

LOGISTICS SERVICE AGREEMENT

This Logistics Service Agreement (the "Agreement") is made and entered into as of August 1, 2024 (the "Effective Date"), by and between:

Maersk
123 Main Street, City, State, ZIP
("Service Provider")

and

Samsung
456 Elm Street, City, State, ZIP
("Client")

RECITALS

WHEREAS, Maersk is a leading provider of comprehensive logistics services, including but not limited to transportation, warehousing, and sophisticated management of goods;

desires to engage Maersk to deliver such services in accordance with the detailed terms and conditions set forth in this Agreement;

WHEREAS, Samsung, seeking to streamline its supply chain and enhance operational efficiency,

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements contained herein, the parties agree as follows:

1. SCOPE OF SERVICES

1.1. Services Provided

Maersk agrees to provide a broad range of services designed to support and optimize Samsung's logistics operations, including:

Service Type	Description	Key Features
Transportation Services	Comprehensive management and execution of the transportation of goods from Client's designated locations to specified destinations. This	Local, regional, international routes; real-time tracking; optimized
	includes arrangements for local, routing regional, and international	

Service Type	Description	Key Features
Storage	routes, ensuring timely and cost-effective delivery.	
	Provision of state-of-the-art warehousing and storage solutions for the Client's	Temperature-controlled storage;
Services	goods. This includes options for	secure facilities;
	temperature-controlled and secure storage to meet varying storage requirements.	inventory management
Logistics Management	Advanced logistics management services, including real-time tracking, detailed reporting, and seamless coordination of shipments to enhance visibility and operational efficiency.	Real-time tracking; detailed performance reports; shipment coordination
	Expertise in facilitating customs clearance for international shipments. This encompasses the preparation, submission, and management of all necessary documentation to ensure compliance with international trade regulations.	Customs documentation; import/export compliance; duty management
Customs Clearance		
Insurance Services	Comprehensive insurance coverage for goods in transit, protecting	Coverage up to \$500,000 for general
	against loss, damage, or any unforeseen circumstances to safeguard the Client's assets.	cargo; \$1,000,000 for high-value cargo; \$5,000 deductible

1.2. Container Specifications

The following container types will be utilized for the transportation and storage of goods, each tailored to specific cargo needs:

Container Type	Dimensions (L x W x H)	Volume Capacity	Weight Capacity	Number Available	Rate per Container	Usage
20-foot	20 feet x	33 cubic	25,000			General
Standard	8 feet x 8.6 feet	meters	kg	100	\$3,500	Cargo

Container Type	Dimensions (L x W x H)	Volume Capacity	Weight Capacity	Number Available	Rate per Container	Usage
40-foot Standard	40 feet x 8 feet x 8.6 feet	67 cubic meters	25,000 kg	150	\$5,500	General Cargo
40-foot High Cube	40 feet x 8 feet x 9.5 feet	76 cubic meters	30,000 kg	50	\$6,000	Bulk and High-Volume Cargo
45-foot High Cube	45 feet x 8 feet x 9.5 feet	86 cubic meters	30,000 kg	30	\$7,000	High-Volume Cargo
Reefer Container	20 feet x 8 feet x 8.6 feet	30 cubic meters	20,000 kg	20	\$4,500	Temperature-Controlled Cargo
Rack Flat	20 feet x 8 feet x 8.6 feet	Variable	40,000 kg	10	\$5,000	Over-Sized Cargo
10-foot Container	10 feet x 8 feet x 8.6 feet	15 cubic meters	10,000 kg	70	\$2,000	Small or Partial Shipments

1.3. Service Delivery Schedule

Frequency	Description	Start Date	End Date	Delivery Times
Weekly	Logistics services provided on a weekly basis.	August 1, 2024	July 31, 2025	Monday to Friday, 9:00 AM - 6:00 PM

1.4. Additional Services

Service Type	Description	Key Features
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**Inventory
Management**

Detailed management of inventory, including accurate record- keeping, regular audits, and inventory checks to maintain optimal stock levels.

