

This Agency Agreement made 00 - 00 - 2007

Between



A corporation duly organized and existing under the laws of Pakistan with principal office at Loyal building, opposite custom house, Lahore-54000pk

And

XXXXXXXXXXXXXXXXXXXX

A corporation duly organized and existing under the laws of **XXXXXX** with principal office at **XXXXXXXXXXXXXXXXXXXX**

Whereas both parties appoint each other as non-exclusive sales and handling agent.

1. RECIPROCAL APPOINTMENT

- 1.1 Both parties agree to act as non-exclusive handling agents for airfreight and sea freight traffic considered as general cargoes and/or other freight forwarding related matters on a mutual basis in accordance with the terms and conditions hereinafter set forth.
- 1.2 The reciprocal agreement is also valid for any new branch opened by **XXXXXX** and **LOYAL AGENCIES** in future.

2 SCOPE OF SERVICE

- 2.1 When either company is acting as the Agent, all the Bills of Lading and Master Away Bill are to be consigned to the Agent, who will render efficient services to consolidations and handle single consignments and arrange for customs clearance, delivery, or other related handling of each shipment, all in accordance with the Principal's instructions. The related Agent must provide adequate and suitable facilities for such performance.
- 2.2 When accepting the Principal's consolidations, LCL, FCL or single shipments, the Agent will check, whether cargoes and documents are received in good order and condition. If shortage or damage is noted when accepting, the Agent will promptly notify the shipper.
- 2.3 In the event a consignee does not want the Companies to perform customs clearance and delivery, the Agent concerned will hand over all necessary documents

to the consignee or consignee's appointed agent without delay. Both Companies will insist on handling custom clearance to avoid delay.

- 2.4 Each Company will notify the other by telefax/e-mail the departure details of documents.
- 2.5 As evidence of proper final delivery to consignee or his agent, the Agent obtains a signed delivery receipt for each shipment. The Agent will return one copy of the Principal's cargo manifest indicating the arrival date of each shipment. This notification will take place within one week after arrival of the consolidation. When shipments are made on a freight collect basis, it is the responsibility of the Agent at the delivery end to collect all charges due.
- 2.6 In the event, that the consignee does not accept a shipment immediately or refuse to accept it for any reason, the Agent will immediately communicate this to the Principal and wait for disposal instruction.
- 2.7 Each company will promptly follow up and reply to all requests for proof of delivery and all communications it may receive from the other.
- 2.8 **LOYAL AGENCIES** and **XXXXX** shall actively exchange sales/marketing information and develop related activities between **PAKISTAN** and **XXXX**. Each party's expenses connected with gathering and exchanging such sales and marketing information shall be borne by each party on their own account.
- 2.9 Both parties shall obtain quality sales information locally and shall send the sales information to the other party.
- 2.10 Each party shall immediately take action and shall follow up the sales lead and report the sales result within 14 working days.
- 2.11 Both parties shall inform each other of all cargoes handled and both parties shall keep such business and related information confidential.
- 2.12 Both parties agree that the party who arranges delivery of cargo to its interest is responsible for collecting freight and charges and any other costs to be collected at destination.
- 2.13 Both parties agree to carry out other businesses considered to necessary and acceptance to both parties in fulfilling this agreement

3 ACCOUNTING AND FINANCIAL COMPENSATION

- 3.1 For any joint development on all air and sea freight business rendered by either party hereunder each party agrees to pay the other a commission of 50% of the total profit generated on the international route (port/port or airport/airport), calculated on the selling rates minus the net costs.
- 3.2 Additional costs due to the operating negligence of a party shall not be reflected in any calculation of commission hereunder, and such cost shall be borne entirely such negligent party.

- 3.2a Expenses in the process of normal operations shall be borne by each party.
- 3.3 **LOYAL AGENCIES** and **XXXX** will be responsible for the collection of all charges and costs payable to the other. Each party shall properly and timely notify the other of such charges and costs and the fact that the collection is required.
- 3.4 No Credit shall be extended by one party on behalf of the other without prior written authorization by the first party.
- 3.5 Each party shall absorb all costs that incur in the performance of marketing and sales services hereunder unless otherwise agreed in writing prior to the expenditure being made or committed.
- 3.6 Statement of accounts will be issued and exchanged every end of the month. They will be summed up every end of month and will be settled by the end 15TH of the following month by a telegraphic bank transfer.
- 3.7 The currency of payments shall be USD unless otherwise specified and agreed. Each Company is obliged to pay in full without transfer charges all monies collected on behalf of the other Company.
- 3.8 Companies agree to collect such freight, C.O.D. or other charges and to make such disbursements as may become necessary to properly and efficiently make ultimate delivery of the cargo.
- 3.9 Payment shall be made via telegraphic transfer to the following:

Name of Bank: **Standard Chartered Bank**
Address: **Tufail Road, Branch**
Account No.: **01-4437586-01**
Account Holder: **LOYAL AGENCIES**

- 3.10 Invoice from **XXXXX** will be show USD amount. Payment shall be made via telegraphic transfer to the following:

Name of Bank:
Address:
Account No.:
Account Holder:

4 LIABILITY

- 4.1 If either party finds any damage to goods under its care, or if any claim has been filed by the consignee(s) in relation to any damage to cargo, the party shall give immediate notice to the other party of such damage or claim.
- 4.2 Shipment(s) under House Bill of Lading, House Airway Bill, FIATA B/L, Forwarders Certificate of Receipt, MTO B/L or any other transport document, primary responsibility to the consignor(s) or consignee(s) shall rest upon the party whose name such document has been issued. Between **LOYAL AGENCIES** and **XXXXX** however, each party hereto agrees, subject to the limitations determined by their Standard Trading Conditions, to be liable and to indemnify and hold harmless the other party for any and all liabilities and properties while in its possession or being carried in its services caused by reason of any negligent act, omissions, willful misconduct or misrepresentation by their officials or employees.
- 4.3 In the event of concealed loss or damage not observed or detected prior to delivery to the consignee(s) and not attributable to either party, the party in whose name the House Bill of Lading, Forwarders Certificate of Receipt, or any other transport document has been issued, shall be responsible within the limit of the responsibility printed on the back of such documents. Such party shall have no right to recover any claims from the other party.
- 4.4 In case of loss or damage occurring while goods or the property are being carried by either party or both parties designated carrier(s), the consignee(s) party shall assume the full responsibility for recovering the loss or damage from the carrier or carriers concerned.
- 4.5 If the terms of shipment require the release of cargo against presentation of the House Bill of Lading, House Airway bill, Forwarder Certificate of receipt, or any other transport document, the party releasing the cargo to the consignee without first collecting the original document(s) is fully responsible for the value of the merchandise and any other subsequent damages arising thereof.
- 4.6 The same responsibility also applies to the release of cargo without having collected the freight charges and/or any other charges if required. The party instructed to release a shipment against payment of merchandise will accept in payment bank drafts, otherwise such party will have the full responsibility of the value of the merchandise.

5 PARTNERSHIP

- 5.1 This Agreement shall not constitute a partnership between the parties
- 5.2 The Agency of the parties hereto is strictly limited to the powers herein contained and neither party will commit the other beyond the scope of the authority herein contained.
- 5.3 Neither party may transfer the rights and obligations arising from this Agreement to any third party without a written consent of the other party.

6 ALTERATIONS

- 6.1 Any alterations or amendments to this Agreement must be stated in writing and signed by both Companies.

7 DURATION

- 7.1 This Agreement shall take effect from the day **dd/mm/yy** and shall continue in effect until terminated by either Company giving written notice by registered mail six (6) months prior to the effective date of such cancellation to the other, this period to count from the date of mailing.

8 AMENDMENT

- 8.1 Any change, modification, addition to, deletion to or amendment to this agreement shall be agreed upon by both parties mutual consent in written form and attached to this original agreement.

9 VALIDITY / TERMINATION

- 9.1 This agreement shall be take effect on the date duly signed by all parties and shall be valid for a period of one year.
- 9.2 This agreement shall automatically be renewed by a further period of one year at a time unless notice of termination is given by either party to the other in writing not alter than 30 (thirty) days prior to termination.
- 9.3 In the case of terminating this agreement, during the notice period both companies shall make settlement of outstanding payments and return all relevant documents belonging to each company.

10 ARBITRATION

- 10.1 Any transaction falling under this agreement shall be subject to the existing laws, rules and regulations of governments, semi-governmental bodies and/or freight forwarding associations of the relevant countries of each party.
- 10.2 The parties hereto agree to amicably settle any disputes arising out of this agreement. Should this not be possible, disputes shall be arbitrated by and in accordance with the International Commercial Law and or according to the IATA organization rules for airfreight in Switzerland and FIATA rules for sea freight shipments in Switzerland.

IN WITNESS WHEREOF, the parties hereby have caused this Agreement to be executed in their name and signature of their duly authorized officers or officials hereto signed on the date above.

ACCEPTED AND CONFIRMED BY:

XXXXXXXXX

PAKISTAN

**XXXXXXXXXX
XXXXXX
XXXXXX**

LOYAL AGENCIES

**Imran Jafri
Managing Director**