

LFS GLOBAL LOGISTICS GROUP

LFS GLOBAL LOGISTICS GROUP FUND PROTECTION PLAN

The purpose of the LFS GROUP FUND PROTECTION (herewith shall be known as LFS FPP) is to provide compensation for monies lost due to liquidation of a full member during the period of the membership. LFS Executive Committee (herewith shall be known as EXCO) administers LFS FPP. It is a benefit for all enrolled offices of member companies of LFS Group network. An enrolled office is an office, headquarters or branch office of a member company of LFS that has applied for and been accepted for membership and is currently 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 are NOT covered by LFS Fund Protection Plan. An enrolled office is listed on the webpage of each member company on LFS Group home page directory.

COMPENSATION LIMITATION

The amount of compensation is limited to USD20,000 per liquidated member to be distributed accordingly to any claims by participating company which are full member of LFS Global Logistics Group. A claimant company has an affirmative duty to recover debts. Failure to do so will reduce or eliminate compensation from the plan. LFS FPP has the absolute right to accept, offset or turn down any claims for any amount the liquidated member owes to the debtor company. The maximum to be paid in all claims in any twelve-month period shall not exceed USD20,000 thereafter claims will be paid in the order in which they are received. Claims for losses must be filed within the term of the claimant's membership in the LFS Group.

CLAIMS PROCEDURES:

1. Claims to LFS FPP ***must be filed within 30 days of any liquidated member with invoices unpaid for period of maximum 60 days.*** No claims will be accepted for invoice(s) dated more than 90 days old.
2. Claims must be submitted in writing via email to group-secretary@lfsgroup.org copied to davidlim@lfsgroup.org. Claims must be received by EXCO within the time frame indicated in sub-para (a.) above.
3. Any payments received by a claimant from a debtor company after the filing of a claim must be applied towards the claim.
4. LFS FPP will acknowledge claim upon receipt and will conduct a preliminary investigation, after which a preliminary determination will be reached:
 - 4.1. If it is determined that a member being liquidated exists, parties concerned will be notified and LFS FPP will process claims.
 - 4.2. For the purposes of this procedure, a "liquidated member" will be defined as a company who is a member at the time of liquidation and completely dissolve / bankrupt being define in local law.
 - 4.2.1. Liquidation with evidence of a Court Order
 - 4.2.2. Committee to decide if such liquidation prevail.
5. When submitting a claim, the reporting member must complete the official LFS FPP claim form and email to group-secretary@lfsgroup.org copied to davidlim@lfsgroup.org. Along with the

LFS GLOBAL LOGISTICS GROUP

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 LFS FPP as the EXCO will be required to review entire file before approving.

6. ***During a claims investigation, if it is determined that a party to 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.***
7. LFS reserves the right to offset claim amounts against monies due by the claimant to LFS members

EXCLUSIONS:

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

- a. Losses suffered by non-members or the clients of a member.
- b. Losses resulting from war, rebellion, hostilities, riot, civil commotion and natural disasters.
- c. Legal fees or services.

CONTROLLING AUTHORITY:

LFS EXCO will oversee the LFS FPP. 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 EXCO should not be construed as having any legal bearing on the collection process.

TERMINATION OF PROTECTION:

LFS reserves the right to terminate LFS FPP for future transactions for any given member company with notice at any time. Protection under the LFS FPP will terminate upon email notification to the members and/or removal of the member company from the LFS membership listing, or upon the non-renewal of membership.

Proposed by

Seconded by

Confirmed by

Date: