## **AGENCY AGREEMENT**

This agreement is made between

**(Hereinafter called "AFFILIATES”)**

And

**Air 7 Seas Transport Logistics, Inc.**

**1815 Houret Court, Milpitas, CA 95035 USA**

**(Hereinafter called "A7S”)**

**Located in USA**

*BOTH PARTIES AGREE TO APPOINT EACH OTHER AS "AGENTS" IN THEIR RESPECTIVE COUNTRY OF RESIDENCE, ACCORDING TO THE FOLLOWING PROVISIONS and TERMS:*

**1. PREAMBLE:** The purpose of this agreement is to identify and designate the scope of the proposed business alliance between the parties and the mutually agreed provisions that would govern it. It would cover the **SEA FREIGHT** and **COMBINED TRANSPORT** movements between the affiliate’s country and the **USA**.

**2. SCOPE OF THE AGREEMENT:** This agreement is **non-exclusive** and both the parties shall be allowed to conclude any sales and service agreements on the route described in this agreement with any other entity. The scope of this agreement would therefore permit break-bulk and handling of cargo by a third party.

**3. PROMOTION OF SERVICES:** Both parties agree to promote each other's services on the existing routes served by one or the other between the areas mentioned. Any expense incurred by the party while pursuing these objectives would be solely to their account unless prior approval is obtained from the counterpart.

The Affiliates hereby agree and undertake not to use the name, banner or logo of Air 7 Seas Transport Logistics, Inc in any of their advertisements purported for the promotion of sales without prior written permission.

Both parties pledge to endeavor their best to solicit business, maintain close contact with customers and supply the other party with information promptly with a professional response.

**4. OPERATIONS:**

**4.1** **Affiliates** will issue a House Bill of Lading covering each shipment accompanied by a relevant Invoice or Credit/Debit Note clearly showing the amount/s that need to be collected by **A7S** from the consignee before releasing the shipment**. A7S** will not release, partially or totally, any shipment until all freight charges and/or other related charges in accordance with the terms and conditions set forth have been duly received, and vice-versa. **A7S** should inform shipment details to the notified party &/or the consignee as early as the information is known to them and make special efforts to provide that information before the arrival of the shipment at the final port of destination. For containers shipped under the "Freight Collect" term via the shipping line, **A7S** will pay the Freight Charges to the shipping line’s agent. It is explicitly understood that any credit extended at each end is the sole responsibility of the party extending it and **Affiliates** are fully aware & knowledgeable of what, what NOT & where to show the information, and the Terms of Bill of Lading issued by them. In the case where shipments are from A7S to **Affiliates**, the above is vice versa.

**4.2 PARTIES’ RESPONSIBILITIES:** In case A7S Bills of Lading are used, **Affiliates** will maintain a proper record of all bills of lading issued on behalfof **A7S** from/to the **USA** and will adhere to & follow FMC (Federal Maritime Commission) rules & regulations.

**4.3 COMMUNICATION:** It is agreed upon between both parties that every query concerning operations would be answered or at least acknowledged within 24 hours by any one of the mediums of communication i.e., Email, fax and phone. Any instruction to operations has to be confirmed in writing. It is therefore imperative that no effort is spared to maintain all communication facilities in the best repairs so as to achieve the desired level of efficacy. Any failure to communicate, any breakdown and/or maintenance shutdown of normal communication facilities which may result in financial loss, if any, would be the sole responsibility of the defaulting party.

**4.4 NOTIFICATION OF CHARGES:** Any charge to be collected from the receiver MUST be notified before the arrival of the cargo at the destination. If notified later, the receiving party will put their best attempts to collect at the cost and consequence of the originating party.

**4.5 INCOME ON SERVICES APART FROM OCEAN FREIGHT:** Both parties shall retain incomes generated by any operation and/or service rendered within their own Country unless any agreement is to the contrary.

**4.6 SENDING Master Bill of Lading ON FREIGHT TO COLLECT BASIS:** No shipment must be sent under MBL on freight to collect basis unless a prior clearance by the Accounts Department of the party at the cargo receiving location. This process of prior intimation and acceptance must be completed before the shipment is carted on board at the origin. The failure to observe this cardinal rule would invite irrevocable stricture against the defaulting party that would include both in terms of the cost and the consequences.

**4.7 RESPONSE TIMETABLE:** All inquiries related to any amount MUST be responded within 48 hours maximum with at least an acknowledgement. After 2 reminders and after ascertaining that message did reach the receiving end and if no response is received a further wait of 5 days, then it would be assumed that the party agrees to pay the amount.

**4.8 CLAIMS:** All claims received MUST be notified to the respective counterpart within 5 working days and acknowledgement is sent to the customer within 30 days. An action is initiated within 90 days. Alternatively, a claim must be **REFUTED** and **REFUSED** with an explicit explanation. An informal claim, without specifying the extent and/or amount of damage, MUST be filed with the underline vendors such as liner/carrier/warehouse, responsible for the damage within their individually stipulated time limit bar.

