

## 7ConNetwork Rules and Terms & Conditions

In order to secure the highest standard within the 7ConNetwork all Members agreed and do commit to the undermentioned rules and conditions and to report any breaches by one of the members.

Members commit to safeguarding the interests and reputation of 7ConNetwork in their city and/or appointed specific territory by operating to the highest standards of professionalism including but not limited to integrity, quality and customer service.

The 7ConNetwork Rules and Conditions was last modified on 5<sup>th</sup> June 2019

### **1.1 Application New Members – Join the Network:**

After filling in all required information via Join the Network section of the 7ConNetwork website, the freight forwarder who wishes to join the network will complete and return the Membership Application form, including all the data and additional documents that may be specified.

If selected as a potential member, the applicant will complete and return the Membership Agreement (signed and stamped) plus the Local Charges form.

### **1.2 Screening of Applicants:**

The 7ConNetwork organization may use the services of independent credit risk assessor, for verification purposes, and to supply a financial report for the purpose of corroborating. Also to check the financial data supplied by the applicant during the membership application process, and confirming that the applicant company is stable and solvent.

A reasonable credit limit for each applicant will be proposed by the risk assessor. Should the applicant become a full member this credit risk limit will be published on the 7ConNetwork platform for other member companies and the 7ConNetwork organization to view. The credit extended may only exceed the displayed limit when the two parties agree in writing, and under their own exclusive responsibility.

### **1.3. Notification and Admission:**

#### **1.3.1 Notification:**

The 7ConNetwork organization will make a decision on applications and inform the applicant in writing within 15 days of its decision.

### 1.3.2. Membership Agreement:

If an application is approved, the 7ConNetwork organization will notify the applicant by sending the Membership Agreement which the applicant will sign, stamp, and return.

### 1.3.3. Payment Protection Plan (PPP):

In order to have the full membership the applicant has to indicate whether or not he/she chooses to participate in the Payment Protection Plan - in the space provided on the membership application form.

### 1.3.4. Admission:

Once 7ConNetwork receives the signed and stamped Membership Agreement, the 7ConNetwork Organization will grant admittance to the new member which will thenceforth hold exclusive rights to operate as the 7ConNetwork member in the city and/or territory assigned by 7ConNetwork as long as it continues to meet its obligations set out in the Membership Agreement and Rules and Procedures. All existing members will be informed of the admission of the new member via an email announcement.

### 1.3.5. Listing:

A profile of each member company will be published in the Agent Finder section of the password-protected 7ConNetwork web platform, and will be accessible to other network members only. This listing will include the member's trading name, location, contact details, bank details, local charges, and recommended credit risk limit, along with other pertinent information, such as any special capabilities or services offered.

### 1.3.6. Insurance:

Coverage by Errors and Omissions and Freight Service Liability insurance, as detailed below, is required to become member and a copy has to be submitted. In case of adjustment and or cancellation by the insurance company, the member must inform 7ConNetwork at once.

**Insured Services:**

- Freight Forwarder acting as Agent (Road, Sea and Air)
- Freight Forwarder acting as Principal (Road, Sea and Air)
- Non-Vessel Operating Cargo Carrier (NVOCC)

**Trading Areas:** Worldwide

**Minimum Limits of Liability:**

- Errors and Omissions minimum coverage limit: 1.000,000 USD per incident or occurrence
- Freight Service Liability minimum coverage limit: 1.000,000 USD per incident or occurrence

#### **1.4. Member co-operation:**

**1.4.1.** The Members shall actively co-operate in international freight forwarding and logistics services for shipments moving between their respective territories. Each member company will be responsible for the provision or arrangement of full logistical services necessary for the movement of freight via ocean, air, road or any other means, including ancillary support services and timely preparation and transmission of related documentation and/or electronic data.

