

WPA PAYMENT PROTECTION PLAN (PPP)

WPA wants and demands integrity when it comes to debt settlement between members. With this in mind, WPA has developed its own unique **WPA PPP** procedures. The \$500.00 contribution to the PPP is per 12 month paid membership and the PPP remains under control/ownership of WPA and is not members funds. If a member leaves WPA there is NO refund on PPP contributions. WPA also has an important rule that any member reported for tardy payments x 3 times may be terminated under the “3 red dots and you are out” rule. There are no membership fee refunds if this action is needed.

The main policies of the **WPA PAYMENT PROTECTION PLAN (PPP)** can be summarized as follows:

- a) WPA expects all members to pay their debts by no later than the end of the month following the invoice date. For example, a May 15th invoice should be settled by latest June 30th. Exceptions are when members have previously agreed, in writing, to a different payment schedule or when the debt involves ocean freight with long transit times. Payment shall NOT be dependent on collection from consignees as this is at the sole option/discretion of the members themselves.
- b) Any debts in excess of terms MUST be reported to WPA when they become 15 days past WPA terms (in the above example, July 15th). WPA will distribute a mid-month reminder on the 15th of every month. If not reported by the 7th day (the 22nd), these debts will NOT be eligible for recovery from the WPA PPP. Whenever a delinquent debt is reported WPA will intervene to assist in collection including broadcasting details to other WPA Members, placing that member on Hold Status and termination in the event of on-going or multiple delinquencies. If WPA is unable to collect this debt within a reasonable time-frame, it will be settled by the WPA PAYMENT PROTECTION PLA to the extent specified below.
- c) **WPA will pay out a maximum of an aggregate of the higher of USD 40,000 per claim (to a maximum of 80% of the fund balance in the unlikely event that we have a multitude of claims)** , pro rata to the amounts owed (Example: If one WPA Member is owed \$35,000 and another \$20,000 for a total of USD 55,000, they will be paid \$25,500 ($35K/55K * 40K$) and \$14,500 ($20K/55K * 40K$) respectively). Payment from the fund that are \$500.00 or below will be paid by way of a credit note that can be used only against future membership fees, this is to avoid incurring wire fees on small amounts i.e \$300.00 might incur a 15% wire fee both ends and does not make for a viable business decision as payment is eroded by fees.
- d) Should any member have access to any other means of full or partial recovery via receivable insurance coverage, sale of freight or even being a participant in another network offering receivable coverage, WPA will assume a secondary position. Any claim will be subject to endorsing the relevant debt over to WPA.

e) All delinquent debts will be (i) announced to WPA Members, (ii) reported to **FreightDeadbeats** for their independent collection action and reporting (with associated collection fees being paid by the WPA PPP). Only upon Freightdeadbeats reporting back about the status of recovering this debt shall payment from the WPA PPP be approved by WPA Management.

f) **It specifically excludes any debts resulting out of operational disputes/mistakes – for such events every member of WPA Network is requested to have covered a forwarders liability insurance!**

g) The PPP shall ONLY be used for delinquent and bad debts when WPA is unable to recover monies on behalf of a member. It specifically excludes operational disputes/mistakes. **Those delinquent/bad debts pertain only to General Freight /Heavyweight Freight but excludes any transactions under PROJECT, HEAVY LIFT, PERISHABLE, HAZARDOUS, DANGEROUS, FIRE-ARMS, COLD CHAIN, LIVE ANIMALS, BULLION or BANK NOTES and other NICHE COMMODITIES due to the potential for very large amounts of monies to be exposed and/or potential for damages due to the need for focused “white glove” handling and detailed paperwork requirements that very few General Freight Forwarders can accommodate. Members should agree credit terms on a shipment-by-shipment basis. Claims against the WPA PPP can only include physical transportation costs and does not include any debt/claim pertaining to Import Duties or Taxes at destination.**

h) In order to facilitate transactions between WPA Members, the PPP shall also be used to guarantee initial transactions between members up to USD 5,000 in order to allow/establish Open Account Credit status to be granted between members. This ruling allows a seamless 1st transaction credit agreement on initial activity BUT any default in payment must be reported to WPA under the rules of the PPP. WPA initial \$5000.00 guarantee is to facilitate initial 1st shipment process between new members.

i) ***Important*** Members who claim against the fund for legitimate reasons but also include bad debt from dates outside our mandatory PPP timelines, will not be considered for payment for either existing or old debt. Because you are in non-compliance with the older debt, WPA will not accept any of the debt rendered. Non compliance with our timelines means no claim is possible by our members.

J) Force Majeure:WPA adopts Force Majeure policy that frees us from liability or obligation when an extraordinary event or circumstance beyond our control, such as war, sanctions, strikes, riot, crime or an event described by the legal term “Act of God” (such as Hurricanes, Flooding, Earthquakes, Pandemic, Volcanic eruption). Force Majeure is NOT intended to excuse negligence – as where non-performance is caused by usual and natural consequences of external forces.

k) Claims against the WPA PPP only includes physical transportation costs and **does not** include any debt/claim pertaining to Import Duties or Taxes at destination.