



The Federation of National Associations of Ship Brokers and Agents

FONASBA

GENERAL AGENCY AGREEMENT (for LINER SERVICES)

Fourth Edition
Revised and adopted JULY 1993
Recommended by The Baltic and International Maritime Council (BIMCO)

It is hereby agreed between:

..... of (hereinafter referred to as the Principal)

and

..... of (hereinafter referred to as the General Agent (G.A.))

dated the day of 19.....

that:

- 1.00 The Principal hereby appoints the G.A. as its agent for all maritime services and vessels either owned or chartered including any space or slot charter agreement calling at the G.A.'s territory serving the trade between and
- 1.01 This Agreement shall come into effect on and shall continue until Thereafter it shall continue until terminated by either party giving to the other notice in writing, in which event the Agreement shall terminate upon the expiration of a period of months from the date upon which such notice was given.
- 1.02 The territory in which the G.A. shall perform its duties under the Agreement shall be hereinafter referred to as the Territory.

2.00 General Conditions

- 2.01 The Agreement covers the General Agency work within the Territory. It includes the duties of marketing, operations, accounting and finance mentioned below. Any work performed as Port and/or Inland Agents by the G.A. will be excluded from this Agreement for which a separate Standard Liner Agency Agreement will be applicable.
- 2.02 The G.A. undertakes not to accept the representation of other shipping companies nor to engage in NVOCC or such freight forwarding activities in the Territory, which are in direct competition to any of the Principal's transportation activities, without prior written consent, which shall not unreasonably be withheld.
- 2.03 The Principal undertakes not to appoint any other party in the G.A.'s Territory for the services defined in this Agreement.
- 2.04 Where any of the activities of the G.A. in the Territory are not covered by this Agreement, then the local General Conditions in the latest version or established custom of the trade and/or ports shall apply and form part of this Agreement, unless otherwise agreed.
The G.A. undertakes to acquaint the Principal with any relevant local custom or practice and to furnish the Principal with a copy of the local General Conditions if any.
- 2.05 In countries where the position of the agent is in any way legally protected or regulated, the G.A. shall have the benefit of such protection or regulation, unless otherwise agreed.
- 2.06 All aspects of the Principal's business are to be treated confidentially and all files and records pertaining to this business are the property of the Principal.

3.00 Duties of the G.A.

- 3.01 To represent the Principal in the Territory and to supervise all activities on behalf of the Principal in the Territory, using his best endeavours to comply at all times with any reasonable specific instructions which the Principal may give, including the use of Principal's documentation, terms and conditions.
- 3.02 In consultation with the Principal to recommend and/or appoint on the Principal's behalf and account, Port, Inland Agents, and/or Sub-Agents if required.

- 3.03 In consultation with the Principal to recommend and/or to appoint on the Principal's behalf and account, Stevedores, Watchmen, Tallymen, Terminal Operators, Hauliers and all kinds of suppliers if required.
- 3.04 The G.A. will not be responsible for the negligent acts or defaults of the Port, Inland and/or Sub-Agents or Sub-Contractors unless the G.A. fails to exercise due care in the appointment and supervision of such Port, Inland and/or Sub-Agents or Sub-Contractors.
Notwithstanding the foregoing the G.A. shall be responsible for the acts of his subsidiary companies appointed within the context of this Clause.
- 3.05 The G.A. will always strictly observe the shipping laws and regulations of the country and will indemnify the Principal for any fines, penalties, expenses or restrictions that may arise because the G.A. wilfully failed to comply with those laws or regulations.

3.10 **Marketing**

- 3.11 To supervise, activate and co-ordinate all marketing and sales activities of Port, Inland Agents and/or Sub-Agents in the Territory, in accordance with general guidelines laid down by the Principal and to use every effort to obtain business from prospective clients and to consolidate the flow of statistics and information.
- 3.12 To provide Port, Inland Agents and/or Sub-Agents with space allocations in accordance with the Principal's requirements.
- 3.13 To arrange for public relations work (including advertising, press releases, sailing cards and general promotional material) in accordance with the budget agreed with the Principal and on the Principal's account.
- 3.14 To attend to Conference matters if required on behalf of the Principal and for its account.

