

INTERNATIONAL FORWARDING AGENCY AGREEMENT

This agreement is made on the _____ day of _____ of the year _____ between **Y-Source International (Hong Kong) Limited** (hereafter "Y-Source") at Flat/Room 301-2, 3/F Hang Seng Wanchai Building, 200 Hennessy Road, Wanchai, Hong Kong of the one part and _____ of the other part.

It is hereby agreed by and between the parties hereto as follows:

1. Appointment:

Y-Source appoints _____ as its agents in _____ and _____ appoints Y-Source as their agents in Hong Kong, Taiwan and Mainland China.

- 1.1 The agreement shall be valid for an unspecified period of time - commencing on today's date. Notice of termination must be given in writing not later than 1 (one) calendar month before the intended date of termination.
- 1.2 Both parties guarantee to make available to each other their full facilities/capacities in the field of service, operation, administration, communication, information, sales and marketing.

2. Traffic and Commitment:

- 2.1 Both parties agree to develop **air traffic to and from both countries** by exchanging sales leads and routing orders for their mutual benefit and the other party shall act promptly on the sales information received.
- 2.2 Both parties agree to develop **sea traffic to and from both countries** by exchanging sales leads and routing orders for their mutual benefit and the other party shall act promptly on the sales information received.
- 2.3 Both parties agree to be fully responsibility for the collection of all "Charges Collect:" freightage and other relevant charges specified on the airway bill or bill of lading, prior to or at the time of delivery to consignee or their appointed brokers.

2.4 It will be the full responsibility of each party to ensure that necessary banker's release/endorsement is duly obtained prior to the release of any such shipment to the ultimate consignee named on the house airway bill or bill of lading.

2.5 In the event of shipment under C.O.D. collection, all C.O.D. checks must be issued in the name and favor of the respective exporter. The receiving party is responsible for C.O.D. collection.

3. Profit Sharing Scheme:

Air Traffic	Nature of Business	Y-Source Sharing	Agent Sharing
HKG&CHN/Destination	Y-Source free-hand		Break bulk fee
	Agent routed	50/50	
Origin/HKG&CHN	Agent free-hand	Break bulk fee	
	Y-Source routed		50/50

Sea Traffic	Nature of Business	Y-Source Sharing	Agent Sharing
HKG&CHN/Destination	Y-Source free-hand		Fixed commission
	Agent routed	Fixed commission	
Origin/HKG&CHN	Y-Source routed		50/50
	Agent free-hand	50/50	

- 3.1 Profit sharing shall be calculated on international freight only ex FOB port/FOA airport to CFR port/CPT airport terms.
- 3.2 No profit sharing will be applicable to service before FOB/FOA origin and beyond CFR/CPT destination. Each party will keep its own FOB handling charges such as local pick-up/delivery and documentation, etc without share.
- 3.3 A C.O.D. collection fee shall be charged to the respective importer and said fee will be shared 50/50 between both parties.

4. Settlement In Payment:

Each party shall settle the payment of all invoices to the other party no later than the 20th of each month, for all transactions made in the previous month.

- 4.1 The party who owes funds to the other party shall be responsible for the bank charges. Each party shall have the right to charge the other party the interest at 1% per month or part thereof for the overdue outstanding.
- 4.2 Each party shall fax a statement of account before the 10th of each month stating all unsettled transactions to the other party.
- 4.3 If any amount is in dispute, this must be clearly indicated with reason(s) when submitting the account Y-Source' confirmation.
- 4.4 For offsetting each other's statement, this shall be arranged by the party who owes funds to the other not later than the 20th of the same month.

5. Liabilities:

- 5.1 Subject to the limitations and all other rules outlined in conventions, laws and conditions applicable for each consignment and mode of transportation, both parties agree to indemnify and hold harmless the other party for any loss, delay or damage to the other party's consignments. Custody or control by the other party also includes, but is not limited to, where the party not having the contract with the customer has engaged a third party for arranging the documental or physical handling of the consignment.
- 5.2 Both parties agree not to take any actions against each other according to 5.1 until all recourse actions against any third party have proven unsuccessful.

- 5.3 Both parties will cover each other's consignment or properties in its custody or control by adequate liability insurance.
- 5.4 Both parties shall be fully indemnified for any injury, damage, expense or loss caused by/or arising from any violation of this agreement or any negligence, recklessness or willful misconduct of the other party, its employees, servants or agents.
- 6. Disputes arising from the above agreement shall be settled in amicability between the respective management of the two parties, whereas this agreement shall be subject to Hong Kong law and the jurisdiction of the Hong Kong Courts.
- 7. No amendments to this agreement shall be effective unless it appears in writing and being signed by both parties herein.
- 8. This agreement has been issued in 2 (two) originals with equal validity, and 1 (one) original remains with each party.

For And On Behalf Of:
Y-Source International (Hong Kong) Limited.

For And On Behalf Of:

Authorized Signature(s)
Name: _____
Title: _____
Date: _____

Authorized Signature(s)
Name: _____
Title: _____
Date: _____