



PPL Cover Against Non-payment (PPL CAN)

PPL Networks has established a Financial Protection Fund for the benefit of its members. Since February 2012, a number of PPL Active Members have been contributing to this FUND.

Very important to note that the PPL Cover Against Non-payment (PPL CAN) works in conjunction with the PPL CREDIT REPORTING (PCR).

I. GENERAL OVERVIEW:

"**PPL CAN** is the collective, cooperative, collaborative and unified fund contribution by active PPL members".

Definitions:

*All terms covered under **PPL CAN** include those from the PPL rules and regulations and the PPL CREDIT REPORTING with the addition of the following:*

- Participants: PPL members and PPL affiliated company/ies or branch/es which are active and have paid their membership fees annually and timely.
- Creditor: PPL member/company to whom money is owed.
- Debtor: PPL member/company who owes money.

The **PPL CAN** is self-funded by PPL Networks' Members. The fund held under **PPL CAN** are limited to what is available for members to use in case of insolvency.

PPL CAN is a mean of last resort for dispute claims as a result of insolvency and bankruptcy by ACTIVE PPL MEMBER/S.

PPL CAN will be in conjunction with PPL CREDIT REPORTING. **Any outstanding/unpaid invoices NOT REPORTED via the PPL CREDIT REPORTING will NOT BE CONSIDERED for recovery under the PPL C.A.N.**

PPL CAN contribution is non-refundable.

Management and Purposes of PPL CAN:

- **PPL CAN** is governed, managed and supervised by the PPL HQ's Finance Team.
- **The PPL CAN Fund will be maintained in the books as 'FUNDS HELD IN TRUST' account. These 'funds held in trust' account will not in any form be considered income by the PPL Networks. It is a reserved fund to satisfy claim for default payment due to insolvency.**

ADDITIONAL RULES:

1. Corresponding PPL member/s at default will have all claims reported to the FDRS for initial collection effort in cooperation with the PPL HQ collection team.
2. Only members who have paid their PPL CAN contribution are entitled to claims or compensation.
3. In order to receive payment from the **PPL CAN**, the recipient must agree to sign any future recoveries of the debt over to the PPL Networks Debt Collectors and to fully cooperate with PPL CREDIT REPORTING Centre in instituting collection and/or legal recovery of such debt.

II. FEES AND SETTLEMENTS:

Fees:

*** PPL CAN premium will be set at USD 500/year (net) for 3 years contribution. Total contribution should be at least USD 1,500 for full coverage.**

- **Founding Members**
- **Gold Members (minimum 5 years membership in good standing)**
- **Silver Members (minimum 3 years membership in good standing)**
- **Blue Members (minimum 2 years membership in good standing)**
- **Basis of membership tier is determined by the number of years as active PPL member **on continuous tenure** in good standing (not interrupted for more than one month).**
- **PPL Networks HO has the sole discretion for membership tier qualification.**

Coverage and Settlements:

Founding active PPL members will be covered up to USD 30,000 total claim in one year provided they have paid the total contribution.

Gold Members will be covered up to USD 25,000 total claim in one year provided they have paid the total contribution.

Silver Members will be covered up to USD 15,000 total claim in one year provided they have paid the total contribution.

Blue Members will be covered up to USD 10,000 total claim in one year provided they have paid the total contribution.

- ***The total claim amount that PPL CAN will have to settle at any dispute period of 1 year will only be at an aggregate 70% of the total available fund per books.***
- There are PPL members who do not give credit (and don't need credit) so simply not covered by this fund.
- PPL Networks will not approve any credit applications as sole decision lies with the corresponding PPL members to grant credit terms.
- PPL CAN contributions should be at least 3 years as per tier membership. Those members who contributed only for 1 year, would only be entitled to the lowest coverage tier amount (USD 10,000).

III. QUALIFICATION OF CLAIMS:

A. PPL new members may only register to the PPL CAN after 2 years from joining the network and in good standing. They will be sent PPL CAN invoice if they are willing to join the fund.

B. PPL CAN only covers claims against non-payment by PPL members as a result of insolvency and/or bankruptcy, provided both parties in the transaction have contributed to the fund.

B.1. PPL CAN will NOT cover cargo claims as a result of force majeure, vessel or carrier fault, cargo abandonment, misroute shipments, and/or misrepresented shipments due to government and location restrictions.

B.2. PPL CAN will NOT cover any claims caused by computer fraud, computer hackings, scams or other fraudulent acts.

C. For transaction between members belonging to different members tier, the lower coverage amount will be applicable and will prevail.

IV. CLAIMS and PROCEDURES:

Participants who apply for compensation, must satisfy ALL of the following conditions set by the *PPL Networks Management*:

- ✓ An active PPL member, party to the transaction, declared insolvency.
- ✓ Claims should be made within 15 days after notice of bankruptcy/insolvency.
- ✓ Three (3) reminders have been sent at reasonable intervals, the latest being within 60 days of the date of the invoice as **reported via PPL CREDIT REPORTING**.
- ✓ An official report has been filed by the PPL member/creditor with the **PPL Networks Management** within 75 days from the date of the invoice and in any case by the last day for claims.
- ✓ Claims are only valid if reported via PPL PCR within 10 days as from invoice date.

V. BINDING PPL CAN REGULATIONS:

- Compensation of approved applications should be filed prior to the termination or discontinuance of any PPL membership.
- The PPL Top Management may amend these governing rules from time to time. Any amendments done will be circulated to all PPL Network Members.
- The year to date total amount of **PPL CAN** Fund will be the basis for the aggregate pro rata settlement in case of multiple and qualified claims.
- The **PPL HO MANAGEMENT** has the SOLE discretion to amend aforementioned guidelines and provisions, as they deemed necessary.
- **PPL CAN** is managed by the company PPL Networks Ltd. and is registered in the Republic of Vanuatu. Any dispute arising against the company will be under the jurisdiction therein.

PPL Networks Management