- a. Each member company will name the other as consignee on any Master Air Waybill, House Air Waybill, Master Ocean Bill of Lading or House Bill of Lading or other specific, required transport document(s).
- b. The member companies agree not to accept co-load cargo from or on behalf of other freight forwarders without first gaining the permission of the other.
- c. The member companies agree that the extending of credit for any freight charge is solely the liability of the agent offering such credit.
- d. All requests for information will be actioned upon receipt by the agent.

#### **1.4.2. Reporting violations:**

Members will inform the 7ConNetwork organization at once, when they become aware of or believe that fellow members are engaged directly or indirectly in questionable business practices of any sort, including but not limited to charging significantly higher rates than the average market rates in their territories, providing a substandard service to their customers, or neglecting their responsibilities to other members.

#### **1.4.3. Network:**

The Members commit and agree to transfer a growing percentage of their shipments to their fellow agents and to use the network in all possible aspects in order to create market recognition towards clients and vendors.

#### **1.5. Statistics:**

Quarterly, member companies will send the 7ConNetwork Organization complete overview details of the number of shipments sent with details including but not limited to; number of TEUs and/or kilos, origins, destinations etc. Reporting has to be done according to the 7ConNetwork templates with a clear divide between nominated and freehand cargo. The combined totals from members will be used by the 7ConNetwork Organization for their Procurement plan in order to negotiate lower rates from carriers, vendors and insurers on their behalf.

### 1.5.1. Contents of Statistics:

The contents of the statistics are important for the 7ConNetwork Procurement Plan, therefore detailed information from all members is required. The statistics format list will include the number of shipments per modality, import or export, nominated and freehand cargo, business areas, all defined in the 7ConNetwork statistic formats.

## 2. Annual membership fee and Payment Protection Plan (PPP) contribution:

At the end of the membership term, members that decide to renew for a further 12 months should order a bank transfer to pay the full amount of the next year's membership fee. In the event they decide to join the Payment Protection Plan (PPP) for the same period as their membership, they must include a transfer of **500 EUR** in payment of the annual contribution fee of the PPP.

### 2.1. Membership fee amount:

The annual membership fee differs between territories. The fee per specific territory will be informed by 7ConNetwork during the member application. Membership fees will be revised each year, but any increase will never be greater than 10% per annum.

### 2.2. Discounts for referrals:

Members who refer other qualified freight forwarding agents who then successfully become members of 7ConNetwork will receive a onetime 25% discount on their next membership fee for every successful candidate up to a maximum of four per annum. To benefit, please contact the 7ConNetwork management for the Referral Program Form.

### 2.3. Payment Protection Plan (PPP) contribution amount:

The fee per annum for participation in the PPP is 500 EUR. This amount will be reviewed annually. Full details of the PPP are available on the 7ConNetwork website under [Payment Protection Plan](#).

### 2.4. Invoice and payment:

Members will be invoiced for the Annual membership fee and PPP contributions 30 days prior to the end of the membership year, and payment by bank transfer will be due before the end of the membership year. Bank charges will be paid in full by the member.

## 2.5. Branch offices:

Members can add their branch offices in the same country as their Head Office membership.

Each branch office that is added to the network, will pay only 50% of the specified membership fee for the territory and 500 EUR per annum per each branch office to the Payment Protection Plan

## 2.6. No Refunds:

No refunds of membership fees or contributions to the Payment Protection Plan are available to a member who has outstanding payments and is in debt to other members.

## 3. Termination of membership:

### 3.1 RESIGNATION:

**A member choosing to resign from the network must inform the 7ConNetwork Management, by email to [management@7ConNetwork.com](mailto:management@7ConNetwork.com) - of this at least 60 days before the cessation of the membership year.**

### 3.2. Late notice:

If the member fails to give the written resignation within 60 days before the cessation of the membership year, the member will be required to pay the full membership fee.

### 3.3. No Refunds:

Members who resign from the network will not be refunded for their total contributions to the Payment Protection Plan and or Membership Fee.