3.20 **Operations**

- 3.21 To supervise and co-ordinate all activities of Port, Inland Agents and/or Sub-Agents as set forth per attached Standard Liner Agency Agreement(s), in order to ensure the proper performance of all customary requirements for the best possible operation of the Principal's vessel in the G.A.'s Territory.
- 3.22 To arrange for an efficient rotation of vessels within the Territory, in compliance with the Principal's instructions.
- 3.23 To arrange for the most economical despatch in the ports of its area within the scope of the sailing schedule.
- 3.24 To liaise with Port Agents and/or Sub-Agents if and where required, in the Territory in arranging for such matters as bunkering, repairs, crew changes, ship's stores, spare parts, technical, nautical, medical assistance and consular requirements.
- 3.25 To instruct and supervise Port, Inland Agents and/or Sub-Agents regarding the Principal's requirements concerning claims handling, P&I matters and/or insurance, and the appointment of Surveyors. All expenses involved with claims handling other than routine claims are for Principal's account.
- 3.26 To supervise the documentation of Port, Inland Agents and/or Sub-Agents.

3.30 **Container and Ro/ro Services**

(Delete this Section where this Agreement is in respect of a conventional service only).

- 3.31 To ensure that Port, Inland Agents and/or Sub-Agents can provide for and administer the Principal's requirements of a Container/Ro-Ro service (*delete whichever is inapplicable*) including inter alia, equipment control, haulage, storage, maintenance and repairs (with supporting documentation) and computerised system if any.
- 3.32 To comply with the Principal's equipment control and reporting system in the Territory or to make available the G.A.'s system if required.

3.40 **Accounting and Finance**

- 3.41 To provide for appropriate records of the Principal's financial position to be maintained in the G.A.'s books, which shall be available for inspection as required and to prepare such periodic financial statements as may be reasonably required.
- 3.42 To check the accounts of Port, Inland Agents and/or Sub-Agents.
- 3.43 To check that Port, Inland Agents and/or Sub-Agents transfer all balances of accounts to the G.A. and that same are accounted with the Principal. The G.A. shall co-ordinate from the Port, Inland Agents and/or Sub-Agents the collection of freights due in the G.A.'s Territory.
- 3.44 To check and/or calculate freight and other charges according to Tariffs supplied by the Principal and to exercise every care and diligence in applying all terms and conditions of such Tariffs or other freight agreements. If the Principal organises or employs an organisation for checking of freight calculations and documentation the costs for such checking to be entirely for the Principal's account.
- 3.45 To collect freight and related accounts and remit to the Principal all freights and other monies belonging to the Principal at such periodic intervals as the Principal may require. All bank charges to be for the Principal's account. The G.A. shall advise the Principal of the customary credit terms and arrangements. If the G.A. is required to grant credit to customers due to commercial reasons, the risk in respect of outstanding collections is for the Principal's account unless the G.A. has granted credit without the knowledge and prior consent of the Principal.

4.00 **Duties of the Principal**

- 4.01 To provide all documentation, stationary and/or software necessary to fulfill the G.A.'s task as required by the Principal.

- 4.02 To give full and timely information regarding the vessel's schedule, ports of call and line policy.
- 4.03 To provide the G.A. immediately upon request with all necessary funds to cover advance disbursements unless the G.A. shall have sufficient funds from the freights collected.
- 4.04 The Principal shall at all times indemnify the G.A. against all claims, charges, losses, damages and expenses which the G.A. may incur in connection with the fulfillment of its duties under this Agreement. Such indemnity shall extend to all acts, matters and things done, suffered or incurred by the G.A. during the duration of this Agreement notwithstanding any termination thereof, provided however, that this indemnity shall not extend to matters arising by reason of the wilful misconduct or the negligence of the G.A.
- 4.05 Where the G.A. provides bonds, guarantees and any other forms of security to Customs or other statutory authorities to cover the movement of cargo on behalf of the Principal or the Principal's containers, stores or other equipment then the Principal shall indemnify and reimburse the G.A. immediately such claims are made, provided they do not arise by reason of the wilful misconduct or the negligence of the G.A.
- 4.06 If mutually agreed the Principal shall take over the conduct of any dispute which may arise between the G.A. and any third party as a result of the performance of the G.A.'s duties.

