
**ABC COMPANY LIMITED/
DEF COMPANY LIMITED**

LOG CARTAGE CONTRACT

SAMPLE

3.0 PAYMENT

- 3.1** The Company shall pay the Contractor for the satisfactory services performed as specified in this Agreement at a rate as specified in **Schedule 1**, based on net weight of logs recorded over the Tropik's weighbridge at Drasa.
- 3.2** Payment for services provided in one month shall be made by the Company on the 15th day of the following month. The Company may deduct from payments made in one month the total value of invoices rendered to the Contractor by the Company for goods or services provided by the Company during the previous month.
- 3.3** The rate specified above will be subject to review by the parties if fuel price (bowzer price) movement is in excess of 5%.
- 3.4** The rate will be adjusted by 30% of the movement in fuel price (bowzer price). The price of fuel at the effective date of this agreement is \$_____ per litre inclusive of VAT. For clarity, if the bowzer fuel price increases by 10%, the contract rate will be adjusted by 3% (10% x 30%).
- 3.5** The Contractor is required to provide the Company a valid Certificate of Exemption at all times. Failure to do so will result in the Company deducting 15% provisional tax from the monthly contract amount.
- 3.6** The Company shall have a right of set-off against the Contractor in respect of sums expended by the Company for which the Contractor must indemnify the Company. Such sums may be deducted by the Company from any payments due to the Contractor.

4.0 PERFORMANCE

- 4.1** During the course of this contract if the Contractor does not provide appropriate number of equipments in fulfilling its obligations as specified in this Agreement, then the Company shall hire appropriate equipment to satisfactorily fulfill the Contractors' obligations. All costs and related expenses for such additional equipment will be charged and paid by the Contractor.
- 4.2** In the event that production ceases as a result of the Contractors' non – performance then the damages will be payable by the contractor.

5.0 TITLE TO LOGS

- 5.1** Title to logs under this Agreement shall remain at all times with the Company.
- 5.2** The Contractor shall take all reasonable care to avoid any spillage or damage of logs by the Contractor's equipment, machinery or vehicles. The Contractor will be responsible for reimbursement of any legitimate claim that the Company has to pay resulting from any such spillage or damage.

6.0 PROVISION OF MACHINES & PERSONNEL – LICENSING & SERVICE

- 6.1** The Contractor will provide appropriate type and number of equipment for fulfill its obligations as specified in Clause 1. The Contractor is required to provide a minimum of three 12 wheeler log cartage trucks for cartage of logs continuously on a 24/7 basis.
- 6.2** The Contractor will ensure that the trucks, machine and equipment, which it provides under this Agreement, meets Land Transport Authority's requirements of safety and roadworthiness and holds all necessary licenses, certificates and approvals for the activities covered hereunder.
- 6.3** The Contractor will ensure that the drivers and operators of such trucks, machines and equipment shall be competent and shall hold any licenses required, and that they are in no way incapacitated through the use of alcohol, yaqona or through any cause whatsoever while operating equipment under this Agreement.
- 6.4** The Contractor shall be wholly responsible for the safe transfer, loading, and unloading of logs. The Contractor should ensure that the amount loaded does not exceed the design volume or weight limitation of the trucks. The Contractor should also ensure that logs are appropriately fastened on the trucks to prevent spillage.
- 6.5** The Contractor shall take all possible steps to ensure that logs carted are delivered to their correct destination without delay or loss in transit.
- 6.6** The Contractor shall ensure that each truck carries a log delivery docket book that is issued by the Company during the operation. Completed log delivery dockets are to be given at the weighbridge. The Contractor shall obtain from the Company's authorized representative acknowledgement of receipt of each consignment by obtaining signed weighbridge docket.

The Contractor's driver shall ensure that each load is weighed according to the Company's directions. In the event of the Company's weighbridge not functioning, the Company will advise the Contractor of the arrangements made.

6.7 The Company will at its option, supply fuel, oil and any parts and supplies that are normally available at the company store to the Contractor at rates set by the Company.

6.8 The Company may also provide and charge for maintenance, and repair services agreed to from time to time.

7.0 DAMAGE & ENVIRONMENT PROTECTION

7.1 The Contractor shall be fully responsible for any loss of the Company's logs due to accident or spillage during transit and shall be fully responsible for any damage of the Company's property caused by the operations of the Contractor and its employees. The Contractor will be fully responsible for any costs incurred in clearing up any spill of logs to be loaded or carted under this Agreement, and will be charged by the Company the full sales value applicable at the time of any spillage for any logs which becomes unavailable for sale to the Company's customers as a result of such spillage.

7.2 The Contractor will be fully responsible for any costs incurred in restoring the lost or damaged property.

7.3 The Contractor shall at all times comply with and observe all statutory requirements as amended from time to time together with all reasonable requirements of the Company not inconsistent with any of the provisions of this Contract whether given in respect of the work, or for the prevention of fire or other damage, injury to persons, regulation of traffic, or otherwise howsoever and for the protection and conservation of water and soil, the environment generally, and for the prevention of pollution of any kind.

8.0 INDEMNITY - LIABILITY

8.1 It is hereby declared that the Contractor and its servants or agents shall not be deemed to be employees of the Company.

8.2 The Contractor shall indemnify and keep indemnified the Company and its employees against all claims of whatsoever nature arising out of its operations under this Agreement.

- 8.3** Should the Contractor or its servants or agents park, store or leave his vehicles, plant and equipment within the work area, the Contractor does so at its own risk.
- 8.4** The Contractor hereby acknowledges that in entering into this Contract it will acquaint itself with all general aspects and such detailed aspects as may be specifically given by the Company from time to time of the work required to be performed under this Contract, including but not limited to physical characteristics of the appropriate worksite, and the logs to be handled hereunder. The Contractor hereby accordingly release and discharges the Company from any liability that may arise in common law, statute, or otherwise howsoever to the Company and/or the Contractor from any mistake or negligent act or omission made by the Contractor regarding any aspect of the work required to be performed hereunder.
- 8.5** The Contractor hereby confirms that it has entered into this Contract solely in reliance upon its own judgment and not upon any promise undertaking or representation directly or indirectly relating to any matter of thing in connection therewith made or given by or on behalf of the Company other than those expressly set out in this Contract.

9.0 INSURANCE COVER

- 9.1** The Contractor shall hold the following Insurance covers:
- 9.1.1** loss or damage of consignment
 - 9.1.2** equipment insurance with extension to cover third party legal liability of a minimum of \$500,000
 - 9.1.3** Workmen compensation insurance with Common Law Liability extension of a minimum of \$1 million.
 - 9.1.4** Public liability insurance for a minimum limit of \$2 million

To cover any claim made on it by the Company or any third party arising out of its activities under this Agreement and shall provide evidence of such insurance to the Company

- 9.2** The Contractor shall ensure that these insurances shall note the appropriate mortgagee interests and that the said insurances will not be cancelled or amended in any way at the request of the Contractor unless the Company's and any mortgagee's prior written consents is obtained.
- 9.3** Before commencing any work required to be carried out in terms of this Contract and at any time during the term of this Contract, the Contractor shall upon request produce and submit to the Company copies of insurance policies required under the provisions of Clause 9 hereof.

10.0 OUTSIDE INTEREST

- 10.1** The Contractor shall deploy its trucks, machines and equipment when engaged under this Agreement to suit the best interest of the Company and shall not foster any outside interest or activity to the Company's disadvantage.
- 10.2** Except as defined in Clause 15 of this Agreement, the Contractor shall, while engaged in work under the terms and conditions of this Agreement, direct all queries and complaints solely and exclusively to the Company.

11.0 COST

- 11.1** The Contractor shall be responsible for meeting all costs of its trucks, machines, equipment and personnel used under this Agreement including but not limited to fuel, maintenance, registration and licensing fees, provident fund and insurance.

12.0 DEFAULT

- 12.1** If the Contractor fails to meet any terms or conditions of the Agreement or fails in performance, the Company may advise the Contractor in writing setting out the default and if the Contractor has not rectified the fault to the satisfaction of the Company within two (2) weeks of the date of the notice then this Agreement may be terminated by the Company without further notice.
- 12.2** In the intervening period the Company may hire other contractors to continue the work under this Agreement and costs of all such operations will be charged to the Contractor.
- 12.3** The Contractor will also be responsible for the costs of mill stoppages or any other legitimate claim made against the Company resulting from the Contractor's failure to fulfill its obligations under this Agreement.

13.0 SAFETY

- 13.1** The Contractor shall ensure his employees and machines do not operate in a manner which endangers themselves or others, and agrees to comply with the Company's safety and environmental requirements as defined in writing by the Company from time to time.

- 13.2** The Contractor shall abide by the Workmen's Compensation Act and Occupational Health and Safety Act as amended or replaced from time to time.
- 13.3** The Contractor shall at all times during the performance of the work required under this Contract duly comply with and observe the Company's standard of safety and wearing of safety apparel, and shall report to the Company immediately all accidents to all equipment or personnel, whether causing injury or not, which occur in the work place or while proceeding to or from the work place and shall complete all report forms and First Aid slips as required by the Company and relating to such incidents or accidents.
- 13.4** The Contractor and his employees, while engaged in business referred to in this Agreement shall not carry out or incite others to carry out violent or unsafe acts of any other action which is not in the best interest of the Company, and agree to comply with the Company's reasonable environmental requirements.

14.0 FORCE MAJEURE

- 14.1** Neither party hereto shall be responsible for any failure to cart, deliver logs or to fulfill any other of their respective obligations under this Agreement if such failure has been caused for fulfillment has been delayed, hindered, interfered with, or prevented by force majeure and in such instance neither party shall have any claim for damages against the other in respect of such failure.
- 14.2** In the event of any such failure arising from force majeure neither party shall thereby be entitled to terminate this Agreement, and upon the removal or cessation of such force majeure deliveries and acceptances and fulfillment of other obligations under this Agreement shall be resumed immediately after such removal or cessation but unless otherwise agreed by the parties the quantity of woodchips may be reduced by taking into account the effect of such force majeure on the parties' respective abilities to meet their obligations under this Agreement.
- 14.3** On the occurrence of force majeure the party concerned shall as soon as possible give notice and full particulars thereof in writing to the other party.
- 14.4** The term force majeure as referred to herein shall mean acts of God, fire, cyclone, rainfall, storm, flood, forest infestation or disease, strikes, lockouts, or other major individual disturbances, mechanical failure beyond the control of the parties or either of them, depressed market conditions, the

order of any Court of Government Authority or other legal obstacle and any other cause whether of the kind herein enumerated or otherwise not within the control of either party and which by the exercise of due diligence such party was or is unable to avoid or overcome.

15.0 ARBITRATION

15.1 All disputes arising in relation to this Contract shall, after the parties have exhausted all other reasonable means of resolving such disputes, be settled by arbitration in accordance with the provisions of the Fiji Arbitration Act. (Cap38). The proceedings before the Arbitrator(s) shall take place in Fiji. The decision of the Arbitrator(s) will be binding and conclusive on both parties.

16.0 ENTIRE AGREEMENT

16.1 This Agreement takes the place of all prior Agreements between the Company and the Contractor relating to the cartage of logs and all such prior Agreements are hereby terminated.

17.0 ASSIGNMENT OF RIGHTS

17.1 Neither party may assign its rights nor obligations hereunder to a third party without the prior written consent of the other party hereto.

18.0 AMENDMENTS

18.1 All amendments to this Agreement shall be in writing and signed by both parties.

19.0 GOVERNING LAWS

19.1 The Contractor shall, in carrying out the work required to be performed under this Contract, duly comply with and observe the provisions of all laws, regulations and by-laws issued by any competent authority which from time to time may be applicable. In particular the Contractor shall observe all the relevant provisions of the Employment Relations Promulgation and of every other Statute, order of requirement from time to time in force in respect of payment of wages, conditions of labour and other matters relating to the employment of labour.

19.2 This Agreement shall be governed by and construed in accordance with the Laws of Fiji.

In witness, the signatures of the parties have been affixed to this Agreement by their officers who are authorized to do so.

The Common Seal of DEF LIMITED

was hereunto affixed in our presence and we certify
that we are the proper officers of the said Company
by whom and in whose presence the said seal is to be
affixed

]

]

]

]

]

.....
DIRECTOR

.....
DIRECTOR/SECRETARY

The Common Seal of ABC

LIMITED was hereunto affixed in our presence and we certify
that we are the proper officers of the said Company
by whom and in whose presence the said seal is to be
affixed

]

]

]

]

]

.....
DIRECTOR

.....
DIRECTOR/SECRETARY

SCHEDULE 1 – LOG CARTAGE RATES

Round Trip (km)	Covers (km)	Rate (VEP) per ton
20	1 - 30	
40	31 - 50	
60	51 - 80	
90	81 - 100	
120	101 - 140	
160	141 - 180	
200	181 - 220	
240	221 - 260	
280	261 - 300	
320	301 - 340	
360	341 - 380	
400	381 - 420	
440	421 - 460	

SAMPLE