



Payment Protection System (PPS) Guide

1. Definitions

- 1.1. “PPS” means Payment Protection System.
- 1.2. “FREIHUB” means EASY FREIGHT LTD trading as FREIHUB - Publishers of <http://freihub.com> its associates and/or subsidiaries.
- 1.3. “The Member Agent” means the firm, company or organization with whom the Agreement is made.

2. Management

The PPS is managed and administered by FREIHUB, whose decision will be final.

3. Purpose

The PPS provides a Member Agent (creditor) an option to recover unpaid funds/invoices arising from shipments that are owed by another Member Agent (debtor) which has declared **bankruptcy** or **gone out of business**. A Member Agent that ceases to exist as a result of a merger and/or acquisition is considered to remain liable for its debt and is not covered by the PPS.

4. Participation in the PPS

- 4.1. Only **Platinum** members are eligible for PPS. **Both** Member Agents must have Platinum status. All Member Agents must meet the requirements set in FREIHUB Rules & Procedures. Expired Member Agents status is not entitled to submit claims to FREIHUB. All Member Agents must pass the screening process of FREIHUB to be able to participate in PPS.
- 4.2. Participation in the PPS can be revoked by FREIHUB in writing within 30 days subject to member screening. The overpaid funds will be refunded and the Member Agent will be downgraded to Gold membership.
- 4.3. Prior to transacting with the Member Agents, members must verify that his partner is still registered on FREIHUB website as Platinum member.

5. Member Coverage

The PPS will cover debts incurred by Platinum members of up to 10,000 USD per debtor.

6. Compensation Procedures

When the debtor's Platinum membership with FREIHUB is terminated, notification of the termination will be given by email along with a deadline date for making any claim against the PPS. No claim received by the FREIHUB after the deadline will be considered. Participants who apply for compensation must satisfy FREIHUB that:

- The unpaid invoice relates to services in connection with shipments of the goods.
- The invoice was correctly issued in conformity with rules set in clause 7.
- Three reminders were sent at reasonable intervals, the latest being within 90 days of the date of the invoice informing the defaulter that a report would be filed with FREIHUB.

7. Operating Rules for PPS

In its letter, the PPS participant will formally request FREIHUB to contact the defaulter and assist in the recovery of the sum or sums overdue. If no request is made within 90 days of the date of the invoice, then the overdue sum will cease to qualify for any compensation.

Upon receipt of a request for compensation, FREIHUB will verify that the creditor complied with procedures set in Clause 6, that reasonable attempts to resolve the matter were made and were unsuccessful, and that no claim submitted after the report date as announced by FREIHUB was taken into consideration.

8. Procedures for PPS Compensations

For a compensation request to be honored a member agent must file a late-payment-report within 90 days of transaction. He will provide documentation to FREIHUB establishing the following:

- The unpaid invoice/s which relates to a service rendered in conjunction with the shipment documents (Bill of lading, AWB, etc.)
- Services were provided by and at the request of a current member.
- The invoice/s in question meet/s all legal requirements of the country in which it was issued and meet/s the following minimum requirements:
 - Complete name and contact information of the company that issued the invoices.
 - Complete name and contact information of company billed.
 - Date on which the invoice was issued.
 - Date of service/s for which the invoice was issued.
 - Amount billed and currency for the service/s rendered.
 - Description of the services provided.

9. Office Eligibility

Only invoices relating to the offices/cities that are registered will be eligible to participate in PPS i.e. if a company only registers its Hong Kong office but has several other offices in China, only invoices covering freight originating from/destined to their Hong Kong office will be considered as eligible.

10. Effective Date

No application for compensation will be accepted in respect of an invoice if the date of the service is prior to the applicant's participation in the PPS.

11. Payment of PPS Claims

Payment of approved claims under the PPS will be made within 30 days since claim is approved by FREIHUB.

12. Jurisdiction

Any legal disagreement, conflict, dispute, controversy, interpretation or enforcement of any document related to the PPS shall be submitted to the jurisdiction of New Zealand High Court in Wellington, to the exclusion of the jurisdiction of the courts of another country.

13. Disclaimer

FREIHUB will not be liable for any member's failure to meet its obligations to other members or to third parties. Member agents understand and agree that the PPS is not an insurance policy. PPS is a service offered by FREIHUB to its Platinum members. FREIHUB reserves the right to change the PPS rules anytime and will notify members within 30 days.