



### **§1 Loss of receivables outstanding for collect shipments are settled through the CC Protection trust fund up to the given as per the following rules:**

Whenever a new member joins, the member pays an initial deposit of EUR 500 into the fund once. The member is also charged a membership fee. The initial deposit and membership fee allow the member to participate in the network. No further deposits are required with the exception of supplementary payments to replenish the trust fund in the event of loss.

As per optimum condition, the amount in the trust fund shall be at least equivalent to the number of members multiplied by the basic fee of EUR 500. Members are obligated to pay an additional premium as soon any damage occurs. The additional premium will be charged with the next possible annual fee of membership, proportionately as per numbers of offices enlisted as per §7.

### **§2 Requirements for reimbursements out of the trust fund in the event of loss:**

-The fund will only be applicable if both sides are officially enlisted members of AOP. Each member of AOP must verify for himself/herself prior to handling each single shipment from or for another member of AOP that this forwarder is actually a member of AOP. For this purpose, AOP ensures that the member listing is available on the Internet at [www.ao-partners.com](http://www.ao-partners.com), and is steadily updated and representing the current listing of members. The member will not be reimbursed from the fund in cases where AOP is giving a mere recommendation of an agent upon inquiry, who is not being represented in AOP yet. Only members of AOP which paid their membership fee in time and in full are entitled for reimbursements out of the trust fund.

-AOP members pledge to settle invoices of a particular month on the 20th of the consecutive month.

-In the case of CC shipments, the destination agent must have received the freight invoice by e-mail/fax in advance or upon the arrival of the shipment at the latest.

### **§2.1: Each invoice and/or credit note within the group must be reported to AOP via the "Invoice & Shipment Report - ISR" on our website at the members' area.**

This must be done at the latest 10 days after the job was done, precisely:

EXPORT: 10 days after the shipment has been dispatched.

IMPORT: 10 days after the shipment has been cleared by customs and delivered or handed over.

- ISR will issue a friendly reminder to the paying party on the 10th of the consecutive month of invoice date, to secure that the payment will be made on time in order to be in the creditor's account on the 20th by the latest.

- After the 25th of each month ISR will ask all creditors by email, whether their invoices are factually (actually) paid already. The creditor **MUST answer this email within 10 days** with the status information: paid, not paid, lpa (later payment accepted) or pp (partly paid) by mentioning the failing amount.

After the first payment reminder, the debtor has the obligation to remit the immediate payment, which will again be monitored by ISR. After another 10 days, ISR will ask the creditor again whether the payment has arrived.

-Whether the payment has been made or not all reminders and requests will be consolidated and dispatched every Friday in order to reduce the number of necessary emails sent to a minimum.

-ISR reports to the AOP management, if any members become noticeable for bad payments delays on a regular basis.

- If the payment does not reach the debtor in time despite of the ISR payment reminders, AOP is entitled to issue a warning to all the members without delay that further shipments sent to the debtor will not be covered by the CC-protection-program. This warning may take place at AOP's own discretion considering the circumstances of the individual situation.

-The possible final exclusion of the member can also be considered by the AOP management at AOP's own discretion.

-Duty to furnish proof:

The creditor must observe periods for payment reminders. The creditor must follow to the time periods when payment reminders are to be sent to debtor.)

-The receivables are checked by AOP to determine whether they have been charged fairly (airfreight: net rate + EUR 0.50 is the limit / oceanfreight: net rate + max. 20% is the limit).

If the rate is questionable, for this purpose the CASS invoice / statement by shipping line must be presented to AOP upon request for approval. The AOP member must explain and furnish proof of special cases.

- At no stage can the Air & Ocean Partners GmbH Munich be held directly liable for any financial damages occurring in the network. All issues will and must be resolved based on the terms & conditions of the CC-protection program only.



### **§ 3 Exclusions for reimbursements through the trust fund in the case of loss:**

- A possible loss cannot be settled through the trust fund if longer periods for payment are agreed between AOP members.
- If a member fails to observe an AOP dispatch warning as per §2, any further CC-losses cannot be settled through the trust fund.
- The member is responsible to inform AOP in time and as per true facts about his open accounts via the ISR (mentioned in §2.1) and in the given respite. In case that open amounts were not reported to AOP at all or not via the ISR the protection program will not apply.
- When answering **paid via the ISR, or by not giving an answer to the request mentioned in §2.1 within 10 days, the ISR considers these invoices as paid and ISR will stop monitoring the payment of these invoices. As well these invoices will no longer be under financial security.**
- Financial damage resulting out of business being done with a non-enlisted branch of an enlisted member, will not be resolved out of the trust fund, the CC-protection-program does not apply.

### **§ 4 Loss:**

The loss is settled out of the trust fund, the creditor assigns his rights to the receivables to AOP, who then takes suitable measures in order to obtain the repayment of these receivables. All costs in connection with this (lawyer, travel, expenses, etc.) are paid out of the trust fund. The decision on whether AOP will try to re-obtain the receivables and whether the related costs are standing in reasonable balance to the damage is solely made by the AOP Management.

### **§ 5 Amount of reimbursement:**

- The excess amounts to 20%, but at least EUR 500.00. -The fiscal year of the CC-protection program is from 1st of January to 31st of December. After deducting the excess, the maximum payment per loss and creditor is EUR 15.000,00, however a maximum of 80% of the total amount trust fund effectively 31st of December. In the case of accumulation, the amount paid is divided between the creditors as a percentage share based on each individual debt. The date of reimbursement is the first quarter of the consecutive year, latest (last) the 31st of March of the consecutive year the date of reimbursement is the first quarter of the consecutive year from January 1st to March 31st.
- Open amounts below an amount of EUR 1000,00 will not be reimbursed by the trust fund.
- The creditor's costs for claims processing, VAT and a lawyer will not be reimbursed.
- Only real costs for freight and related costs are reimbursable. Other losses or receivables arising due to time delays or possible contractual penalties are barred from reimbursement, e.g. duties & taxes, interest rates or others.

### **§ 6 Costs of claims processing:**

Claims processing is carried out by Air & Ocean Partners GmbH or an authorized representative. The following expenses are paid by the trust fund to AOP or its representative:

- For claims processing EUR 80,00 per hour, with a minimum of EUR 150,00 per case of loss.
- Any travel costs, flight tickets, hotel costs and any costs directly connected with the collection of the receivables.
- Costs for local lawyers and private detectives and other necessary means

### **§ 7 Replenishment of the Trust-Fund:**

Each member is obliged to replenish the trust fund in event of reimbursements for bad debts considering the size of the network. That means, that the caused costs for the reimbursements will be prorated as per number of offices covered in the network at the point of time of the first warning and exclusion of CC-protection program (as described above).

Members who are enlisted with several offices have to carry the replenishment for each branch enlisted.

The duty for replenishment is valid immediate after the reimbursement with the consecutive membership

### **§ 8 Administration of the trust fund:**

AOP is obliged to manage the trust fund at own discretion as a stable investment.

### **§9 Cross-Payments**

To satisfy the demands of the damaged party/parties AOP will seek solution by administrating cross-payments, means: AOP will try to arrange a summation of debts and credits of the damaging agent. This summation will be done at AOPs own discretion, considering the circumstances.