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## **STANDARD TRADING CONDITIONS OF THE VIETNAM LOGISTICS BUSINESS ASSOCIATION (HEREINFTER ABBREVIATED AS VLA'S STC)**

### **I- DEFINITIONS:**

In these Standard Trading Conditions (hereinafter abbreviated as STC):

1- "Agent" means the Company appointed by the Customer to act as its representative to perform services on its behalf.

2- "Company" means a VLA's Member who provides any services upon and subject to the provisions of these Standard Trading Conditions.

3- "Company acting as Freight Forwarder" means a VLA's Member acting as agent, for and on behalf of its Customer, to provide a full range of services including but not limited to: trucking, booking shipping spaces, negotiating freight and charges, doing customs clearance and preparing exported-imported goods documents. It may be an independent contractor acting as a principal assuming the carrier's responsibility for carriage of goods under its issued House Bill of Lading.

4- "Company acting as Principal" means a VLA's member who provides the Customer all logistics services and is directly responsible for all services performed by it.

5- "Container" means a box typically 20 to 40 feet long which is mainly used for ocean freight shipments. It also means the packaging such as a carton, case, box, bucket, drum, bin, bottle, bundle, or bag, that an item is packed and the goods shipped in.

6- "Customer" means any party giving instructions, including the shipper, consignor, consignee, the owner of the goods or their behalf upon whose request the Company provides any services.

7- "Document" means any paper, instrument, voucher, writing statement including but not limited to electronic data interchange.

8- "Force Majeure" means war, emergency, terrorism, accident, fire, earthquake, flood, storm, industrial strike, lockouts, stoppage, restraint of labor including the bankruptcy of the servants whose service the Company has used for performing the instructions given by the Customer or other impediment which the affected party was beyond its control and that it could not reasonably be expected to have taken the impediment into account at the time of the conclusion of the contract with the Customer or to have avoided or overcome it or its consequences.

9- "Goods" means the cargo in relation to which the services are provided by the Company and includes any container, packaging or pallet supplied by or on behalf of the Customer.

10- “Dangerous Goods” means the goods listed in the current legal norms of Vietnam’s laws and regulations dealing with the carriage of dangerous goods and in “ the International Maritime Dangerous Goods Code” issued , published or amended by Internatinal Maritime Organization ( IMO )

11- “Instruction” means a statement, either in writing or in electronic data interchange dealing with the Customer’s specific requirements.

12- “Logistics service” means any service relating to or in connetion with any process of planning, implementing and controlling the efficient, effective flow and storage of goods, services, and related information from point of origin to point of consumption for the purpose of conforming to customers’ requirements.

13-“Logistics Service Provider” means the Company who provides all the logistics services as mentioned in Item 12 above and is directly responsible to the Customer for all services it has performed in accordance with the instructions given by the Customer.

14- “SDR” means the monetary unit determined by the International Monetary Fund (IMF) and called the Special Drawing Right.

## **II- AREA OF APPLICATION:**

15- These STC shall apply to all logistics services, irrespective of whether they concern freight forwarding, carriage, warehousing, distribution of goods or other services common to the logistics services provided, handled, performed, procured or rendered by the Company acting either as Freight Forwarder or as Logistics Service Provider even in case when the Company procures a Bill of Lading or other similar document evidencing a contract of carriage between a person other than the Company and the Customer.

16- Where the Company acting as the carrier, the provisions of a document issued by or on behalf of the Company bearing a title of or including "Bill of lading", whether negotiable or not, shall be paramount and in the event of a conflict with the conditions contained in these STC, the provisions of such a document shall prevail over to the extent of such conflict.

17- As to the services in respect of or relating to customs clearance, taxes, license, consular documents, certificates of origin, inspection, certificates and other similar services or incidental to, the Company is to be always considered to act as agent only and never to be considered to act as Principal.

18- Where and when the Company is licensed to act as the Customs Declarant as provided for in the Current Vietnamese Customs Law and actually is declaring customs clearance in its name, the Item 17 as said above relating to customs clearance is not applicable.

## **III- THE COMPANY’S GENERAL RESPONSIBILITIES**

19- The Company shall perform its duties with a reasonable degree of due care, diligence, skill and professional judgment.