Accurate record- keeping; regular audits; inventory optimization

Provision of comprehensive monthly reports that include detailed metrics on inventory

Monthly performance reports; detailed metrics on service

Reporting

Service Type	Description	Key Features
Emergency Logistics Support	levels, shipment statuses, and other relevant performance indicators. Special expedited services designed for emergency or urgent shipments that require immediate action and prioritization.	delivery and inventory levels
		Priority handling; expedited delivery; urgent response capabilities
Pick and Pack	Management of picking and packing of goods based on Client specifications, including the	Customized packaging; efficient picking and packing; tailored
Services	provision of customized packaging solutions to meet specific needs.	solutions

1.5. Performance Metrics

Metric	Target	Penalty for Non-Compliance
On-Time Delivery Rate	98%	\$5,000 per incident
Accuracy Rate for Inventory	99%	\$2,500 per incident
Response Time for Service Requests	24 hours	\$1,000 per hour beyond target

1.6. Service Level Agreement (SLA) Metrics

Metric	Target	Penalty for Non-Compliance
On-Time Delivery Rate	98%	\$5,000 per incident
Accuracy Rate for Inventory	99%	\$2,500 per incident
Response Time for Service Requests	24 hours	\$1,000 per hour beyond target

1.7. Technology Integration

System Type	Description	Key Features
ERP System	Enterprise Resource Planning system for integrated business processes.	Centralized data management; real-time analytics; operational integration
WMS	Warehouse Management System for efficient warehouse operations.	Inventory tracking; warehouse optimization; order fulfillment

System Type	Description	Key Features
TMS	Transportation Management System for managing transportation logistics. Ensuring seamless data exchange between Maersk's and Samsung's systems, including API integrations to facilitate real-time information sharing and operational coordination.	Route optimization; carrier management; shipment tracking Real-time data exchange; API integrations; operational coordination
Integration Requirements		

1.8. Customs and Import Regulations

Service Type	Description	Key Features
Import Duty Management	Facilitation of the payment and management of import duties in accordance with local and international regulations. Preparation and management of all required customs documentation, including import/export declarations and certificates of origin, to	Duty payment management; compliance with trade regulations Documentation preparation; import/export declarations; certificates of
Customs Documentation		

ensure smooth customs processes.origin

1.9. Storage and Handling Fees

Fee Type	Standard Storage Fee	Temperature-Controlled Storage Fee	Handling Fee per Container
Monthly Storage Fee	\$10,000	\$15,000	\$150
Handling Fee per Container	\$150	\$200	\$150

1.10. Insurance Coverage

Coverage Type	Amount Covered	Deductible Amount
General Cargo Insurance	Up to \$500,000 per container	\$5,000

Coverage Type	Amount Covered	Deductible Amount
High-Value Cargo Insurance	Up to \$1,000,000 per container	\$5,000

1.11. Packaging Standards

Standard	Description	Key Features
Standard Packaging Requirements	All goods must be packaged according to international standards to prevent damage during transport. This includes waterproofing, reinforcement, and adherence to safety guidelines.	Waterproofing; Reinforcement; Safety guidelines

1.12. Insurance Claims Process

Step	Description	Time Frame
Claim Notification	Client must notify Maersk of any insurance claims within 48 hours of the incident.	48 hours
Claim Submission	Client must submit all required documentation and evidence within 7 days of the incident.	7 days
Claim Review	Maersk will review the claim and provide feedback within 14 days.	14 days
Settlement	Upon approval, the insurance claim will be settled within 30 days.	30 days

1.9. Storage and Handling Fees

- Monthly Storage Fee:** \$10,000 for standard storage; an additional \$5,000 for temperature-controlled storage, reflecting the specialized nature of the service.
- Handling Fee per Container:** \$150 for general containers; \$200 for specialized containers (reefer, flat rack), covering the additional handling requirements for such containers.

1.10. Insurance Coverage

- Coverage Amount per Container:** Insurance coverage includes up to \$500,000 for general cargo and up to \$1,000,000 for high-value cargo to safeguard the Client’s assets.

- **Deductible Amount:** A deductible of \$5,000 per claim will apply, which will be borne by the Client in the event of a claim.

