



FETA FREIGHT SYSTEMS INTERNATIONAL (FFSI)

CONSTITUTION

FETA FREIGHT SYSTEMS INTERNATIONAL (FFSI)**CORPORATE HEADQUARTERS**

ADDRESS UNIT 1318, 13/F., BLOCK B, REGENT CENTER, 70 TA CHUEN PING STREET, KWAI CHUNG, HONG KONG

E-MAIL alai@ffsintl.net

CONTACT MS ADA LAI, CHIEF ADMINISTRATIVE OFFICER
(E-mail: alai@ffsintl.net)
(Mobile: (852) 91904110)

CHAIRMAN OFFICE

ADDRESS 12F., NO. 129, SEC. 2, JIANGUO NORTH ROAD
ZHONGSHAN DISTRICT, TAIPEI CITY 10483, TAIWAN ROC

TELEPHONE (886) 2 25185057

FAX (886) 2 25185199

CONTACT MR. ANTHONY WONG, CHAIRMAN
(E-mail: anthony.wong@ffsintl.net)
(Mobile: (886) 932 216208)

NETWORK SERVICES OFFICE

CORRESPONDENCE ADDRESS
P.O. BOX 208, LAS PINAS CENTRAL POST OFFICE,
1740 LAS PINAS CITY, PHILIPPINES

TELEPHONE (63) 2 – 8233641 / 4040003

FAX (63) 2 – 8317837

CONTACT MS JOY MORTEL, NSO ADMINISTRATOR
(E-mail: jmortel@ffsintl.net)

CONTENTS

	<u>PAGE</u>
➤ CORPORATE HEADQUARTERS & ACCOUNTING DETAILS	1
➤ CHAIRMAN'S OFFICE DETAILS	
➤ NETWORK SERVICES OFFICE DETAILS	

CLAUSE

1. INTERPRETATION	3 - 4
2. NAME	4
3. AUTHORITY	4
4. LOCATION	4
5. OBJECTIVES	4 - 5
6. MEMBERS	5 - 6
7. APPLICATION FOR MEMBERSHIP	6
8. SELECTIONS OF MEMBERS	6 - 7
9. CHANGES OF OWNERSHIP, LEGAL STATUS, MANAGEMENT, NAME OF ADDRESS	7
10. FFSI CODE OF ETHICS	8
11. GUIDELINES TO HANDLE COMPLAINTS AND TO RESOLVE SENSITIVE ISSUES	8
12. REGISTER	8
13. RESIGNATION, TERMINATION AND EXCLUSION OF MEMBERS	8 - 9
14. FORMATION OF FIRST BOARD OF DIRECTORS AND SUBSEQUENT APPOINTMENT OF DIRECTORS TO THE BOARD	9
15. DUTIES OF BOARD OF DIRECTORS	9 - 10
16. NETWORK SERVICES OFFICE	10 - 11
17. ACCOUNTING OFFICE	11
18. BOARD OF DIRECTORS MEETING	11
19. CONFERENCES	11 - 12
20. AUDITORS	12
21. FEES	12
22. FFSI ACCOUNTS SETTLEMENT POLICY	12 - 13
23. PROPERTY AND FINANCE	13
24. GUARANTEE FUND	13
25. AMENDMENTS TO THE CONSTITUTION	13
26. BYE-LAWS	13
27. INDEMNITY	13 - 14
28. DISSOLUTION	14

APPENDICES

I - FFSI CODE OF ETHICS	15
II - FFSI ACCOUNTS SETTLEMENT POLICY	16 - 18
III - CONFIRMATION OF ACCEPTANCE OF FFSI ACCOUNTS SETTLEMENT POLICY	19
IV - FFSI PAYMENT PROTECTION SCHEME	20 - 21
V - APPLICATION FOR CONTINUED MEMBERSHIP	22
VI - ACCEPTANCE OF ELECTION / APPOINTMENT TO ACT AS DIRECTOR	23