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20- The Company shall carry out its services within a reasonable time except in the special arrangement previously made in writing as an instruction given by the Customer to and accepted by the Company.

21- Subject to these STC and in particular to the discretion reserved to the Company below, the Company shall take all reasonable steps to perform any of the Customer's instruction acceptable by the Company. If after the contract has been agreed, events or circumstances come to the attention of the Company which, in the opinion of the Company and to the interest of the Customer, make it wholly or in part impossible for the Company to fulfill its duties it shall take reasonable steps to immediately inform the Customer of those events or circumstances and seek further instructions.

22- If at any stage in the transaction, the Company should reasonably consider that there is good reason in the Customer's interest to depart from any of the Customer's initial instructions, the Company shall be permitted to do so without prior authorization from the Customer, but must act with due regard to professional judgment as well as to the interest of the Customer and, as soon as possible, inform the Customer of its actions and any additional charges resulting therefrom, and shall not incur any additional liability in consequence of so doing.

23- When performing carriage of goods by sea or by inland waterways, arrival times are not guaranteed by the Company. However, delay in delivery occurs when the goods have not been delivered within the time expressly agreed upon with the Customer or, in the absence of such agreement, within the time which would be reasonable to require of a diligent carrier, having regard to the circumstances of the case. However, the Company shall only be liable for loss following from delay in delivery if the Customer has made a declaration of interest in timely delivery which has been accepted by the Company and inserted in its issued transport documents.

#### **IV- CUSTOMER'S GENERAL RESPONSIBILITIES:**

24- The Customer warrants that he is either the owner or the authorized agent of the owner of the goods and that he is authorized to accept and is accepting these STC not only for himself but also as agent for and on behalf of the owner of the goods.

25- The Customer shall be deemed to be competent and to have reasonable knowledge of matters affecting the conduct of his business, including but not limited to the international commercial terms of sale and purchase of the goods, laws and regulations, custom and customs clearance procedures at the destination as well as the need for insurance and the extent of coverage available and fit for type of goods being tendered for shipment, the need to preserve and retain documentation, the need for appropriate care to avoid transmitting viruses by electronic communication, also the need for confidential handling of information relating to high value goods, and all other matters relating thereto.

26- The Customer shall give the Company sufficient, accurate and executable instructions.



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27- The Customer shall warrant that all information in whatever normal universal form or under electronic data interchange relating to the general and dangerous character of the goods, their description, bar-coding, marks, weight, volume and quantity, as furnished by the Customer or its behalf, was accurate and complete at the time the goods were taken in charge by the Company or any third party whose services it has engaged. The Customer further undertakes to provide independent confirmation of such particulars of goods upon the request of the Company.

28- The Customer shall warrant that the goods are properly packed and labeled except where the Company has accepted instructions in respect of such services.

29- The Customer shall not, unless otherwise previously and expressly agreed in writing, deliver to the Company or cause the Company to deal with or handle dangerous goods.

30- The Customer shall indemnify the Company against all liability for loss, damage, cost and expenses whatsoever arising out of the Company acting in accordance with the Customer's instruction or arising from any breach or negligence done by the Customer of any warranty contained in these STC. The Customer shall also warrant that it shall indemnify the Company against all loss or damage occurred at destination of goods carried by sea or inland waterways if the consignee or its authorized person fails to take delivery of goods due to the claim or counter claim between it and the Customer as well as due to the violation of local legal provisions or customs clearance regulations.

#### **V- THE DESCRIPTION OF GOODS AND CUSTOMER'S PACKING AND INSTRUCTION:**

31- The Customer shall be deemed to have guaranteed to the Company the accuracy, at the time the goods were taken in charge by the Company, of all particulars relating to the general nature of the goods, their marks, number, weight, volume and quantity and, if applicable, to the dangerous character of the goods as furnished by him or persons on its behalf. The Customer shall indemnify the Company against all loss, damage and expenses resulting from any inaccuracy or inadequacy of such particulars.

32- The right of the Company to such an indemnity shall in no way limit his liability under these STC to any other person than the Customer.