1.11. Packaging Standards

- **Standard Packaging Requirements:** All goods must be packaged according to international standards to prevent damage during transport. This includes waterproofing, reinforcement, and adherence to safety guidelines.

1.12. Insurance Claims Process

- **Claim Notification:** Client must notify Maersk of any loss or damage within 7 days of occurrence to initiate the claim process.
- **Documentation Required:** Submission of necessary documentation, including photos, invoices, and other relevant materials, to facilitate the processing of claims.

1.13. Container Tracking and Reporting

- **Tracking System:** Utilization of advanced GPS and RFID technology to provide real-time tracking and visibility of containers throughout the transportation process.
- **Reporting Frequency:** Daily status updates and comprehensive monthly reports to ensure transparency and effective monitoring of container movements.

1.14. Health and Safety Standards

- **Compliance:** Adherence to all relevant health and safety regulations applicable to transportation and warehousing operations.
- **Training:** Provision of regular safety training for all personnel involved in the handling and transportation of goods to maintain high safety standards.

1.15. Environmental Compliance

- **Sustainability Practices:** Implementation of environmentally-friendly practices, including recycling initiatives and waste reduction strategies, to minimize the environmental impact of logistics operations.
- **Certification:** Maintenance of relevant environmental certifications, such as ISO 14001, to demonstrate commitment to sustainable practices.

2. FEES AND PAYMENT

2.1. Fees

Service Type	Fee	Payment Frequency
Transportation Services	\$0.50 per mile	Monthly
Storage Services	\$10,000 per month	Monthly
Logistics Management	\$5,000 per month	Monthly
Customs Clearance	\$2,000 per shipment	Per Shipment
Insurance Services	\$500 per container	Monthly

2.2. Payment Terms

- **Invoice Issuance:** Invoices will be issued on the first of each month for the services provided in the preceding month.
- **Payment Due Date:** Payment is due within 30 days from the date of the invoice.
- **Late Payment Penalty:** A late fee of 2% per month will be applied to overdue amounts.
- **Payment Methods:** Payments can be made via bank transfer, check, or credit card.

2.1. Total Contract Value

The total value of this contract is \$1,200,000, based on the projected volume and service levels for the duration of the Agreement.

2.2. Fee Per Container

Container Type	Rate per Container
10-foot Container	\$2,000
20-foot Container	\$3,500
40-foot Container	\$5,500
40-foot High Cube Container	\$6,000
45-foot High Cube Container	\$7,000
Reefer Container	\$4,500
Flat Rack Container	\$5,000

2.3. Fee Breakdown

Description	Amount
Transportation Fee per 20-foot Container	\$3,500

	Amount
Transportation Fee per 40-foot Container	\$5,500
Storage Fee per Container	\$1,200
Handling Fee per Container	\$150
Insurance Fee per Container	\$500

2.4. Payment Schedule

Payments are to be made on a monthly basis, calculated according to the number of containers serviced in the preceding month. Payments are due by the 15th of each month to ensure timely processing.

2.5. Late Payment Interest Rate

A late payment interest rate of 2% per month will be applied to any overdue amounts, calculated from the due date until the payment is made in full.

2.6. Payment Method

Payments shall be made by bank transfer to the following account:

- **Bank Name:** XYZ Bank
- **Account Name:** Maersk
- **Account Number:** 123456789
- **SWIFT Code:** XYZABCD

2.7. Invoicing

Maersk will issue invoices on the 1st day of each month, detailing the services provided and any applicable charges. Invoices will be sent to the following email address: invoices@companyA.com.

2.8. Disputed Invoices

Samsung must notify Maersk of any disputes regarding invoices within 10 days of receipt. Disputes that remain unresolved will be handled according to the dispute resolution procedures outlined in Section 9.

2.9. Currency

All payments and fees are to be stated and made in US Dollars (USD) to ensure consistency and clarity.

2.10. Additional Charges

- **Expedited Shipping Fee:** \$500 per shipment for urgent or expedited services.
- **Customs Brokerage Fee:** \$300 per shipment for customs brokerage services.

3. INSURANCE AND INDEMNIFICATION

3.1. Insurance Coverage

Maersk shall maintain comprehensive insurance coverage, including:

- **General Cargo Insurance:** Up to \$500,000 per container.
- **High-Value Cargo Insurance:** Up to \$1,000,000 per container.
- **Deductible Amount:** \$5,000 per claim.