**CONSTITUTION
OF
FETA FREIGHT SYSTEMS INTERNATIONAL**

1. INTERPRETATION

1.1. DEFINITION

- 1.1.1. **“ASSOCIATION”** means “FETA FREIGHT SYSTEMS INTERNATIONAL”.
- 1.1.2. **“ACCREDITED REPRESENTATIVE”** means the nominated delegate of “Network Offices” who shall be representing his membership in any meeting and conference; this nomination must be in writing addressed to the “Network Services Office”.
- 1.1.3. **“BOARD OF DIRECTORS”** means the group of “Directors” who shall be running the affairs of the “Association”.
- 1.1.4. **“BRANCH OFFICE”** means an office (other than the principal office) within the same country of a FFSI member. A branch office must be registered with FFSI before it is recognized as belonging to the FFSI Network; otherwise, a branch office of a member is considered just as a “referred agent”.
- 1.1.5. **“CONSTITUTION”** means the “Constitution” of “FFSI” as herein contained and any amendments thereto.
- 1.1.6. **“DEFAULTER”** means a “Debit Network Office” who has been sent a “Notice of Default” as per clause 4.5. of the FFSI Accounts Settlement Policy (“The Policy”).
- 1.1.7. **“DIRECTOR”** means a person elected by the “Board of Directors”.
- 1.1.8. **“FFSI”** means “FETA FREIGHT SYSTEMS INTERNATIONAL”.
- 1.1.9. **“HEAD OFFICE”** means the corporate headquarter office of a FFSI member. The “Head Office” may not necessarily be the same office as the “Principal Office” of a member.
- 1.1.10. **“IN WRITING”, “WRITTEN” AND “BY E-MAIL”** include printing, typewriting, lithography and other modes of representing or reproducing words in the English Language.
- 1.1.11. **“IATA”** means International Air Transport Association.
- 1.1.12. **“LOCALITY”** means City, State, Province or Country.
- 1.1.13. **“MEMBER”** means an international freight forwarder, customs clearing and logistics provider who has been appointed by the “Board of Directors” and its accredited representative qualifies to be nominated as a “Director” of the Board.
- 1.1.14. **“OFFICIAL APPLICANT”** means a representative of an organisation that has submitted their application and has been approved in principle to be

admitted to “FFSI” subject to final formalities. Only an “Official Applicant” can be invited to attend “FFSI” conferences or meetings. Conference and meeting attendance fees must be paid in advance.

1.1.15. **“PRINCIPAL OFFICE”** means the office of a FFSI member that was approved in its “Locality”.

1.1.16. **“REFERRED AGENT”** means a non-FFSI freight forwarder, customs clearing and logistic provider that has been referred by a FFSI member. FFSI and the referring FFSI member bear no responsibility whatsoever in case the referred agent should cause any problems to the FFSI member who decides to use them.

1.1.17. Words importing the singular number or the masculine gender only include the plural number or the feminine gender and vice versa. Words importing persons include Associations or Corporations.

2. NAME

2.1. The name of the organisation shall be the “FETA FREIGHT SYSTEMS INTERNATIONAL” or “FFSI” in short.

2.2. The “Association” shall be non-profit making.

2.3. Notwithstanding the above clause 1.1. the Association, through a majority vote of the Board of Directors, may decide to adopt another trade name or style from time to time in order to meet the changing requirements in the industry for marketing, servicing or any other purpose that may further enhance or make more effective the image of the Association in the pursuit of its goals and objectives.

3. AUTHORITY

The “Board of Directors” shall be the sole authority for the interpretation of the “Constitution” and any Bye-Law made hereunder, and the decision of the “Board of Directors” thereon shall be final and binding on all “Members”.

4. LOCATION

4.1. The “Association” is registered in Liberia on 27 November 1986 with address at 80, Broad Street, Monrovia, Republic of Liberia.

4.2. The "Corporate Headquarters" and "Accounting Office" correspondence office is "Unit 1318, 13/F., Block B, Regent Centre, 70 Ta Chuen Ping Street, Kwai Chung, New Territories, Hong Kong".

4.3. The "Network Services Office" correspondence office is P.O. Box 208, Las Pinas Central Post Office, 1740 Las Pinas City, Philippines or at such place decided by the Chairman or by the majority votes of the “Board of Directors”.

5. OBJECTIVES

5.1. The objectives of the “Association” shall be: -

5.1.1. To promote, protect and develop the international freight forwarding, customs clearing, logistics and the related business.

