



PAYMENT PROTECTION PLAN

Going Global Together

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Globalia's Payment Protection Plan (PPP)

Globalia members are protected against bad debts from other members in several ways.

Strict membership requirements constitute the first line of defence -only the most solvent, reputable, and creditworthy agents are accepted as members. Furthermore, we continue to monitor their performance, and promptly detect any signs of trouble, such as the late payment of an invoice issued by another member. Members must immediately notify the Globalia Organization when a member is late with a payment, and a warning light is shown next to the offending member's Agent Profile (Rule 9.8).

But additional security is provided by the optional Payment Protection Plan (PPP), which protects members against losses due to uncollected debts from other members in the event of bankruptcy or insolvency. It does not cover disputed invoices, which are provided for under Rule 9 (Payments) and Rule 10 (Dispute Resolution Service) specified in Rules and Procedures on the website. The annual contribution is now 500 EUR per member, subject to review each year.

During the first quarter of each calendar year, the Globalia Organization may disburse up to 80% of the monies in the PPP fund as compensation to participating members with debts outstanding from members who have declared bankruptcy or gone out of business during the year, to a maximum amount of 25,000 USD per debtor, although the amount may not exceed the credit limit posted for the debtor member.

To collect such debts through legal means, the PPP will engage the services of a reputable debt collection agency.

PPP accounts will be kept completely separate from those of the Globalia Logistics Network, and will be open to the scrutiny of all participating members.

- Rule 1. Management of the PPP
- Rule 2. Participation in the PPP
- Rule 3. Purpose
- Rule 4. Accounting Period
- Rule 5. Member Coverage
- Rule 6. Contributions
- Rule 7. Compensation Procedures
- Rule 8. Operating Rules for Globalia PPP
- Rule 9. Compensation Evaluation and Calculation
- Rule 10. Procedures for PPP Compensation
- Rule 11. Subrogation
- Rule 12. Administration and Operating Costs
- Rule 13. Effective Date
- Rule 14. Acknowledgment of PPP Operating Regulations
- Rule 15. Payment of PPP Claims
- Rule 16. Jurisdiction
- Rule 17. Disclaimer

Rule 1. Management of the PPP

The PPP is managed and administered by Globalia Logistics Network, who will have the final say on all PPP matters. The Globalia Organization will oversee and administer the PPP fund.

Rule 2. Participation in the PPP

Members who join the PPP will remain protected by the plan as long as they pay the annual fee and remain in good standing in the network. However, any member that has joined the PPP will lose their coverage if they either resign or are expelled by Globalia Logistics Network.

Rule 3. Purpose

The purpose of the PPP is to give members of Globalia (The Creditor) the means, when needed, whereby which a member can recoup unpaid funds/invoices arising from commercial shipments that are owed by another member of Globalia (debtor) which has declared bankruptcy or has ceased operations. A member company which terminates operations because of a merger and/or acquisition will remain liable for its debt and is not covered by the PPP.

Rule 4. Accounting Period

The financial year for the PPP is the same as Globalia's financial year.

Rule 5. Member Coverage

The PPP will cover debts incurred by members of up to 25,000 USD per debtor.

Rule 6. Contributions

The Globalia Organization will determine the annual participation fees.

6.1. The fee per annum for participation in the PPP is 500 EUR. This amount will be reviewed annually, but any increase will never be greater than 10% in a single year.

6.2. Members will be invoiced for the annual membership fee and PPP contributions 15 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.

Rule 7. Compensation Procedures

Should a debtor's membership in Globalia be terminated, the members of the network will be informed by email giving a deadline for making a claim against the PPP. Any claim received after the deadline will not be considered by The Globalia Organisation. PPP members who apply for compensation must satisfy Globalia that;

- The unpaid invoice relates to services in connection with international shipments.
- The invoice was correctly issued in accordance with Globalia's Rules and Procedures.
- Three reminders were sent at reasonable intervals, the last being within 90 days of the date shown on the invoice informing the defaulter that a report would be filed with Globalia.

Rule 8. Operating Rules for Globalia PPP

When making a report, the PPP participant will make a formal request to The Globalia Organisation to contact the defaulting member and assist in recouping of the sum or sums overdue. If a request is not made within 90 days of the date of the invoice, then the overdue sum will not be eligible for any compensation. Once the request for compensation is received, The Globalia Organization will check and confirm that the creditor has complied with the aforementioned procedures, that the creditor made reasonable attempts to resolve the matter although unsuccessfully, and that no claim submitted after the date of the report announced by Globalia was considered.

Rule 9. Compensation, Evaluation and Calculation

During the first quarter of each financial year, The Globalia Organization, at its own discretion, will analyse and assess each individual claim and the total of claims received the previous financial year, using the following criteria:

- 9.1.** The gross amount of an invoice taken into consideration will exclude local taxes, VAT, and interests/charges for late payments.
- 9.2.** The sum of invoices from any creditor/s will be reduced by the amount of any invoices or charges owed by the creditor/s to the debtor.
- 9.3.** Should payments to multiple creditors within the same fiscal year become necessary, proportional payments will be made up to a maximum limit of 25,000 USD per debtor.
- 9.4.** Up to 80% of the PPP fund will be available for compensation. The balance of any funds not distributed in the same fiscal year will be used to increase the PPP funds.

Rule 10. Procedures for PPP Compensation

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

10.1. The unpaid invoice/s relates to a service rendered in conjunction with the shipment documents (Bill of lading, AWB, etc.)

10.2. Services were provided by and at the request of a current member.

10.3. The invoice/s in question meet/s all legal requirements of the country in which it was issued and meets the following minimum requirements:

10.3.1. Complete name and contact information of the company that issued the invoices.

10.3.2. Complete name and contact information of company billed.

10.3.3. Date on which the invoice was issued.

10.3.4. Date of service/s for which the invoice was issued.

10.3.5. Amount billed for the service/s rendered.

10.3.6. Rate quotation details.

Rule 11. Subrogation

Before any compensation payment is made, the Globalia Organization will notify the participant of the compensation amount calculated under Rule 10. As a condition of entitlement, the participant will accept in writing the irreversible transfer of its rights against the debtor in these matters to the Globalia Organization.

Rule 12. Administration and Operating Costs

PPP funds will be used by the Globalia Organization to pay legal and other costs incurred in recovering bad debts between members, and to pay any expenses incurred in the every day operations of the fund. All subscribers of the PPP can access the accounts of the PPP fund.

Rule 13. Effective Date

Subscribers of the PPP cannot make a claim in respect of an invoice if the date of the service is prior to the applicant's participation in the PPP.

Rule 14. Acknowledgment of PPP Operating Regulations

All members will acknowledge that they have read and understood the Rules and Regulations governing the PPP by signing a statement indicating consent to participate in the PPP. Members that do not sign and submit a statement will not be eligible to receive protection under the PPP.

Rule 15. Payment of PPP Claims

Any approved claims made under the PPP will be paid out during the first quarter of each calendar year.

Rule 16. Jurisdiction

Any legal disagreement, conflict, dispute, controversy, interpretation or enforcement of any document related to the PPP shall be submitted to the jurisdiction of the Irish law courts in Limerick, to the exclusion of the jurisdiction of the courts of another country.

Rule 17. Disclaimer

The Globalia Organization will not be liable for any member's failure to meet its obligations to other members or to third parties. Members understand and agree that the PPP is not an insurance policy and that Disputes Resolution is a service. Both the PPP and the Disputes Resolution Service are resources offered by Globalia to its members.



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