3. TERM AND TERMINATION

3.1. Term

This Agreement shall commence on the Effective Date and shall continue for a period of one year, unless terminated earlier in accordance with the terms herein.

3.2. Termination for Convenience

Either party may terminate this Agreement upon 30 days' written notice to the other party.

3.3. Termination for Cause

Either party may terminate this Agreement immediately if the other party fails to perform its obligations under this Agreement and does not cure such failure within 10 days after written notice.

3.4. Effect of Termination

Upon termination or expiration of this Agreement:

- Each party shall return or destroy any confidential information of the other party.
- Client shall pay for all services rendered up to the date of termination.
- Maersk shall provide Client with any unfinished reports or documentation upon termination.

3.2. Indemnification

Each party agrees to indemnify, defend, and hold harmless the other party from any claims, damages, or liabilities arising from the performance of services under this Agreement, except in cases of gross negligence or willful misconduct.

3.3. Indemnification Procedures

- **Notice of Claim:** The indemnified party must provide notice of any claim within 30 days of becoming aware of it.
- **Defense Costs:** The indemnifying party shall cover reasonable defense costs, including legal fees, related to the claim.

3.4. Insurance Claims Process

- **Notification:** Notify Maersk of any loss or damage within 7 days of occurrence.
- **Documentation:** Provide all required documentation, including photos, invoices, and any other relevant information necessary for processing insurance claims.

4. CONFIDENTIALITY

4.1. Confidential Information

Both parties agree to maintain the confidentiality of any proprietary or confidential information disclosed during the term of this Agreement and to use such information only for the purpose of fulfilling their obligations under this Agreement.

4.2. Exceptions

Confidential Information does not include information that:

- Was already known to the receiving party before disclosure.
- Becomes publicly available without breach of this Agreement.
- Is disclosed to a third party with prior written consent.
- Is required to be disclosed by law or court order.

4.1. Definition of Confidential Information

Confidential Information encompasses all non-public information disclosed by either party under this Agreement, including but not limited to business strategies, technical data, and financial information.

4.2. Obligations of Confidentiality

- **Non-Disclosure:** Each party agrees not to disclose Confidential Information to third parties without prior written consent from the disclosing party.
- **Use of Confidential Information:** Confidential Information shall be used exclusively for the purposes of fulfilling obligations under this Agreement and for no other purpose.

4.3. Exceptions

Confidential Information does not include information that:

- **Is Publicly Available:** Information that is publicly available through no fault of the receiving party.
- **Prior Knowledge:** Information known to the receiving party prior to disclosure.
- **Legal Requirements:** Information disclosed pursuant to legal requirements or court orders.

4.4. Duration of Confidentiality

The confidentiality obligations outlined in this Agreement shall remain in effect for a period of 5 years following the termination of the Agreement.

4.5. Confidentiality Contacts

- **Confidentiality Officer for Maersk:** [Name, Title], email@companyA.com
- **Confidentiality Officer for Samsung:** [Name, Title], email@companyB.com

5. WARRANTIES AND REPRESENTATIONS

5. LIABILITY AND INDEMNIFICATION

5.1. Liability

Each party agrees to indemnify, defend, and hold harmless the other party from any claims, damages, losses, or expenses arising out of

its negligence or willful misconduct in connection with this Agreement.

5.2. Limitation of Liability

Neither party shall be liable to the other for any indirect, incidental, consequential, or punitive damages arising from or related to this Agreement.

5.3. Insurance

Each party shall maintain appropriate insurance coverage to cover potential liabilities arising from the performance of their obligations under this Agreement.

5.1. Service Provider Warranties

Maersk warrants that:

- **Professional Performance:** All services will be performed in a professional and workmanlike manner, adhering to industry best practices.
- **Qualified Personnel:** All personnel involved in providing services are qualified, trained, and possess the necessary skills and experience.