- 5.1.2. To foster closer relationship amongst its “Members” and various international freight forwarders and to locate “Members” of those areas which are of common interest and beneficial to its “Network”.
- 5.1.3. To represent and act as a negotiating body for “Members” of the “Association” or with the approval of the “Association”, for any person, body or company in dialogues with carriers and relevant bodies.
- 5.1.4. To consider, investigate and enquire into all matters and questions in any way connected with or relating to the international freight forwarding business.
- 5.1.5. To act as mediators in and otherwise to assist in the settlement of disputes and difficulties arising between “Members” or in connection with any international freight forwarding or similar transaction or business.
- 5.1.6. To collect, circulate and disseminate statistics and information regarding the international freight forwarding business and its development and activities.
- 5.1.7. To obtain and supply information to “Members” as to the standing and responsibility of parties with whom they transact or propose to transact business.
- 5.1.8. To represent the said business and the “Members” in all dealings with and at meetings or conferences of any industrial, trade, professional, commercial or other association or organisation as may be necessary or expedient in all matters directly or indirectly concerning the international freight forwarding business.
- 5.1.9. To act as an advisory body to its “Members” with regard to tariffs, new market, marketing information, business promotion and development, advertisement, sales promotion material, printing material and any other matter directly or indirectly concerning the international freight forwarding business.
- 5.1.10. Generally to do all such lawful things as the “Board of Directors” may consider incidental or conducive to the attainment of the objectives of the “Association”.
- 5.1.11. To establish, circulate, print and publish newspapers, journals, magazines or periodicals relating to the international freight forwarding business or any of its “Members” activities and movements and to adopt such means of making known the objects and activities of the “Association”.
- 5.1.12. To raise funds for all or any of the purposes of the “Association” by means of subscriptions, levies, on “Members”, donations, appeals and such other means as the “Board of Directors” may from time to time think fit.
- 5.1.13. Affiliation, as the “Board of Directors” thinks fit, with any body or organisation anywhere.

6. MEMBERS

- 6.1. Each “Member” must nominate in writing to the “Network Services Office” two “Accredited Representatives”, either one of whom should attend all meetings. The “Accredited Representatives” shall be either a Director, Partner, Proprietor or Manager. The appointment of the “Accredited Representatives” may at any time be revoked by

the “Member” in writing. The “Board of Directors” may similarly withdraw approval of any “Accredited Representative”.

- 6.2. Any international freight forwarder, customs clearing or logistics provider may be a “Member” of the Association for the “Locality” they represent provided: -
- 6.2.1. The international freight forwarder, customs clearing or logistics provider can provide acceptable levels of airfreight and seafreight services and the related activities.
- 6.2.2. The “Board of Directors” determines that the “Member” will be for the interests of the “Association” and its “Members”.
- 6.2.3. The “Board of Directors” shall define to a new “Member” the “Locality” they are authorised to represent.
- 6.2.4. The “Board of Directors” can appoint another “Member” in a “Locality” where there is a “Member” as the “Board of Directors” may from time to time think fit.
- 6.2.5. Each “FFSI” registered “Member” is entitled to publicise its status by showing on relevant printed materials the logo of “FFSI” for that purpose.
- 6.2.6. Any “Member” who intends to use “FETA FREIGHT SYSTEMS” as a trade name or to incorporate “FETA FREIGHT SYSTEMS” as a company in its “Locality” must secure an approval in writing from the “Board of Directors”.

7. APPLICATION FOR MEMBERSHIP

- 7.1. Any “Member” may recommend any prospective international freight forwarder, customs clearing or logistics provider to join “FFSI”.
- 7.2. The “Board of Directors” may invite any desirable international freight forwarder to join “FFSI”.
- 7.3. Application for membership shall be submitted in writing on a “FFSI” Application Form to either the Director – Membership or the “Network Services Office”.
- 7.4. The “Board of Directors” shall after the review decide an appropriate course of action in the interest of the “Association”.
- 7.5. The “Network Services Office” shall advise every applicant of the decision of “Board of Directors” and in the case of any application which has been approved, shall enter the applicant’s name with such advice a debit note for the first annual subscription fees or any relevant fees, or a proportionate part thereof according to the month in which the application is accepted.

8. SELECTION OF MEMBERS

- 8.1. To ensure the good image of “FFSI”, every application for membership is to be closely examined by the “Board of Directors” in respect of organisation, personnel, financial status, facilities, communication, activities, aggressiveness, reputation and planned expansion programme. In line with this, successful applicants are firstly put on a probationary period to be determined by the “Board of Directors”.