33- The Company shall not be liable for any loss, damage or expense caused by defective or insufficient packing of goods or by inadequate loading or packing within containers or other equipment when such loading or packing has been performed by the Customer or on his behalf by a person other than the Company or by the defect or unsuitability of the containers or other equipment supplied by the Customer. The Customer shall indemnify the Company against all loss, damage, liability and expense so caused.

34- The Company shall also not be liable for any loss, damage or expense caused by the reasons said in Item 33 above even in case the containers or other equipments supplied by the Company but the Customer failed to have the proper and reasonable inspection of their apparent

status when they were collected for loading or packing of goods.

#### **VI- DANGEROUS GOODS:**

35-The Customer shall comply with rules which are mandatory according to the national Law or by reason of international convention, relating to the carriage of goods of a dangerous nature, and shall in any case inform the Company in writing of the exact nature of the danger, before goods of a dangerous nature are taken in charge by the Company and indicate to it, if need be, the precautions to be taken.

36-If the Customer fails to provide such information and the Company is unaware of the dangerous nature of the goods and the necessary precautions to be taken and if, at any time, they are deemed to be hazard to life or property, they may at any place be unloaded, destroyed or rendered harmless, as the circumstances may require, without compensation. The Customer shall indemnify the Company against all loss, damage, liability, or expense arising out of their being taken in charge, or their carriage, or of any service incidental thereto. The burden of proving that the Company knew the exact nature of the danger constituted by the carriage of said goods shall rest on the Customer.

37- If any goods shall become a danger to life or property, they may in like manner be unloaded or landed at any place or destroyed or rendered harmless. If such danger was not caused by the fault and neglect of the Company it shall have no liability and the Customer shall indemnify it against all loss, damage, liability and expense arising therefrom.

#### **VII- PERFORMANCE OF CONTRACT**

##### **A- Company as agent:**

38- To the extent that the Company acts as agent, the Company does not make or purport to make any contract with the Customer for the carriage, storage or handling of the goods nor for any other physical service in relation to them and acts solely on behalf of the Customer in securing such services by establishing contracts with the third parties so that direct contractual relationship are established between the Customer and such third parties. The Company acts as agent of the Customer, except:

- a) where it issues a transport document in normal universal form or under electronic data interchange evidencing its obligation as a carrier for the delivery of goods, or
- b) to the extent it physically handles goods by its own employees and equipments in the course of performing any service in which cases it acts as principal.

But whether acting as principal or as agent, these STC shall govern the rights and liabilities of the Customer and the Company.

When determining any rights or liabilities of the Company under these STC, the word "Customer" shall include the party giving instructions, the shipper, the consignor, the consignee, and the owner of the goods. Notwithstanding the foregoing, advice is for the Customer only and is



not to be furnished to any other party without the Company's prior writing consent. Gratuitous advice and information that is not related to instructions accepted by the Company is provided without liability of any kind, including for negligence

39- The company shall not be liable for the acts and omissions of such third parties referred to in Item 38 as above nor responsible for any accident or any neglect or default howsoever arising whether willful or otherwise on the part of its agents or those with whom it contracts in respect of the goods to be forwarded, whether they are can carried by land, sea or air or handled by warehouse keepers or other persons.

**B- Company as Principal:**

40- Where requested by the Customer, the Company may:

a. issue a transport document or electronic data interchange by which it, as principal, undertakes carriage of particular goods, or

b . guarantee in writing proper performance of the terms of any contract between the Customer and third party whose services the Company has engaged on behalf of the Customer. Where it issues a transport document or electronic data interchange, or provides a guarantee, the rights and obligations of the Company will be governed by the special conditions therein in addition to these STC, and in any event the Company is liable only to the same extent as the third party who performs the carriage or guarantees service, as may be limited by the conditions on which that party customarily offers its services. However, in event of any inconsistency with these STC, the above said special conditions shall prevail.

41- To the extent that the Company acts as Principal for the performance of the Customer's instructions, the Company undertakes to perform or in its own name to procure the performance of the customer's instructions and, subject to the provisions of these STC, shall be liable for the loss of or damage to the goods occurring from the time that the goods have been taken into its charge until the time of their delivery. The liability of the Company shall be determined by the national law or international conventions applicable.

