

# **General Conditions of Business**

For Members of The National Association of Latvian Shipbrokers  
& Shipping Agents

## § 1

The following conditions being fully unless other arrangements are expressly agreed between a shipbroker and his principal, valid for all commercial engagements undertaken by members of the National Association of Latvian Shipbrokers & Shipping Agents. The term “shipbroker” is used throughout these conditions and includes members of the association who are agents, liner agents etc.

## § 2

The shipbroker is obliged to perform the task entrusted to him by the principal carefully, expeditiously and in the best possible way, and act to the interests of the principal.

The shipbrokers is responsible to the principal for such damage and loss that is caused by him or his staff by mistake or through negligence in the performance of the task.

The liability to pay damages is limited to a maximum of 6,300 SDR units in any single instance/case.

## § 3

The shipbroker acts, unless otherwise expressed in writing, as the principal’s agent or as intermediary, and is thus not responsible to third parties with whom agreements may have been made, unless clear and separate legal basis for this is established.

All quotations made by the shipbroker are subject to confirmation, unless the opposite has been expressly agreed.

#### § 4

The principal shall give the shipbroker all instructions necessary for a proper execution of the task, and accordingly he must accept that the shipbroker at the principal's risk and account undertakes what he deems necessary for the handling of the task in such cases where full instructions are not available or where, in the shipbroker's judgement, no further instructions can be obtained in due time.

#### § 5

The shipbroker's account against the principal is payable on presentation of the invoice or the disbursements account, and interest is to be paid as stated in the invoice.

The shipbroker is entitled to set off his outstanding accounts against the freight amount he has collected for the principal.

Furthermore the shipbroker shall have a lien on, respectively a right of detention of the goods and/or equipment under or coming under his control, inclusive Bs/L., storage-receipts or other documents representing goods for all cost including charges as well as other claims on the principal.

The shipbroker shall have a similar right as regards amounts of compensation from insurance companies, carriers, freight forwarders and others in case of loss or destruction of the goods.

If the shipbroker's claim is not paid on maturity, he shall in conformity with the conditions stated herein be entitled in a proper way to sell as much of the goods under his control that the total claim incl. costs and interest is covered. The shipbroker shall as early as possible inform the principal of the steps he intends to take concerning the sale of the goods.

#### § 6

If the shipbroker is not to collect the freight or the freight does not cover his expenses, he is entitled to claim payment from the principal for port dues and charges as well as his outlays related to respective call of the principal's vessel prior to her departure.

The shipbroker is entitled to refuse outward clearance until sufficient security for the outlays has been arranged or until payment has been received.

If the shipbroker allows respite for payments of outlays, he shall be entitled to calculate an outlay commission of 5 % for every 30 days commencing as from the date of vessel's departure.

## § 7

If in connection with the task or with the understanding of these General Conditions of Business disputes should arise between the principal and the shipbroker, such disputes are to be settled according to Latvian Law.

The General Conditions of the National Association of Latvian Shipbrokers & Shipping Agents have been drawn up in Latvian, English and may also be translated into other languages. The English version shall be deemed to be binding text.

Adopted by the National Association of Latvian Shipbrokers & Shipping Agents, Riga 1998 24<sup>th</sup> March .