### **3.4 EXPULSION:**

**Members who are expelled for any of the reasons listed below are liable to forfeit all claims for refund of any part of the membership fee and their contribution to the Payment Protection Plan fund.**

- Engaging in dubious business practices, rendering poor service, or neglecting responsibilities to other members.
- Failure to seek cooperation with or request cooperation from other members.
- Recurrent late payments of invoices issued by other members.
- Failure to pay invoices issued by other members.
- Failure to attend two consecutive annual conventions.
- Failure to actively contribute to sales promotion.
- Bad faith in a dispute with another member.
- Recurrent violations of any other rules.

#### **4.1. Procedure for finding a member:**

To locate a member representing the network in a specific territory, enter the name of the country and/or place in the search box of the Agent Finder CMS tool in the 7ConNetwork platform. The company details, location and contact persons of the closest members will appear.

In the case a customer's contact person is in a location different from the city of pickup or delivery, preference will be given to the member at the location nearest to the contact person, with respect to future sales visits.

#### **4.2. Verification of compliance:**

Members will provide evidence to demonstrate their cooperation with other member companies when requested to do so by the 7ConNetwork Organization.

#### **4.3. Penalty for failure to comply:**

Members who have failed to transfer a growing percentage of their shipments to their fellow agents, thus increasing cooperation, will be expelled from the network and replaced by the next best-qualified applicant on the waiting list for that territory.

## 5. Language and communications:

By default, the English language will be used in all business and organizational communications between members and the 7ConNetwork. Members will adhere to the following procedures in their e-mail communications with other members and with 7ConNetwork Head Office.

### 5.1. Communication among the Members:

The subject line in all member to member e-mail correspondence must begin with "7ConNetwork", followed by the name of the city of origin, and then followed by the subject of the email, as shown in the following examples:

7ConNetwork – Barcelona / Sales lead Shipper and or Consignee name  
7ConNetwork - Rotterdam / Booking 2x40'HC Shanghai - Rotterdam  
7ConNetwork - Amsterdam / Air rate inquiry to Ho Chi Minh  
7ConNetwork – Ho Chi Minh / Pre Alert 500 Kg to Kobe

### 5.2. Communication from Head Office 7ConNetwork:

The subject line of all email communications from 7ConNetwork Head Office to members will begin with "7ConNetwork – Management Head Office", followed by the message subject, as shown in the following example:

7ConNetwork – Management Head Office / Marketing strategy  
7ConNetwork – Management Head Office / New Member in Barcelona, Spain

## 6. Sales Organization 7ConNetwork:

### 6.1. Sales Organization:

All members should have their own sales team and are obliged to contribute actively to inside and outside sales promotion and coordination of the 7ConNetwork platform, products, partners and their members. This in order to achieve a global 7ConNetwork salesforce.

For sales and marketing purposes of the 7ConNetwork each member will:

- a) appoint a sales and marketing coordinator who will be in close contact with the 7ConNetwork members;
- b) appoint a pricing department
- c) create a special email address [7ConNetwork@yourcompanyname.xxx](mailto:7ConNetwork@yourcompanyname.xxx) (or any other extension)

## **6.2. Sales leads:**

All Members agree to provide continuous sales, including sales leads and reports, and actively engage in mutual promotion of joint services within their respective territory. Each member will show its track records upon request of 7ConNetwork.

## **6.3. Response time of Sales leads:**

All members should acknowledge receipt of a receiving a sales lead within one working day it is received.

Follow up and achievement should be done no more than five working days later, the receiving member will contact the customer, plan a visit the customer if necessary, and notify the sending member a detailed status of the sales lead and their expectations of the sales lead.

## **7. Buying and selling rates:**

### **7.1. Buying rates:**

All 7ConNetwork Members are to actively pursue, investigate and negotiate the best possible net rates and will provide NET/NET buying rates and real selling rates to the other members. For the sake of transparency, at the request of members with whom they have cooperated in a transaction, the corresponding members will furnish copies of the respective invoices received from suppliers and sent to customers.

#### **7.1.1. Local Charges:**

All Members have to provide 7ConNetwork with a list of all their local import and export charges for ocean and air shipments. Those rates will be used in the password-protected 7ConNetwork platform for their online quotation system.

#### **7.1.2. Local Charges Exception:**

Rates for special inquiries with large-volume and complex shipments may be negotiated between members and 7ConNetwork.

#### **7.1.3. Local Charges Confidentiality:**

Rates published in the password-protected 7ConNetwork quotation web platform by members and or 7ConNetwork are confidential and must not be disclosed to third parties. In the event of the disclosure of this information, the offending member will be expelled from the network.



## 7.2. Quotations:

Each of the quotations must be transparent and have to show: a) the prices offered by at least two different ocean and or air carriers in order to give the buyer a choice; b) the applicable surcharges and whether they are included or excluded c) the applicable currency; d) transit time and frequency; e) route; f) name of airline/shipping line g) validity date h) quotation number.

## 7.3. Surcharges:

Any applicable surcharges as mentioned in the quotations such as BAF, CAF, Fuel, Security, Congestion, War Risk, etc. will be those valid at the time of shipment.

## 7.4. Additional costs:

In case of any additional costs, there may be must be shown to the contracting party and approved by them. No member may charge for services not specified in the quotation or make extra charges that were not submitted in advance for the approval of the contracting party.

Approval by the contracting party has to be submitted before invoicing of any additional costs.

## 7.5. Quotation response time:

Members will reply to requests for quotations received from other members in a timely manner. Any request received in the morning, on a working day, should be answered on the same day, and those received in the afternoon should be answered by the following morning at the latest. The time zone of the receiving Member of the quotation is applied.

Special remark 1: When the exact costs cannot be determined and/or when the shipment/s are complex, members should ask for an extension specifying a deadline of when they will submit the quotation.

Special remark 2: The maximum period for preparing a quotation for major tenders should never exceed ten working days.

## 7.6. Profit Sharing:

For shipments involving the cooperation of two members, the following profit sharing rules will apply unless previously agreed with the partner agent:

### 7.7.1. FOB charge profits:

will not be shared, but withheld by the shipper agent at origin.

### 7.7.2. Destination charge profits:

will not be shared, but withheld by the consignee agent at destination.

### 7.7.3. Freight:

Only the profit made from the freight of the shipment will be shared by the members at both ends, as shown below:

Incoterm	Profit Share on Freight
EXW	50% / 50%
FCA	50% / 50%
FAS	50% / 50%
FOB	50% / 50%
CFR	No Profit Share
CIF	No Profit Share

<b>Incoterm</b>	<b>Profit Share on Freight</b>
CPT	No Profit Share
DAF	No Profit Share
DES	No Profit Share
DEQ	No Profit Share
DDU	No Profit Share
DDP	No Profit Share

#### **7.7.4. Prepaid cargo:**

As a general rule members will not share profits earned from prepaid cargo. However, the destination member may handle the shipment and earn a profit by applying market rates to local delivery charges. If the cargo is prepaid but the shipment has been routed, then the destination member will be obliged to share the profit earned on the freight.

#### **7.7.5. Selling Rates:**

The member coordinating the shipment shall have the final word on selling rates.

## **8. Payments:**

Invoices for all shipments sent/received within a calendar month will be paid between the 12th and 15th day of the following month. Customs charges (VAT and other taxes) will be paid at the same time as the invoice/cash.

### **8.1. Means of payment:**

All invoice payments will be made by bank transfer. The member ordering the transfer should select 'SHA' when making the transfer so all bank fees are shared between both parties.

### **8.2. Advance notification:**

On the date the invoice is issued, an advance copy of the paper invoice will be sent by e-mail to the member being billed. The member receiving the invoice will reply acknowledging receipt of the invoice.