8.2. MINIMUM CRITERIA FOR APPLICATION FOR MEMBERSHIP.

- 8.2.1. Must abide by the “FFSI” “Constitution”;
- 8.2.2. Must execute “The Confirmation of Acceptance of the “FFSI” Accounts Settlement Policy”.
- 8.2.3. Must agree to subscribe and support the “FFSI” Guarantee Fund.
- 8.2.4. Must submit the latest audited financial statement together with the application.
- 8.2.5. Must pay the application-processing fee of US\$250.00 or such other amount as may from time to time determined by the “Board of Directors” together with the completed application form. The application-processing fee is non-refundable.

8.3. PREFERRED ADDITIONAL CRITERIA

- 8.3.1. Preferably with an IATA appointment or equivalent Local Licensing requirement.
- 8.3.2. Preferably with a minimum paid-up capital of US\$100,000.00 or equivalent.
- 8.3.3. Preferably with an ISO Certification.
- 8.3.4. Preferably agrees to use the “FFSI” logo and “FETA Freight Systems” trade name on name cards, stationery, housewaybills, labels, vehicles, etc..
- 8.3.5. Preferably having qualified branches in other cities in its own “Locality”.
- 8.3.6. Preferably to submit either a Certificate or Letter of Appointment from at least two major international carriers.
- 8.3.7. Preferably to be a member of a national freight forwarders’ association or an equivalent recognised body in its “Locality” supported by a letter of confirmation from such association or equivalent body or copy of a certificate.
- 8.3.8. Preferably to be able to work with at least 50 percent of the existing “Network Offices” of the “Association”.

9. CHANGES OF OWNERSHIP, LEGAL STATUS, MANAGEMENT, NAME OR ADDRESS

- 9.1. Changes with respect to the ownership, legal status, management, name or address, etc., of the “Member” shall be notified in writing to the “Network Services Office” within thirty (30) days. A form “APPLICATION FOR CONTINUED MEMBERSHIP” under Appendix V, is to be duly filled and sent together with the notification.
- 9.2. A change of ownership, legal status, management, etc. will subject the membership of the “Member” to a review by “Board of Directors”.
- 9.3. The “Board of Directors” shall after the review decide an appropriate course of action in the interest of the “Association”.

10. FFSI CODE OF ETHICS

- 10.1. All “Members” must abide by the “FFSI” CODE OF ETHICS as per APPENDIX I.
- 10.2. All “FFSI” “Members”, as of May 1, 2007, are required to sign this document and for new applicants, this signed document is required before final approval of membership.

11. GUIDELINES TO HANDLE COMPLAINTS AND TO RESOLVE SENSITIVE ISSUES

- 11.1. With the objective of preventing undue embarrassment to parties concerned these guidelines are presented for all “Members” to follow in the unfortunate event that conflicts/complaints/sensitive issues should arise for any reason whatsoever;
- 11.2. A complaining “Member” must immediately convey to the “Network Services Office” in confidential communication, the background and nature of his complaint;
- 11.3. Parties involved are to provide information to be conveyed to the “Network Services Office” which are factual and must also include **documentation** such as master and house airwaybills, master and house bill of lading, invoices, Statements of Accounts, and all relevant correspondences exchanged, etc.;
- 11.4. Any complaints or disputes between “Network Offices” must be reported to “Network Services Office” within 90 days from the date of transaction;
- 11.5. The “Board of Directors” will under strictest confidence, act only as a mediator and give recommendations/suggestions/opinion on the issue. No information about the ongoing process may be revealed to any other “Members” whilst under investigation;
- 11.6. The “Board of Directors” is not an arbitrator and final resolution to any dispute lies between the 2 “Members” themselves and should be resolved in a fair and mutually respectful manner;

12. REGISTER

- 12.1. The “Network Services Office” shall keep a Register of “Members” which shall contain the following particulars: -
 - 12.1.1. The name, full address and all contact details of each “Member”.
 - 12.1.2. The names of “Accredited Representatives” of their companies.
 - 12.1.3. The date on which the name of each “Member” was entered on the register as such and the date which any “Member” ceased to be a “Member”.
 - 12.1.4. All “Members” must inform the “Network Services Office” of any amendments to such particulars thereon.
- 12.2. The “Network Services Office” shall circulate to each “Member” an updated list of “Members” from time to time.

13. RESIGNATION, TERMINATION AND EXPULSION OF “MEMBERS”

- 13.1. Any “Member” wishing to resign from the “Association” shall give two (2) months’ written notice to the “Network Services Office”.
- 13.2. Any resigning “Member” must settle all monies due to the “Association” and its “Members”.