**4.9 FREIGHT RATES TO BE QUOTED:** It is desirable that we evolve a system that would quote rates to the consignee by default in an event the shipment is on FOB basis. Quoting the shipper must be a second option. That would be exercised if the shipment were on CNF basis. Before quoting rates on FOB terms please make sure that those are approved by the counterparts in the receiving country.

**4.10 FAILURE TO FOLLOW THE PROCEDURE/INSTRUCTIONS:** Any failure to follow the mutually agreed upon procedures and/or instructions that would result in delays, demurrage charges and/or loss of funds and/or business would be debited to the account of the defaulting party.

**4.11 DELIVERY OF SHIPMENTS CONSIGNED TO ORDER OR BANK:** It is mutually agreedthat whenever a shipment is consigned to a Bank or To Order, the release of shipment would ONLY be against the receipt of duly endorsed ORIGINAL Bill of Lading.

**4.12 REFUSAL TO ACCEPT THE DELIVERY:** In an event, the ultimate consignee refuses to accept the delivery of the shipment for whatever reason the party at the destination would advise the party at the origin within 5 working days upon knowing and awaiting their disposal instructions. Party routing the shipment shall be responsible for any charges accrued towards the demurrage, Terminal charges, Storage, etc. incurred at destination.

In an instance when a consignee refuses to accept the delivery of a shipment on whatever grounds and the shipment is on a PREPAID basis it is bound to generate the profits. Such profits need to be shared between both parties strictly in accordance with the mutually agreed profit-sharing arrangement.

**4.13 ROUTED SHIPMENTS:**

Whenever a shipment is routed, please ensure that the routing instructions are strictly adhered to. At **NO TIME** any deviation is permitted whether on account of reduced freight charges or else. In case a deviation is absolutely necessary, prior permission is to be obtained after providing the full details with justifications.

**5. ACCOUNTING:**

**5.1 TERMS OF PAYMENT:** It is understood that all payables would be reflected in the books of account maintained at the receiving end only after the delivery is released and receivables accounts are realized. It is further agreed that the accounting would be on a monthly basis with a 20 days cycle from the date of arrival of cargo at destination. This is aimed at taking care of time lag on account of transit time involved in delivering the cargo and receiving the payment from the consignees. A settlement every END OF A MONTH is expected with the exception if the amount is over $3,000 must be settled within 10 days

**5.2 PROFIT SHARING:** Both parties agree to equally share the gross profit on all nominated cargo and accounts either through Routing Order, Sales Lead, Recommendation, etc.

**5.3 CREDIT/DEBIT NOTE IN SINGLE FORMAT:** It is agreed upon that all Credit & Debit notes would be one single format on one document.

**5.4 ACCOUNT RECONCILIATION:** All statements of accounts should be reconciled religiously once every quarter and reconciled balance, if any is carried forward to the next quarter. However, this would not be allowed in the case of a financial year ending.

**5.5 FREIGHT CHARGES:** Once the freight charges are agreed upon and are incorporated in shipping documents shall not be altered unless a proper Credit/Debit note is issued as a supporting document.

**5.6 DISPUTES:** All accounting disputes **MUST** be settled one way or another within 90 days from realization of funds otherwise it would be considered as agreed and case closed.

**6. CONFIDENTIALITY:** Both the parties hereby agree that **NO** information relating to the traffic described in this agreement and generated by joint effort would be passed on to any third party. In an event a third party is involved with particular business handled by joint services, all the three parties must agree on handling procedures and distribution of profits and upkeep of confidentiality.

**7. License/Permit & Liability Insurance:** It is clearly understood and agreed upon that each one has the requisite license/s and or permit/s as prescribed by the laws of the land for conducting the assigned business and have in effect a legal liability insurance policy fully underwritten.

It is further agreed upon that such License, Permit and Insurance policy shall be so maintained to remain valid during the currency of this agreement. It is also obligatory on your part to make the details of all these available for our inspection, if needed.

**8. TERMINATION OF AGREEMENT:** Both parties agree to respect a notification period  of 60 DAYS prior to terminating the cooperation, in which period both parties shall remain and maintain business as usual. The termination notice, if any, shall be in writing. The agreement stands null and void in an eventuality when either of the signatories becomes financially insolvent, runs into bankruptcy or not being able or willing to abide by the terms of this agreement.

9.1 **JURISDICTION:** It is expressly agreed and understood that this agreement is deemed to have been signed in the USA only irrespective of the fact that the Agents reside in countries other than USA. Any dispute or difference arising out of this shall be resolved mutually by arbitration.

9.2. Nevertheless, if the Affiliates cannot resolve any issue with **A7S** and if they desire a settlement in the Court of Law, the Affiliates shall file a suit against **A7S** only in the Courts of Santa Clara county, California, the USA which alone shall have the jurisdiction.

9.3. Similarly, if **A7S** cannot resolve any issue with the Affiliates and if they desire a settlement in the Court of Law, **A7S** shall file a suit against the Affiliates only in the Courts of the Affiliates’ origin or in any competent court of law in the Affiliates Country which alone shall have the jurisdiction.

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**Document exchanged and signed on:**

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**AIR 7 SEAS Transport Logistics, Inc. Surya Dhamija, CEO**

**Document exchanged and signed on:**