (b) The User may cancel the contract or pieces of Equipment if The Supplier does not fulfil a Main Obligation of Sub-clause 12 (d) which is due, or does not render it in conformity with the contract. The Supplier may cancel the contract or pieces of Equipment if The User does not fulfil a Main Obligation of Sub-clause 12 (c) which is due, or does not render it in conformity with the contract.
- (c) Main Obligations of The User that, if not fulfilled, allow a cancellation by The Supplier are:
 - (i) Picking up Pieces of Equipment latest after a 14 (fourteen) day deadline given by The Supplier. The deadline can only be given after The Supplier has provided a valid release reference and if the Free Storage Period of that reference has ended. If The User seriously and definitely refuses to pick-up, the pieces of Equipment are canceled without a setting deadline by The Supplier.
- (d) Main Obligations of The Supplier that allow, if not fulfilled, a cancellation of The User are:
 - (i) Providing the Equipment in the condition agreed upon in the Agreed Lease Terms.
 - (ii) Providing a correct release reference latest 3 days after the acceptance of a leasing transaction and after a 24 (twenty-four) hours deadline given by The User and allowing The User to pick-up the Equipment after a pick-up notice according to Sub-clause 6 (b) (i).
- (e) After a cancellation according to Sub-clause 12 (c) or (d) the party that did not fulfil a Main Obligation has to pay a cancellation fee of \$50 USD (fifty) per cancelled piece of Equipment to the cancelling party. The cancellation fees have to be paid on top of already arisen storage fees for the cancelled piece of Equipment according to Sub-clause 9.
- (f) Cancellations and deadlines have to be communicated in writing on The Leasing Platform.

13. Extraordinary Termination of a specific Container Leasing Transaction

- (a) The User may terminate any specific container leasing transaction in writing on The Leasing Platform with immediate effect insofar as it relates to any Equipment
 - (i) the use of which shall have been curtailed or obstructed by any legislation or regulation of any government or statutory body of any country where the User wishes to use said Equipment, or
 - (ii) which is shown to have Latent Defects such that it is unsafe or unsuitable for continued use.
- (b) Such Equipment shall be returned to The Supplier as soon as is practicable in accordance with Sub-clause 7.

14. Insolvency

- (a) Both the User and the Supplier shall be entitled to terminate each specific container leasing transaction in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of the other party (otherwise than for the purpose of reconstruction or

amalgamation) or if a receiver is appointed, or if the other party suspends payment, ceases to carry on business or makes any special arrangement with their creditors.

- (b) If the Supplier terminates a specific container leasing transaction according to Sub-clause 14 (a), the Supplier shall have the right to take immediate possession of all Equipment supplied to The User under this Agreement.
- (c) Should the Supplier obtain the right to immediate possession of any empty Equipment covered by this Agreement, then The User must notify The Supplier of the exact location of all Equipment leased to The User under this Agreement and promptly redeliver all such empty Equipment to the nearest Supplier's depot unless otherwise agreed.

15. Lien

- (a) The Equipment is supplied for the purpose of intermodal operations in international trade and may be used for the carriage of lawful goods by sea as well as in inland transport including the handling at terminals and inland depots and freight stations. The Equipment is not designated for use on any particular vessel and consequently no lien, maritime, statutory, possessory or otherwise, securing the obligations under this Agreement may be attached to any vessel connected in any way with the User.
- (b) The Supplier is relying solely upon the credit of the User in supplying Equipment under this Agreement.