- 13.3. Any “Member” who has, in the opinion of not less than two-thirds of the “Board of Directors”, committed a breach of any of the provisions of the “Constitution” or who has acted in any way contrary to the interest of the “Association” or whose conduct has in such majority opinion of the “Board of Directors” as aforesaid rendered it unfit to be a “Member”, may be terminated or expelled from the “Association”.
- 13.4. Any “Member” shall cease to be a “Member” of the “Association”:-
- 13.4.1. If the “Member” adjudicated as bankrupt or goes into liquidation or dissolution or suspends payment or compounds with his creditors.
- 13.4.2. If the annual subscription or any other dues of “Member” is more than two months in arrears, however, the “Member” may be re-admitted through a “Board of Directors” resolution, and upon paying its dues.
- 13.5. A “Member” shall cease to have any further interest in the property and funds of the “Association” on ceasing to be a “Member” and accordingly shall not be entitled to any refund of fees, subscriptions or other monies contributed or given by the “Member” to or for the benefit of the “Association”.

14. FORMATION OF FIRST BOARD OF DIRECTORS AND SUBSEQUENT APPOINTMENT OF DIRECTORS TO THE BOARD.

- 14.1. The first “Board of Directors” of the “Association” was formed from the founder members.
- 14.2. The “Board of Directors” shall consist of a minimum of 2 and a maximum of 12 members.
- 14.3. The “Board of Directors” has the sole authority to appoint, elect or terminate any director of the Board to/from the “Board of Directors”.
- 14.4. **“DIRECTOR”** means a person elected by the “Board of Directors”.
- 14.5. In the event of a vacancy in the “Board of Directors” then the following guidelines shall apply:
- 14.5.1. Any nominee must be an accredited representative of a “Member”.
- 14.5.2. The nominee must be willing to serve.
- 14.5.3. Notwithstanding clause 14.4 above, the “Board of Directors”, in the interest of the “Association”, may appoint any person (up to maximum of four persons) to be Director/s of the Board but without voting rights.
- 14.6. Any Director of the Board shall hold office until he resigns, retires or his position is terminated by a majority vote by the “Board of Directors”.

15. DUTIES OF “BOARD OF DIRECTORS”

- 15.1. “Board of Directors”

The “Board of Directors” shall regulate, manage and control all the affairs of the “Association”.

15.2. Chairman

The Chairman shall chair all meetings of the “Association”. He shall also represent the “Association” in its dealings with outside persons or organisations in accordance with principles and policies as determined by the “Board of Directors”.

15.3. Chief Administrative Officer (CAO)

The Chief Administrative Officer shall handle the administrative functions/operations of the Association including Association registration and compliance, organize the annual conference and board meeting.

15.4. Director - Constitution

The Director of Constitution is responsible for matters relating to the Constitution.

15.5. Director - Finance

The Director of Finance shall coordinate with the Accounting Office for the receipt of all matters of money due to or payable by the “Association” and will internally audit the proper account of all receipts and expenditures of the “Association “ and shall present to all “Network Offices” a duly audited Financial Statement.

15.6. Director - Information Technology (I.T.)

The Director for I.T. is responsible for technology and systems and shall guide in all matters related to technology and technology innovation. The Director for I.T. shall also perform such other duties as may be decided by the “Board of Directors”.

15.7. Director – Membership

The Director for Membership is responsible for the development of new members and shall perform such other duties as may be decided by the “Board of Directors”.

15.8. Director – Services

The Director of Services is responsible all service-related matters, and shall perform such other duties as may be decided by the “Board of Directors”.

15.9. Director

Each elected Director must sign acceptance of his election individually in an “Acceptance Form” stating that he has read, understands and accepts the duties and obligations of a director as detailed in the Memorandum of Articles of FFSI Ltd and the FFSI Constitution. (See Appendix VI)

The Chairman and the Board of Directors will from time to time delegate any Director to handle specific matters related to Constitution; Finance; Information Technology; Membership; Publicity; Research and Development; Sales & Marketing and Services.

16. NETWORK SERVICES OFFICE

16.1. Duties

The “Network Services Office” shall perform all matters related to administrative or secretariat activities and functions and report to the Chief Administrative Officer.

16.2. Expenses

The “Association” shall fund the “Network Services Office” for all expenses related to its duties.

