

# Broker Shipper Agreement

This **Broker Shipper Agreement** ("*Agreement*" hereinafter) is made and entered as of \_\_\_\_\_,  
by and between the following parties;

**Broker**

**Shipper**

## 1. Recitals

WHEREAS, the Shipper is in the business of \_\_\_\_\_, and  
requires reliable transportation services to facilitate the shipment of its products within  
\_\_\_\_\_;

WHEREAS, Broker is a freight broker, certified by the **Federal Motor Carrier Safety Administration**  
 ("*FMCSA*") and holds the necessary authority and licenses to arrange transportation services using third-party motor  
carriers (the "*Carriers*"), who are independent entities selected by the Broker;

WHEREAS, the Broker agrees to provide transportation logistics services for the Shipper, acting solely as an  
intermediary and not as a carrier, by selecting and coordinating qualified Carriers to transport the Shipper's goods in  
accordance with the terms of this Agreement;

NOW, **THEREFORE**, in consideration of the mutual promises and covenants contained herein, the parties agree on  
the term and conditions below.

## 2. Scope of Services

The Broker shall provide transportation services to the Shipper by arranging for the transportation of the Shipper's  
goods through Carriers. The Broker acts solely as an intermediary and not as a motor carrier or a direct provider of  
transportation services. The Broker shall select and contract with qualified Carriers to handle the shipment of the  
goods in a manner that meets the Shipper's specifications and complies with all applicable regulations.

The Broker shall coordinate all necessary logistics for the transportation of the goods, including scheduling pickup and delivery, communicating with the Carriers on behalf of the Shipper, and providing shipment tracking updates to the Shipper. The Broker will maintain regular communication with the Shipper throughout the transportation process to provide status updates and address any issues that may arise.

The Broker shall also assist the Shipper with the preparation of necessary shipping documents, including bills of lading, shipping manifests, and any other documents required for the transportation of goods. The Broker will maintain accurate records of all shipments and will provide copies of such records to the Shipper.

The services provided by the Broker do not include direct transportation, warehousing, storage, or insurance services. The Broker shall not be responsible for the physical handling, loading, unloading, or condition of the goods during transit. The Shipper acknowledges that these responsibilities rest with the selected Carrier. In case of any loss or damage during these procedures, non-contractual Carriers will be liable to the extent of their fault.

### **3. Payment Principles**

The Shipper shall pay the Broker for its services based on the nature of each shipment. The rates may include transportation charges, fuel surcharges, accessorial fees, and any additional charges. All rates and fees shall be communicated and confirmed in writing prior to each shipment.

The Shipper shall pay within \_\_\_\_\_ from the date of the invoice issued by the Broker. Invoices shall be issued upon completion of each shipment and will include a detailed breakdown of all applicable charges. Payments not received within the specified timeframe will be subject to overdue payments at a rate of \_\_\_\_\_% or the maximum amount allowed by law.

The Broker may offer discounted rates for bulk shipments. The terms and conditions of such discounts shall be negotiated separately and documented in a written agreement.

In the event of a dispute regarding any portion of an invoice, the Shipper must notify the Broker in writing and in detail within \_\_\_\_\_ of receiving the invoice. Both parties agree to resolve any billing disputes in good faith. In such a case, the undisputed portion of the invoice shall remain payable according to the standard payment terms.

If the Shipper fails to pay, the Broker reserves the right to suspend services and may take legal action to recover any outstanding amounts, including legal fees and collection costs. The Broker shall not be liable for any delays or disruptions in services caused by the suspension of services due to non-payment.

#### **4. Insurance**

The Shipper is responsible for maintaining its own insurance coverage for the goods being transported, including Cargo Insurance if necessary, to protect against risks of loss or damage during transit. The Broker's insurance does not provide coverage for the goods themselves, and the Broker shall not be liable for any uninsured losses incurred by the Shipper.

The Broker shall maintain valid and sufficient insurance coverage required for freight brokerage operations. The Broker will also ensure that all Carriers selected for transportation services under this Agreement hold adequate Cargo Insurance and Automobile Liability Insurance, in compliance with applicable federal and state laws, including the regulations set forth by the FMCSA.

#### **5. Selecting Carriers**

The Broker shall use reasonable efforts to ensure that the selected Carriers are qualified, meet industry standards and comply with all applicable laws and regulations, have necessary licenses, insurance coverage, and certifications required by the FMCSA or any other applicable regulatory authorities.

#### **6. Independent Contractors**

The Broker's relationship to the Shipper is that of an independent contractor and nothing in this Agreement shall be construed as establishing an employment relationship, partnership or joint venture between the parties. In any case, the Shipper is not and will not be responsible for any debts or obligations incurred by Broker in the performance of its business. Both parties cannot take any legal actions that will put the other party under debt or liability to third parties.

#### **7. Termination**

This Agreement has been signed for an indefinite period and either party may terminate this Agreement, with or without cause, by providing \_\_\_\_\_ written notice to the other party. Termination without cause shall not affect any ongoing shipments that have already been arranged prior to the termination notice, and both parties shall fulfill their respective obligations for such shipments.

Either party may terminate this Agreement immediately upon written notice in the event of a material breach of any term or condition of this Agreement by the other party. This Agreement may also be terminated immediately if either party becomes insolvent, files for bankruptcy, or makes an assignment for the benefit of creditors. The non-terminating party shall provide written notice of termination based on such insolvency.

Upon termination of this Agreement all pending shipments in transit shall be completed in accordance with the terms of this Agreement, unless the parties mutually agree otherwise and all outstanding fees and charges incurred up to the date of termination shall be paid.

## 8. Force Majeure

Neither party shall be liable for any failure or delay in performing its obligations under this Agreement if such failure or delay is caused by events beyond its reasonable control ("*Force Majeure Events*"). Force Majeure Events may include, but are not limited to natural disasters, government actions, labor disruptions, pandemics and health emergencies, war, terrorism, civil disturbances etc.

In the event of a Force Majeure, the affected party shall promptly notify the other party in writing of the occurrence and the expected duration of the Force Majeure Event and take all reasonable steps to mitigate the impact. If the Force Majeure Event continues for a period exceeding \_\_\_\_\_, either party may terminate this Agreement without liability, upon written notice to the other party. Any payments due for services already performed or goods already delivered shall remain payable.

## 9. Entire Agreement

This Agreement constitutes the entire understanding and agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior agreements, negotiations, and understandings, whether written or oral.

## 10. Assignment

Neither party may assign, transfer, or delegate any of its rights or obligations under this Agreement without the prior written consent of the other party. Any attempted assignment or transfer without such consent shall be null and void.

## 11. Governing Law

This Agreement shall be governed by and construed in accordance with the applicable laws of the \_\_\_\_\_. The parties agree that any legal action or proceeding arising under this Agreement shall be brought exclusively in the state or federal courts located in \_\_\_\_\_ and each party consents to the personal jurisdiction and venue of such courts.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above, intending to be legally bound by its terms and conditions.

**Broker**

**Name**

**Date**

**Signature**

\_\_\_\_\_

**Shipper**

**Name**

**Date**

**Signature**

\_\_\_\_\_



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