16. Actual Loss, Constructive Total Loss and Non-Return of Equipment - Claim for DRV and Ownership Transfer

- (a) The User shall be liable to The Supplier for the actual or constructive total loss of any Equipment rented from The Supplier under this agreement during the period in which The Equipment is rented by The User. The User shall immediately notify The Supplier in writing on The Leasing Platform of any actual or constructive total loss of any Equipment and The User and The Supplier shall follow the DRV claims management process as outlined in The xChange Claims Terms and Conditions.
- (b) If pieces of Equipment are not returned to a depot or terminal specified by The Supplier within 365 (three-hundred-sixty-five) days after the pick-up of the piece of Equipment The Supplier may claim payment of the DRV of The Equipment from The User by following the DRV claims management process as outlined in The xChange Claims Terms and Conditions.
- (c) In case of a approved notice of actual or constructive total loss of Equipment by The User according to Sub-Section 16 (a) or a approved DRV claim by The Supplier according to Sub-Section 16 (b), The User shall be promptly invoiced and pay to The Supplier the DRV of the affected Equipment.
- (d) Ownership of The Equipment passes to The User after payment of the amount stated on the invoice issued according to Sub-Section 16(c) has been received by The Supplier. The Supplier shall provide The User with a proof of ownership certificate for the transferred piece of Equipment.
- (e) The obligation of The User to pay rent to The Supplier ceases after ownership of the Equipment has been transferred according to Sub-clause 16 (d).
- (f) Should The User later determine that Equipment previously declared lost has been recovered, The Supplier will, at the request of the User, reimburse any previously paid replacement value (e.g. DRV) less any rent accrued from the date the Equipment was declared lost if the recovery date is within 60

(sixty) days of the total loss declaration but not later than 365 (three-hundred-sixty-five) days after the specific piece of Equipment has been picked-up.

17. Liabilities and Indemnity

- (a)** The Supplier and/or User shall defend, indemnify and hold the other party harmless for any and all claims, losses, expenses, costs or damages (including without limitation all reasonable expenses in defending any claim or suit or enforcing this indemnity, such as court costs, attorney's fees, and other expenses) arising or alleged to arise directly or indirectly or incidentally out of any failure of The User and/or Supplier to comply with its obligations under this Agreement;
 - (i)** The User shall indemnify the Supplier for any claim which is legally confirmed without any disputes from either party, whether private or governmental, for injury or death to persons (including employees of the Supplier) and for loss of or damage to property, cargo and/or vessels and/or means of transport, arising out of or incident to the possession, leasing, operation, control or use of the Equipment by the User.
 - (ii)** The Supplier shall indemnify the User for any claim which is legally confirmed without any disputes from either party, whether private or governmental, for injury or death to persons (including employees of the User) and for loss of or damage to property, cargo and/or vessels and/or means of transport, arising out of or incident to the ownership, manufacture, design or supply of the Equipment.
- (b)** Each party undertakes to give to the other party immediate notice of claims or actions arising under this Clause, and to assist in the handling of any and all such claims or actions.

18. Track and Tracing and Remote Control

If the container is fitted with a transponder or other electronic device used to track its geographical position; and/or with devices that monitor or remotely control reefer temperatures and machinery; and/or CA components fitted to the container, the User may utilize such devices but shall not be entitled to permanently modify any technical features of such devices or to read or download any data originating from any period prior to the date of pick-up.

19. Insurance

- (a)** The User and Supplier agree to procure and maintain in full force and effect during the term of this Agreement, at their sole cost, general liability insurance to cover any third party bodily injury and property damage occurred during the period of User's or Supplier's custody under either party's Protection and Indemnity rules. Any and all deductibles under the terms of the foregoing insurances shall be for the Supplier and/or Users' own account. On request, if opined necessary and agreed by whom be requested, the Supplier and/or Users shall provide evidence of the insurances.
- (b)** Should a party fail to procure or maintain any of the required insurances, or by act or omission vitiate or invalidate any of such insurances, that party shall indemnify the other party to the extent the other party suffers or incurs loss, damage, liability or expense as a consequence of such failure, act or omission.

20. Dispute Resolution Clause

- (a) This Agreement shall be governed by and construed in accordance with English law. Any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.
- (b) If the parties cannot mutually agree to a place of arbitration once a dispute has arisen, the dispute shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause. The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.

21. Notices

- (a) All notices given by either party or their agents to the other party or their agents in accordance with the provisions of this Agreement shall be in writing.
- (b) For the purposes of this Agreement, “in writing” shall mean any method of legible communication. A notice may be given by any effective means including, but not limited to The Leasing Platform, cable, telex, fax, e-mail, registered or recorded mail, or by personal service.

22. Severability Clause

In case of doubt, if a provision of this Agreement is or becomes invalid, contestable and/or unenforceable – for whatever reason – this shall not affect the validity of the remaining provisions. The invalid, contestable and/or unenforceable provisions shall be interpreted, reinterpreted or replaced in such a way that the desired economic success is obtained as closely as possible. The same shall apply if this Agreement has a loophole.

First Name	Last Name
Company	Signatory (Signature)