



X2 LOGISTICS NETWORKS PROTECTION PLAN

1. Purpose of X2 Logistics Networks Protection Plan

The purpose of the X2 Logistics Networks Protection Plan is to provide compensation for monies lost due to non-payment of invoices for the handling of transactions between member companies.

The Protection Plan is administered by X2 Logistics Networks management. It is a benefit for all enrolled offices of member companies of the X2 Logistics Network.

Our belief and focus is on professionalism and our experience within this industry proves that if companies participating within a network are professional and communicate effectively, many of the problems faced between agents that often turn into disputes can be reduced significantly.

In order to be covered under the X2 Financial Protection Plan, all invoices are to be submitted through the X2 Financial Protection System. This will allow and ensure that all members of X2 Logistics Networks are closely monitored and regular communication will be conducted.

2. Compensation Limitation

Clause 2.1

The amount of compensation is limited to US\$25,000 per participating company from losses caused by one participating company. X2 Logistics Networks has the absolute right to offset the claimed amount against any amount the claimant owes to the debtor company. We will also hold other networks responsible for up to their maximum limit of coverage, and consequently reduce compensation from the X2 Logistics Network Protection, accordingly. If a claimant has coverage for losses via membership in another network or otherwise, they must inform the X2 Logistics Networks management and identify that coverage.

Clause 2.2

X2 hereby agrees to honor all claims made by its members that meet the terms and conditions listed above except in cases of dual network membership by both claimant and plaintiff. In the case that both parties are also members of another third party logistics network, X2 hereby states that it will cover only fifty percent of the original claim amount, regardless if this third party network offers a financial protection plan or not. In the case that both claimant and plaintiff are both members of more than one other third party network, X2's liability will decrease fractionally with each additional network included. For example membership in three networks, X2 will cover 33% of the agreed amount, four networks, 25% of the agreed amount, and so on. Failure to disclose this information at the time of making a claim will lead to any claim being null and void, as well as X2's full right to claim back the full amount of the total claim, plus reasonable and fair damages from the offending party.



Clause 2.3

Only member offices enrolled and listed on X2 Logistics Networks websites at the time of the transaction are covered under the X2 Logistics Networks Protection Plan. The maximum to be paid in claims in any twelve month period shall not exceed US \$100,000.00. Thereafter, claims will be paid in the order in which they are received. All debts/claims approved for payment must be assigned to X2 Critical prior to payment. Claims for losses must be filed within the term of the claimant's membership in the X2 Logistics Network.

3. Exclusions

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

- A.** Payment for the cost of lost or damaged cargo or cargo container.
- B.** Losses resulting from the failure of 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 a member's Errors and Omissions Insurance, or any other insurance coverage of the member.
- D.** Invoices that have exceeded 15 days from the issue date will not be accepted by the Financial Protection System.
- E.** Losses suffered by non-members or the clients of a member.
- F.** Losses resulting from currency exchange fluctuations.
- G.** Financial recuperation of losses due to third party fraudulent acts.
- H.** Any loss resulting from any measure or decision of national, regional or local authorities in any country which result in confiscation or seizure of merchandise.
- I.** Losses resulting from any political event, economic difficulty or legislative measures which prevent or delay the transfer of payments.
- J.** Losses resulting from war, rebellion, hostilities, riot, civil commotion and natural disasters.
- K.** 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.
- L.** Losses caused by company liquidation and bankruptcy.
- M.** Losses resulting from demurrage, storage, or container detention charges.
- N.** 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.



- O. Legal fees or services.
- P. Any losses wherein the claimant company has extended credit to the debtor company of longer than 150 days.
- Q. [Provisions subject to change without notice]
- R. Losses for shipments that were invoiced by the claimant company more than 30 days after the departure or arrival of the shipment.

4. Controlling Authority

The X2 Logistics Networks Protection Plan will be overseen by the X2 Logistics Networks Management. 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 Logistics Networks management should not be construed as having any legal bearing on the collection process.

5. Termination of Protection

Protection under the X2 Logistics Networks Protection Plan will terminate upon email notification to the members and removal of the member company from the X2 Logistics Networks website and roster, or upon the non-renewal of membership.

6. Claims Procedures

- A. Claims to X2 Logistics Networks 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 invoices less than 90 days old.
- B. Claims must be submitted in writing via regular mail, fax, or email to claims@x2logisticsnetworks.com or via the on line claim form in the members section of our website.
- C. The X2 Logistics Networks Protection Team will acknowledge claim upon receipt and will conduct a preliminary investigation, after which a preliminary determination will be reached:
 - 1) If it is determined that a dispute exists, both parties will be notified and the X2 Logistics Networks Protection Plan file will be closed.
 - 2) For the purpose 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.
- D. If not a dispute and member confirms money is owed, they will have 30 days in which to satisfy the debt from the date member confirms debt is valid.



- E.** If debt is not satisfied within 30 days, reporting member will file attached official “X2 Logistics Networks Protection Plan Claim Form” via e-mail (claims@x2logisticsnetworks.com), which will be forwarded to X2 Logistics Networks Management.
- F.** [Provisions subject to change without notice]
- G.** Along with the claim form, all supporting documents such as invoices, bills of lading, delivery receipts, communications, etc. must be supplied to X2 Logistics Networks as the X2 Logistics Networks Management will be required to review entire file before approving.
- H.** If the X2 Logistics Networks Management approves the claim, then X2 Logistics Networks reserves the right to terminate membership of the party against whom the claim is paid and notify all other members of the action.
- I.** X2 Logistics Networks reserves the right to offset claim amounts against monies due by the claimant to X2 Logistics Networks.