### **8.3. Dates:**

The dates shown on invoices must tally with the departure date for exports and the customs clearance date for imports.

### **8.4. Currency:**

The billed member must pay in the currency requested in the invoice. Only if agreed in advance, can the billed member pay in an alternate currency.

### **8.5. Statement of accounts:**

On the 5th day of the following month, a statement of accounts listing all invoices and credit notes for shipments among members within one month will be issued.

### **8.6. Confirmation:**

The member issued with the statement of accounts must confirm receipt between the 6th and 11th day of the month of receipt and request copies of any invoices not listed that should be.

### **8.7. Disputes:**

In the event of a dispute over an invoice, the billed agent must notify the issuer within 10 working days, clearly detailing the reason for the dispute. Any claim made after 10 working days will not be acknowledged. If, after 45 days, the dispute is still ongoing, the complainant should file a complaint to the Dispute Resolution Service.

### **8.8. Penalties:**

Any member who does not receive notification from a billed agent by the 16th day of the month following the invoice period will notify the 7ConNetwork organization of the incident.

#### **8.8.1. Warning Payment Protection Plan level 1:**

The first time a billed member fails to pay another members' invoice on time, this situation will be reflected in the billed member's Agent Profile in the Agent Finder tool into the 7ConNetwork Platform.

The status "Safe Member" will be removed and replaced by The Status "Warning level 1 Payment Delay"

At Warning level 1, the member's payment terms will remain unchanged.

#### **8.8.2. Warning Payment Protection Plan level 2:**

A member who fails to pay within five days of the deadline, or if the member misses a payment deadline for a second time, the symbol on the member's Agent Profile listing will be changed to "Warning level 2 Penalized Member".

The agent will then be obliged to make all future payments to members in cash and prior to the release of shipping documents.

The extent of this penalty will be determined by the 7ConNetwork Organization, but will not exceed six months.

### **8.8.3. Warning Payment Protection Plan level 3:**

If the offending agent fails to pay the debt within the extension period of five days, the 7ConNetwork Organization will activate the Warning Payment Protection Plan level 3 alarm, changing the symbol on the member's Agent Profile listing to a "Warning level 3 Blocked Member".

All members will be advised by the 7ConNetwork Organization to not engage in any further transactions with the offender.

However, if the blocked member (under Plan level 3) makes the payment of the outstanding amount within 10 days, the 7ConNetwork Organization will raise the status from level 3 to level 2 for a minimum period of one year.

### **8.8.4. Expulsion:**

In case the blocked member who fails to pay the debt within the 10 days will be expelled from the network and the 7ConNetwork Organization will take the following actions, which have to be followed by all members:

- 1) Instruct all members to withhold all payments, and request information from all members regarding their accounts with the offender.
- 2) Release funds from the Protection Payment Plan to hire legal services in the offender's home country to collect the debt.
- 3) Provide detailed information about the incident to the following people and bodies:
  - \* Persons representing other freight forwarders and carriers who acted as the offender's referees during the application process.
  - \* IATA, FIATA, Custom Broker Association, and the freight forwarders association in the offender's home country.

## **9. Dispute resolution service:**

If a dispute over an invoice cannot be solved amicably within 45 days, the complainant must inform the 7ConNetwork organization who will then act as the neutral Dispute Resolution Service, under the terms and conditions established and agreed by all members.

### **9.1. Agreement to accept resolution:**

Members who voluntarily partake in the Dispute Resolution Service agree to accept and abide by the decision of 7ConNetwork Head Office and refrain from any further action relating to the dispute.

## **9.2. Fee:**

7ConNetwork will charge a minimum of 500 EUR for the use of its Dispute Resolution Service, the payment of which will be shared equally by the disputing members. A higher fee will be charged if the services of an attorney, expert witness, or consultant are required. Prior to arbitration, each of the members involved will receive an invoice from 7ConNetwork for 250 EUR to be paid by bank transfer.