5.2. Client Warranties

Samsung warrants that:

- **Accuracy of Information:** All information provided to Maersk is accurate and complete, enabling Maersk to perform its obligations effectively.
- **Compliance with Laws:** Samsung will comply with all applicable laws and regulations related to the performance of this Agreement.

5.3. No Other Warranties

Except as expressly stated in this Agreement, no other warranties, either express or implied, are provided or implied.

5.4. Warranty Claims

Any claims related to warranties must be made within 30 days of the occurrence of the issue or defect.

5.5. Remedies for Breach of Warranty

In the event of a breach of warranty, the remedies available to the Client include:

- **Re-performance:** Re-performance of the service at no additional cost to the Client.
- **Refund:** A refund of the fees paid for the specific service in question if re-performance is not feasible or acceptable.

6. LIABILITY AND LIMITATION

6.1. Cap on Liability

Total liability for Maersk shall be capped at the total fees paid under this contract, up to a maximum of \$500,000, to provide a clear limit on potential exposure.

6.2. Exclusions

Liability is excluded for:

- **Indirect or Consequential Damages:** Any indirect, incidental, or consequential damages resulting from service performance.
- **Loss of Profits:** Any loss of profits or revenue incurred by either party due to service issues.

6.3. Indemnity Limits

The indemnity obligations outlined are subject to the same cap as the liability provisions detailed above.

6.4. Liability Contacts

- **Liability Manager for Maersk:** [Name, Title], email@companyA.com
- **Liability Manager for Samsung:** [Name, Title], email@companyB.com

7. TERMINATION

7.1. Termination for Convenience

Either party may terminate this Agreement for convenience by providing 60 days' written notice to the other party.

7.2. Termination for Cause

Either party may terminate this Agreement for cause with 30 days' written notice. Grounds for termination for cause include but are not limited to:

- **Breach of Contract:** Significant breach of the terms of this Agreement.
- **Insolvency:** Insolvency or bankruptcy of either party.

7.3. Obligations Upon Termination

Upon termination, both parties agree to:

- **Settle Accounts:** Settle all outstanding accounts and financial obligations.
- **Return or Destroy Property:** Return or destroy any property belonging to the other party as directed.

7.4. Transition Assistance

Maersk shall provide reasonable assistance to facilitate the transition of services to another provider, including the transfer of relevant information and operational support.

7.5. Survival of Provisions

The provisions relating to confidentiality, indemnification, and limitation of liability shall survive the termination of this Agreement to ensure ongoing protection and responsibilities.

7.6. Termination Assistance Fees

If the Agreement is terminated for convenience, Samsung may be required to pay a termination assistance fee, calculated based	on the remaining term of the Agreement and the associated transition costs.
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7.7. Termination Contacts

- **Termination Coordinator for Maersk:** [Name, Title], email@companyA.com
- **Termination Coordinator for Samsung:** [Name, Title], email@companyB.com

8. NOTICES AND COMMUNICATION

8.1. Notice Address for Maersk

- **Address:** 123 Main Street, City, State, ZIP
- **Email:** notices@companyA.com
- **Phone:** (123) 456-7890

8.2. Notice Address for Samsung

- **Address:** 456 Elm Street, City, State, ZIP
- **Email:** notices@companyB.com
- **Phone:** (987) 654-3210

8.3. Emergency Notifications

In case of emergency, notifications should be made by phone to ensure immediate attention, followed by written confirmation to document the communication.

8.4. Routine Communication

Routine communications will be conducted via email or other mutually agreed-upon methods to facilitate regular updates and interactions.

8.5. Change of Address

Any change of address or contact details must be communicated in writing to the other party at least 15 days prior to the change to avoid disruptions.

8.6. Communication Plan

- **Weekly Meetings:** Scheduled every Monday at 10:00 AM via Zoom or other agreed-upon platforms to review progress and address any issues.
- **Monthly Reports:** Comprehensive reports to be submitted by the 5th of each month, detailing service performance and key metrics.

9. DISPUTE RESOLUTION

9.1. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of New York, providing a legal framework for the Agreement.

9.2. Dispute Resolution Procedures

Disputes arising from this Agreement will be resolved through the following steps:

- **Negotiation:** Initial attempts to resolve disputes amicably through direct negotiation between the parties.
- **Mediation:** If unresolved, disputes will be mediated by a mutually agreed mediator to facilitate resolution.

