



X2 LOGISTICS NETWORKS CLAIM PROCEDURE

X2 operates and manages the X2 Financial Protection Plan in accordance to the rules and process of the financial protection system and online resolution center accessible within the members area of each associated network sites.

1. Purpose Of X2 Group Financial Protection Plan:

The purpose of the X2 Group FPS Plan is to provide compensation for monies lost due to non-payment of specific charges for the handling of transactions as it relates to the movement of general cargo between X2 member companies, within the guidelines of this plan.

The plan does NOT cover the cost of the goods that are the subject of the movement under any circumstance. X2 management administers X2 Group FPS Plan. It is a benefit for all enrolled offices of member companies of the X2 Logistics networks. An “enrolled office” is an office, headquarters or branch office of a member company of X2 that has applied for and been accepted for membership and is current on payment of the required membership fees for each and every office “enrolled.” Companies with non-enrolled offices in the vicinity of places of origin, or final destination of shipment(s) are NOT covered by X2 Group FPS Plan for those specific shipments. An “enrolled office” is listed on the webpage of each member company on X2 Logistics networks website membership directory specific to each network.

Offices of member companies for which no membership fee has been remitted, and are not listed on the X2 Logistics Networks website membership directory are NOT enrolled for any purpose(s) regarding X2 member benefits.

Invoices that have exceeded 90 days from the issue date will not be accepted by the Financial Protection System.

2. Compensation Limitation:

(Please see X2 Logistics Networks Financial Protection Plan)

The current structure of compensation is limited to member to member business transactions within each individual network.

Cross network transactions are now being considered and this will be decided after our group member evaluation system has been implemented in September 2019. This potentially could see a new structure under the X2 Premier network that only qualifying members will be able to work via cross network financial protection. (Pending Evaluation system September 2019) Until this has been approved there is no cross network financial protection within X2.

Currently we cover as follows:

- Elite member to Elite Member
- Project member to Project Member
- Critical member to Critical Member
- Cold Chain member to Cold Chain Member



- Asia Global member to Asia Global Member
- Mover member to Mover member

3. X2 Claims Procedures:

- a.** Claims to X2 FPS Protection Plan must be filed within 150 days of the date of the unpaid invoice(s) and during the coverage period. No claims will be accepted for invoice(s) dated LESS than 90 days old, or more than 150 days from the date of the invoice(s). (See Exclusions below and in the FPS Protection Plan). Claims must be submitted AFTER the 90th day but before the 151st day from the date of the invoice(s).
- b.** Claims must be submitted via the online 'Resolution Center' and submitted in writing via email to claims@x2logisticsnetworks.com. Claims must be received by X2 within the time frame indicated in para 3, sub para (a.) above.
- c.** A claimant must disclose to X2 all other networks to which their company or any of its enrolled branches hold membership, the claimant will have to provide the full members list of which the company and their branches are enrolled. If the claimant does not provide this information, or if X2 determines the information provided is incorrect or incomplete, the claim will be rejected.
- d.** Any payments received by a claimant from a debtor company after the filing of a claim must be applied towards the claim, beginning with the oldest invoice(s) protected by the claim.
- e.** X2 FPS Protection Plan Team will acknowledge claim upon receipt and will conduct a preliminary investigation, after which a preliminary determination will be reached: If it is determined that a dispute exists, both parties will be notified and the X2 FPS Protection Plan file suspended pending resolution of the dispute.
- f.** ALL disputes MUST be filed within 150 Days of the cargo movement. Disputes over one year old will be closed with no action taken other than notification to the parties of the closure.
- g.** For the purposes of this procedure, a "dispute" will be defined as a situation in which a debt is unpaid for cause, and not simply due to lack of message acknowledgement or financial difficulties.
- h.** X2 and its affiliates will NOT process any disputes involving non-enrolled offices.
- i.** When submitting a claim, the reporting member must complete the official "X2 FPS Protection Plan Claim form" and email to claims@x2logisticsnetworks.com along with the claim form, all supporting documents such as invoices, statement of account, master and house shipping documents (MAWB, HAWB, MB/L, HB/L), delivery receipts, communications, etc. must be supplied to X2 FPS Protection Plan Team as the X2 Management will be required to review entire file before approving.
- j.** During a claims investigation, if it is determined that a party to the claim knowingly presented, or caused to be presented a false claim, or knowingly made, used, or caused to be made or used, a false record, document or statement material to the claim, then such claim will be CLOSED and no payment will be forthcoming.
- k.** Once a claim is raised and all relevant information is handed over to X2 Management, this will



