



Air & Ocean Partners

CC Protection

Loss of receivables outstanding for collect shipments are settled through the CC Protection trust fund.

AOP pays an initial deposit of EUR 15,000.00 into the fund. This amount is withdrawn by the depositor at a later stage. Every time a new partner joins, he pays a basic fund fee of EUR 500.00 into the fund once, which is charged at the same time as the membership fee. No further deposits are required with the exception of supplementary payments to replenish the trust fund in the event of loss. The amount in the trust fund must always be at least equivalent to the number of partners multiplied by the basic fee of EUR 500.00. Partners are obligated to pay an additional premium as soon as the fund holds only 80% of the minimum deposit. In case that a member cancels the membership, the deposit is refundable minus potential replenishment demands. The deposit is only refundable in case that the member cancels the membership within the respite given in the terms & conditions of AOP, otherwise the deposit remains in the fund.

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 assure himself prior to handling each single shipment (from or for another member of AOP) that this forwarder is factually a member of AOP. For this purpose AOP ensures that the member listing available in the internet at www.ao-partners.com is steadily updated and representing the current listing of members. The fund is not applicable in case that AOP is giving a mere recommendation of an agent upon Inquiry, who is not being represented in AOP yet.
- AOP members pledge to settle invoices within 30 days.
- 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.
- If an invoice has not been settled after 40 days, the creditor must first send a payment reminder to the debtor, with a copy to AOP. AOP will also warn the debtor, offering to intervene and provide advice if anything is unclear, but will also give clear instructions that payment must be made within the next 10 days. The date on which the creditor receives payment is authoritative.
- If payment still has not been made 60 days after the date of the invoice, and no reasons for this have been given, AOP can warn all the partners without delay that no more shipments may be sent to the debtor. This warning may take place at AOP's own discretion considering the circumstances of the individual situation.
- The exclusion of the partner can be considered at AOP's own discretion considering the circumstances.
- Duty to furnish proof: The creditor must be able to prove that the invoice was dispatched and the payment reminders were sent in due time. The creditor must observe periods for payment reminders.
- The receivables are checked by AOP Risk Management to determine whether they have been charged fairly (airfreight: net rate + EUR 0.50 is the standard / oceanfreight: net rate + max. 20% is the standard). The AOP member must explain and furnish proof of special cases.
- At no stage the Air & Ocean Partners GmbH Munich can be held liable directly for any financial damages occurring in the network. All issues will and must be solved based on the terms & conditions of the CC-protection program only.

Exclusions for reimbursements through the trust fund in the case of loss:

- A possible loss cannot be settled through the trust fund any longer if longer periods for payment are agreed between AOP members.
- If a partner fails to observe an AOP dispatch warning, any further CC-losses cannot be settled through the trust fund.
- The partner is responsible to inform AOP in time and as per true facts about his open accounts. This is done either by the monthly overdue report or in exceptional cases by separate message to AOP via info@ao-partners.com. If AOP does not get the information in time, the trust fund will not apply.



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Loss:

In case of a minor loss or loss for which recourse to the law situation is not very promising, the loss can be settled directly out of the trust fund.

In other cases the loss is also settled out of the trust fund, but the creditor assigns his rights to the receivables to the trust fund which 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 such costs is made jointly between the AOP Management and Gerhard Summer Risk Management Munich.

Amount of reimbursement:

-The excess amounts to 20%, but at least EUR 500.00.

-After deducting the excess, the maximum payment per loss and creditor is EUR 15,000.00, however a maximum of 60% of the total amount currently in the trust fund. In the case of accumulation, the amount paid is divided between the creditors as a percentage share based on each individual debt.

- open accounts 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 are not reimbursed.

-Only the real net costs for freight and related costs are reimbursed. Other losses or receivables arising due to time delays or possible contractual penalties are barred from reimbursement.

Costs of claims processing:

Claims processing is carried out by Gerhard Summer Risk Management Munich. Gerhard Summer Risk Management Munich works on the orders of and as agreed with the AOP Management.

The following expenses are paid by the AOP trust fund to Risk Management:

-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 as agreed with AOP Management.

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 locations covered in the network. 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 event of loss (all members shall be informed about this appropriately. The final chargement will at least be taken at the same time with the partnership fee. Exception: the sum of the trust fund sinks below 50%.