42- If at any time the performance of services under these STC is or likely to be affected by any hindrance or risk of any kind (including the condition of the goods) not arising from any fault or neglect of the Company or a person whose service the Company has used to perform the contract signed with the Customer and which cannot be avoided by exercise of reasonable endeavors, the Company may abandon the performance of such a contract and, where reasonably possible, place the goods or any part thereof at the Customer's disposal at any place which the Company may deem safe and convenient, whereupon delivery shall be deemed to have been made, and the responsibility of the Company in respect of such goods shall cease.

43- In any event, the Company shall be entitled to full freight, remunerations and charges under the signed contract and the Customer shall pay any additional costs resulting from the above

mentioned circumstances.

#### **VIII- REMUNERATION AND CHARGES:**

44- The freight, remuneration and charges shall be paid in cash, without any deduction or deferment on account of any claim, counter claim or set-off, whether prepaid or payable at destination. In case the Company has taken in its charge to carry the goods by sea, inland water ways or by multimodal transport, freight and charges shall be considered as earned by the Company at the moment when the goods have been taken in its charge, and not to be returned in any event.

45- All dues, taxes and charges or other expenses in connection with the goods shall be paid by the Customer. However, if requested, the Company may pay them on behalf of the Customer but it shall be considered as a loan for interest prevailing on the current market.

#### **IX- AIR CARRIAGE:**

46- If the Company acts as a principal in respect of a carriage of goods by air, the Company's liability shall be determined by the provisions contained in the Law on Civil Aviation of Viet Nam and in international universal custom related.

#### **X- INSURANCE:**

47- If instructed by the Customer, the Company shall arrange for the insurance of the goods with a reliable insurer of his choice before the goods are handed over. If the Company cannot effect insurance cover, either due to the nature of the goods or for any other reason, it must inform the Customer without delay. However, the Customer itself shall arrange the insurance to cover its liabilities to customs or confiscation of property due to an infringement of customs's regulations relating to import or export goods.

48- The Company is obliged to arrange, at going market rates, appropriate insurance covering its provided logistics services liabilities to the Customers (e.g. the cargo owner, shipper, consignor or consignee) in respect of loss of or damage to cargo and for errors and omissions of its staff or such as delay or unauthorized delivery as well as to loss or damage to any owned or leased equipment of the Company, for example its containers.

49- If requested by the Customer, the Company has to provide the proof of this civil liability insurance cover as stated in Item 48 above.

#### **XI- IMMUNITIES AND LIMITATION OF LIABILITY:**

50-Except in so far as otherwise provided by these STC, when the Company acting as the carrier of goods by sea, inland waterways, it shall be entitled to the benefit of all immunities and limitations provided for in the national law or international conventions applicable.

51-Except in so far as otherwise provided by these STC, the Company shall not be liable for any loss or damage whatsoever arising from:

- a. the act or omission of the Customer or owner of goods or any person acting on its behalf;

- b. compliance with the instructions given to the Company by the Customer, owner of the goods or any other person entitled to give them;
- c. insufficiency of the packing or labelling of the goods except where such service has been provided by the Company;
- d. handling, loading, stowage or unloading of the goods by the Customer or goods owner's person acting on its behalf;
- e. inherent vice of goods;
- f. loss of or damage to the goods occurred in any case of liability exemption according to the law and practice of inland waterways or sea carriage if the Company actually has acted as inland waterways or sea carrier. consequences, including penalty, fines and smuggling due to an infringement of local customs regulations or the refusal of the consignee or its authorized agent in taking delivery of goods at destination;
- g. consequences, including penalty, fines and smuggling due to an infringement of local customs regulations or the refusal of the consignee or its authorized agent in taking delivery of goods at destination;
- h. Force Majeure.

52-Notwithstanding other provisions provided in these STC, the Company shall not be liable for loss and damage howsoever caused to the property other than the goods themselves, indirect or consequential loss or damage, loss of profit, delay or deviation.