result in immediate suspension of the debtor during the investigation period.

l. If the X2 management approves the claim, then X2 reserves the right to terminate membership of the party against whom the claim is paid and notify all other members of the action.

m. X2 reserves the right to offset claim amounts against monies due by the claimant to X2, other X2 member companies, and any subsidiary company of X2.

n. The X2 FPS Protection Plan is allowed 60 days from the original filing date of the claim to investigate the claim and attempt to effect closure of the claim between the parties involved. This 60 day period shall be exclusive of time spent in the mediation or arbitration process.

4. Exclusions:

The following transactions and losses are specifically excluded from coverage under the plan:

a. Payment for the cost of the cargo, lost or damaged cargo, or cargo containers, or any cost associated with the destruction of cargo.

b. Losses resulting from the failure to obtain a properly endorsed original bill of lading or from the failure to obtain a proper bank release of cargo.

c. Payment for losses that are otherwise covered by Errors and Omissions Insurance, or any other insurance coverage.

d. Losses suffered by non-members or the clients of a member.

e. Losses resulting from currency exchange fluctuations.

f. Any loss resulting from any measure or decision of national, regional or local authorities in any country that result in confiscation or seizure of merchandise.

g. Losses resulting from any political event, economic difficulty or legislative measure that prevent or delay the transfer of payments.

h. Losses resulting from war, rebellion, hostilities, riot, civil commotion and natural disasters.

i. Subsequent losses after a claim is filed resulting from continuation of business between a member company filing the claim and the member company identified as debtor in the claim, during the pendency of the claim.

j. Losses resulting from demurrage, storage, detention charges, fines, penalties, duties, taxes, or similar levies.

k. Coverage for any losses wherein either or both members either knowingly or should have known that the movement, contents, or other aspects of the transaction were illegal or otherwise circumscribed by either the importing or exporting countries laws.



l. Legal fees or services.

m. Any claims filed wherein the invoice(s) are less than 90 days, and/or more than 150 days from the date of the invoice(s).

n. Losses for shipments invoiced more than 30 days after the departure of shipment when Claimant Company is Origin Agent. Losses for shipments invoiced more than 30 days after arrival of the shipment when Claimant Company is Destination Agent.

o. Transactions between branches of the same company, between companies sharing common owners or wherein a company involved is a progeny of the other company.

p. Any transactions with a Suspended and/or Terminated member after the date of such suspension or termination.

q. Interest and/or late payment fees.

r. Losses caused by the intervening acts of third parties, such as fraud, false documentation, or other criminal or tortious acts.

s. Shipments or movements to/from or through sanctioned countries.

t. Losses caused by the extension of credit for chartering fees, or caused by the use of part or full charters.

5. Controlling Authority:

X2 management will oversee the X2 Financial Protection Plan. In case of claim rejection, the member company will remain free to pursue any other means of collection at its disposal, and the decision of the X2 management or the X2 board should not be construed as having any legal bearing on the collection process.

6. Termination Of Protection:

X2 and its affiliates reserve the right to terminate financial protection for future transactions for any given member company with notice at any time. Protection under the X2 Financial Protection Plan will terminate upon email notification to the members and/or removal of the member company from the X2 website and roster, or upon the non-renewal of membership.