- **Arbitration:** If still unresolved, disputes will be arbitrated in New York, NY, in accordance with the rules of the [Arbitration Association], ensuring a formal resolution process.

9.3. Arbitration Rules

Arbitration will be conducted under the rules of the [Arbitration Association], with a single arbitrator appointed to ensure a streamlined and efficient process.

9.4. Costs of Dispute Resolution

Each party shall bear its own costs related to dispute resolution unless otherwise ordered by the arbitrator, ensuring fairness in the allocation of costs.

9.5. Confidentiality of Dispute Resolution

All proceedings and information related to dispute resolution will be kept confidential to protect the interests of both parties.

9.6. Dispute Resolution Contacts

- **Dispute Resolution Manager for Maersk:** [Name, Title], email@companyA.com
- **Dispute Resolution Manager for Samsung:** [Name, Title], email@companyB.com

10. ADDITIONAL TERMS AND CONDITIONS

10.1. Amendments

Any amendments or modifications to this Agreement must be made in writing and signed by authorized representatives of both parties to ensure mutual consent.

10.2. Entire Agreement

This Agreement constitutes the entire understanding between the parties and supersedes all prior agreements, negotiations, and discussions, providing a comprehensive framework for the relationship.

10.3. Severability

If any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions will continue in full force and effect, ensuring the integrity of the Agreement.

10.4. Assignment

Neither party may assign this Agreement or any of its rights or obligations without the prior written consent of the other party, maintaining control over the contractual relationship.

10.5. Waiver

No waiver of any term or condition of this Agreement shall be deemed a further or continuing waiver of such term or condition, ensuring that any waiver is specific and limited.

10.6. Force Majeure

Neither party shall be liable for any delay or failure in performance resulting from circumstances beyond their reasonable control, such as natural disasters or other unforeseen events.

10.7. Non-Solicitation

During the term of this Agreement and for 12 months thereafter, neither party shall solicit or hire the employees of the other party, protecting the workforce stability of both parties.

10.8. Compliance with Laws

Both parties agree to comply with all applicable laws and regulations in the performance of this Agreement, ensuring legal and regulatory

adherence.

10.9. Ethics and Conduct

Both parties commit to upholding high ethical standards and conducting business with integrity and fairness, promoting a positive and professional relationship.

10.10. Data Protection

Both parties agree to comply with applicable data protection laws and regulations, including those related to the handling and protection of personal data, ensuring privacy and security.

10.11. Training and Support

Maersk will provide training and support to Samsung's personnel as needed to ensure effective utilization of logistics services and systems, enhancing operational efficiency.

10.12. Security Measures

Both parties agree to implement appropriate security measures to protect sensitive and confidential information from unauthorized access or disclosure.

10.13. Client Feedback

Both parties agree to actively seek and address client feedback to continuously improve service quality and address any issues or concerns.

10.14. Publicity

Neither party shall make any public announcement or disclosure regarding this Agreement without prior written consent from the other party, protecting confidentiality.

10.15. Feedback Mechanism

Both parties will establish a feedback mechanism to address and resolve any issues or concerns related to the services provided, facilitating ongoing improvement.

10.16. Change Management

Any changes to the scope of services or other aspects of this Agreement must be managed through a formal change

management process, ensuring structured and agreed modifications.

10.17. Legal Fees

In the event of a dispute resolution, the prevailing party shall be entitled to recover its reasonable legal fees and costs, providing a financial remedy for successful dispute resolution.

10.18. Miscellaneous Provisions

- **No Partnership:** Nothing in this Agreement shall be construed to create a partnership or joint venture between the parties, clarifying the nature of the relationship.
- **Representations:** Each party represents that it has the authority to enter into this Agreement and perform its obligations, ensuring legitimacy.
- **Notices:** All notices and communications under this Agreement must be in writing and sent to the specified addresses, maintaining clear and documented communication channels.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

Maersk

By: _____

Name: [Name]

Title: [Title]

Date: _____

Samsung

By: _____

Name: [Name]

Title: [Title]

Date: _____