## **9.3. Background:**

Each disputing member will send an e-mail to 7ConNetwork Head Office with details of the reasons for the dispute, along with all supporting evidence.

## **9.4. Decision:**

7ConNetwork Head Office will reach a decision on the dispute and will notify the parties involved within 20 working days of receipt of the last of the relevant documents.

## **9.5. Implementation:**

The two disputing parties will implement the decision reached by 7ConNetwork Head Office within five business days of being advised.

## **9.6. Bad faith:**

7ConNetwork reserves the right to expel any member that is found to have acted in bad faith in the course of a dispute.

## **9.7. Debts:**

7ConNetwork will not collect debts on behalf of its members, but it will punish or expel members who fail to meet their obligations to other members. While it carefully screens applicants to ensure that only the most reputable firms are admitted to the network, 7ConNetwork will accept no responsibility for any unpaid debts between members.

## **10. Attendance of Annual Meeting:**

A member must send a principal or an executive member of staff to the 7ConNetwork annual meeting. Members must pay the registration fee in advance, and pay their own travel and lodging expenses.

### **10.1. Exceptions:**

Any member who is unable to attend must submit proof of extenuating circumstances justifying their inability to attend to 7ConNetwork Head Office at least 30 days before the convention.

By email to: [management@7ConNetwork.com](mailto:management@7ConNetwork.com)

Please note; conflicting commitments such as trips or meetings, or the inability to obtain a valid travel visa in time, will not be considered a valid reason to not attend.

### **10.2. Penalties:**

Members who fail to attend the conference without a valid excuse (see 11.1 above) will pay 7ConNetwork a penalty of 1,850 EUR. Members who fail to attend two consecutive conventions without a valid excuse will be expelled from the network.

## **11. Use of the 7ConNetwork Brand:**

The 7ConNetwork logo will be displayed by members along with their own company logo in communications with customers, suppliers and the public in general, both to indicate their membership of the network and to promote the brand.

### **11.1. The 7ConNetwork logo:**

Members will display the 7ConNetwork logo on their business cards, e-mail auto-signatures, websites, advertising brochures, invoices, faxes, company vehicles, signs, etc.

### **11.2. The 7ConNetwork website link:**

The 7ConNetwork website link [www.7ConNetwork.com](http://www.7ConNetwork.com) and logo will be displayed on the member's website.



### **11.3. The 7ConNetwork brand manual:**

Members will adhere to the practices outlined in the Brand Manual in the 7ConNetwork Platform when using the 7ConNetwork logo and other graphic material.

### **11.4. Refraining from use:**

Any freight forwarding company that either leaves 7ConNetwork voluntarily or is expelled will thereafter desist in using the 7ConNetwork trade name, brand, logo, and/or other network graphic materials.

## **12. Advertising & Promotion:**

### **12.1. Member news:**

7ConNetwork encourages members to send company news items to the network's PR Coordinator for publication on the 7ConNetwork website.

### **12.2. Press cuttings:**

Members will make copies of news items published on the basis of their own press releases and send them to the 7ConNetwork PR Coordinator for distribution within the network.

## **13. Privacy policy:**

The 7ConNetwork privacy policy applies to the processing of personal data of subscribers to our network and freight forwarding activities and the processing of personal data of our customers and users of our (mobile) websites (including apps), web shops and other services and of 7ConNetwork's products.

In this privacy policy we explain what information we collect, in which way and for what purposes we use it. In addition, we explain what rights you have and how you can exercise these rights. 7ConNetwork respects the privacy of its subscribers and customers.

Your personal data are carefully handled and secured. The manner in which we process personal data is in accordance with applicable laws and regulations. This privacy statement was last modified on 5<sup>th</sup> June 2019. A PDF of the privacy statement can be found at [www.7ConNetwork.com](http://www.7ConNetwork.com)