5.00 Remuneration

- 5.01 The Principal agrees to pay the G.A. and the G.A. accepts, as consideration for the services rendered, the commissions and fees set forth on the schedule attached to this Agreement. Any fees specified in monetary units shall be reviewed every twelve months and if necessary adjusted in accordance with such recognised cost of living index as is published in the country of the G.A.
- 5.02 Should the Principal require the G.A. to undertake full processing and settlement of claims, then the G.A. is entitled to a separate remuneration as agreed with the Principal and commensurate with the work involved.
- 5.03 The remuneration specified in the schedule attached is in respect of the ordinary and anticipated duties of the G.A. within the scope of this Agreement. Should the G.A. be required to perform duties beyond the scope of this Agreement then the terms on which the G.A. may agree to perform such duties will be subject to express agreement between the parties. Without prejudice to the generality of the foregoing such duties may include e.g. participating in conference activities on behalf of the Principal, booking fare-paying passengers, sending out general average notices and making collections under average bonds insofar as these duties are not performed by the average adjuster.
- 5.04 If the Tariff currency varies in value against the local currency by more than 10% after consideration of any currency adjustment factor existing in the trade the basis for calculation of remuneration shall be adjusted accordingly.
- 5.05 If the G.A. utilises computers and computer systems, any extra expenses occasioned by specific additional requirements of the Principal in the use of such computer equipment for the performance of the G.A.'s duties to the Principal shall be borne by the Principal.

6.00 Duration

- 6.01 This Agreement shall remain in force as specified in clause 1.01 of this Agreement. Any notice of termination shall be sent by registered or recorded mail.
- 6.02 If the Agreement for any reason other than negligence or wilful misconduct of the G.A. should be cancelled at an earlier date than on the expiry of the notice given under clause 1.01 hereof, the Principal shall compensate the G.A. The compensation payable by the Principal to the G.A. shall be determined in accordance with clause 6.04 below.
- 6.03 If for any reason the Principal withdraws or suspends the service, the G.A. may withdraw from this Agreement forthwith, without prejudice to its claim for compensation.
- 6.04 Where applicable the current local General Conditions in the latest version and failing those the National Law on the termination of Agency Contracts will apply to this Agreement. Where no such conditions of Statute Law apply, the basis of compensation shall be the monthly average of the commission and fees earned during the previous 12 months or if less than 12 months have passed then a reasonable estimate of the same, multiplied by the number of months from the date of cancellation until the contract would have been terminated in accordance with clause 1.01 above. Furthermore the gross redundancy payments, which the G.A. (or his duly appointed Port, Inland Agent and/or Sub-Agent(s)) is compelled to make to employees made redundant by reason of the withdrawal or suspension of the Principal's service, or termination of this Agreement, shall also be taken into account.
- 6.05 The G.A. shall have a general lien on amounts payable to the Principal in respect of any undisputed sums due and owing to the G.A. including but not limited to commissions, disbursements and duties.

7.00 Jurisdiction

- 7.01 a) This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of this Agreement shall be referred to arbitration in London, one arbitrator being appointed by each party, in accordance with the Arbitration Acts 1950 and 1979 or any statutory modification or reenactment thereof for the time being in force. On receipt by one party of the nomination in writing of the other party's arbitrator, that party shall appoint their arbitrator within fourteen days, failing which the decision of the single Arbitrator appointed shall apply. If two arbitrators properly appointed shall not agree they shall appoint an umpire whose decision shall be final.
 - b) Any dispute arising out of this Agreement shall be referred to arbitration at subject to the law and procedures applicable there.
- a) and b) are alternatives, if subclause b) is not filled in then a) shall apply.*

The Federation of National Associations of Ship Brokers and Agents

REMUNERATION SCHEDULE BELONGING TO THE GENERAL AGENCY AGREEMENT

dated

between:
as Principal

and
as General Agent (G.A.)

REMUNERATION

The G.A. is entitled to the following remuneration:

- (I) A commission of
Inward%
Outward%
on all total freight earnings (including any surcharges, handling charges or freight additional which may be agreed) of the Principal's liner service to and from the Territory to be paid in the G.A.'s local currency.
The commission not to be lower than per annum (minimum).
- (II) For any non-liner vessel calling at ports within the G.A.'s Territory the customary local or national supervisory fees shall apply.
- (III) For each container or unit entering or leaving the inventory control system of the G.A., a fee of per unit.
- (IV) In respect of movements of cargo outside the G.A.'s Territory % of gross total freight is payable in cases where only collection of freight is involved.
- (V) For processing of other than routine claims the G.A. is entitled to extra remuneration to be mutually agreed.
- (VI) Communications:
The Principal will either pay actual communication expenses on a cost plus basis or pay a lump sum monthly on an average cost plus basis, to be reviewable.
- (VII) Travelling expenses:
When the G.A. is requested by the Principal to undertake journeys of any significant distance and/or duration, all travel expenses including accommodation and other expenses will be for the Principal's account.

.....
PRINCIPAL

.....
GENERAL AGENT