53-Except as otherwise specified in these STC the responsibility of the Company, in any case, for any negligence or error and omission or any other incidents or events occurred, and regardless of the cause of loss or damage unexplained, shall not exceed as specified in Vietnam Government's Decree 140/2007/NĐ-CP dated September 5, 2007 for companies providing logistics services or Decree No. 87/2009/NĐ-CP dated October 19, 2009 for companies acting as multimodal transport operator, or any modification and amendment thereof.

54-Compensation shall be calculated by reference to the invoice value of the goods plus freight and insurance premium if paid.

If there is no invoice value for the goods, the compensation shall be calculated by the reference to the value of such goods at the place and time when they are delivered to the consignee or they should have been so delivered. The value of the goods shall be fixed according to the current market value, or, if there is no commodity exchange price or current market value, by reference to the normal value of goods of the same kind and quality.

55-By special agreement in writing and on payment of additional charges, higher compensation may be claimed from the Company but not exceeding the total value of goods or the agreed value, whichever is lesser.

56-The Company shall be discharged of any liability whatsoever unless:





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(i) notice of any claim is received by the company or its agent within 14 days (Sundays, holidays included) after the goods had been delivered to the consignee,

(ii) action against the Company is brought in the proper court or arbitration and written notice thereof received by the Company within 9 months after the date when the goods had been delivered or would have been delivered.

## **XII- RIGHT OF LIEN AND DETENTION**

57-The Company shall have a general lien on all goods and documents relating to goods in its possession, custody or control for all sum due at any time from the Customer or owner, and shall be entitled to sell or dispose of such goods or documents as agent for all and at the expenses of the Customer and apply the proceeds in or towards the payment of such sum on 45 days of notice in writing to the Customer, upon according to the Customer for any balance remaining after payment of any sum due to the Company and the cost of sale or disposal the Company shall be discharged of any liability in respect of the goods or documents.

58-When the goods are labeled to perish or deteriorate, the Company's right to sell or dispose of the goods shall arise immediately upon any sum becoming due to the Company subject only to the Company taking reasonable steps to bring to the Customer's attention its intention of selling or disposing of the goods before so doing.

59-The Company shall be entitled to retain and to receive all brokerages, commissions, allowances and other remunerations customarily retained by or paid to Company.

## **XIII- CLAIM AND ARBITRATION:**

60-Claims against the Company is barred after an interval of 9 months from the date of delivery of goods except where and when the Company acts as sea or inland waterway carrier and, in his own name, has issued a Bill of Lading of which the time bar will be determined by the provisions therein. The nine month period shall count from the date when the consignee named in the contract had taken delivery of goods or, if no delivery was taken place, from the date when the contract has been signed.

61-Any dispute, controversy or claim arising out of or relating to these STC, including its interpretation, performance, breach, or invalidity shall be submitted to the Vietnam International Arbitration Centre for full and final settlement in accordance with its Arbitration Rules for the time being in force. The Vietnamese laws and regulations shall be applicable and the hearing shall be conducted in Vietnamese language. The award of the Arbitral Tribunal set up in accordance with the Arbitration Rules of the Vietnam International Arbitration Centre shall be full and final and binding upon all parties concerned.

62-In case the Company acting as the sea or inland waterways carrier, the dispute resulting therefrom shall be settled in accordance with the provisions under the Bill of Lading issued by it.

## **XIV- PARTIAL INVALIDITY:**



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63-If any conditions or a part thereof is held by laws and regulations to be invalid, the validity of these STC and the remaining conditions or a part thereof shall not be affected.

**XV- JURISDICTION AND LAW APPLICABLE:**

64-These STC and any act or contract to which they apply shall be governed by the Laws and Regulations of the Social Republic of Vietnam and universal commercial international custom.

**XVI- IMPLEMENTATION PROVISION:**

65-These STC have been published in Vietnamese version and English version and in case there is any conflict between the Vietnamese version and English version, then the former shall prevail. These STC, including the Vietnamese version, were adopted by the National Congress of the Vietnam Logistics Business Association on 09 December 2016 and shall take effect from 01 January, 2017. These STC shall supersede the previous text which has been posted in internet since 01/01/2016.