17. ACCOUNTING OFFICE

17.1. Duties

The Accounting Office shall perform all accounting matters of the “Association”.

17.2. Expenses

The “Association” shall fund the Accounting Office for all expenses related to its duties.

18. "BOARD OF DIRECTORS" MEETINGS

18.1. The Chairman or the “Board of Directors” may call for a meeting wherever and whenever necessary.

18.2. At least two-thirds of the “Board of Directors” present shall constitute a quorum.

18.3. Notice of all meetings of the “Association” with an agenda attached thereto shall normally be sent at least fourteen (14) days prior to the date of the meeting.

18.4. In the case of extraordinary meetings, the Chairman, or if the Chairman is prevented for any reason from carrying out his duties, the Board of Directors may call a meeting at shorter notice.

18.5. The regular meeting of the “Board of Directors” will be held annually prior to the Annual Conference of the “Association”.

18.6. Each member of the “Board of Directors” shall be entitled to one vote. The Chairman at the meeting shall have an original as well as a casting vote.

18.7. The proceedings of all “Board of Directors” meetings shall be entered in a Minute Book, which shall be signed by the Chairman as a true record at the next succeeding meeting.

19. CONFERENCES

19.1. Once in every calendar year as decided by the “Board of Directors” a general assembly of all “Members” shall be held at such time and place as may be expedient. Such meetings shall be called the “Conference”.

19.2. Notice shall be sent to all members at least one (1) month prior to the date of the “Conference”.

19.3. A compulsory conference attendance fee which covers the first attendant shall be charged to each “Member”, The amount of the conference attendance fee shall be determined by the “Board of Directors”.

- 19.4. The “Member” hosting the “Conference” is exempted from the “Conference” attendants’ fees.
- 19.5. Every “Member” is obliged to send an “Accredited Representative” to attend the conference. In cases where a “Member” is part of a Group with members in more than 1 country, it remains a requirement that each “Member” is obliged to send an “Accredited Representative” to the Annual Conference. An attendance of 1 “Accredited Representative” to represent the Group is not permitted and other Group offices will be recorded as ABSENT.

20. AUDITORS

The “Board of Directors” will decide, at any time, to appoint a recognised auditor.

21. FEES

- 21.1. The annual subscription named as "Network Services Fee" for “Members” shall be determined by the “Board of Directors”.
- 21.2. The annual "Guarantee Fund" fee is mandatory imposed to all "Members". The annual fees shall be determined by the "Board of Directors".
- 21.3. For newly appointed “Members”, the first annual "Network Services Fee" or a proportionate part thereof shall be payable within thirty (30) days from receipt of invoices.
- 21.4. The FFSI annual invoice for membership fees is issued in March each year to allow for the inclusion of Conference attendance fees for any 2nd, 3rd (or more) attendees in a single invoice so that members need only arrange 1 remittance, and such payment should be received within one (1) month after receipt of invoice from the Accounting Office, in other words by 30th April.
- 21.5. In the case of any member whose payment has not been received by 31st May of that year, FFSI will apply a US\$500.00 Administration Penalty Charge for that year and more importantly, the member will be denied access to the FFSI website until such time as full payment has been received. The consequence of being denied access will mean that the member will be unable to submit the monthly Accounts Receivable Report with a further consequence that the member will NOT be covered under the Guarantee Fund and/or FFSI PAYMENT PROTECTION POLICY for the period in which AR reports have not been submitted.
- 21.6. Any “Member” who ceases to be a “Member” by virtue of Clause 13. hereof shall remain liable for the outstanding fees in respect of which the default in payment occurred.

22. FFSI ACCOUNTS SETTLEMENT POLICY (THE “POLICY”)

- 22.1. The “Policy” is as per APPENDIX II attached in the “Constitution”.
- 22.2. Each “Member” is bound to sign the “Confirmation of Acceptance of FFSI Accounts Settlement Policy (The “Policy”)” as per the prescribed form hereafter referring to the “APPENDIX III” attached in the Constitution.
- 22.3. In the event of a “Member” being declared a “Defaulter” and is unable to settle whatsoever debts, either to “Members” and/or “Association”, the “Board of Directors”

shall have the sole power to direct all other “Members” of the “Association” to remit any “money” due to the “Defaulter” to the “Association” as well as to exercise the release or discharge of the bank guarantee and to dispose appropriately the sum realised by such actions.

23. PROPERTY AND FINANCE

- 23.1. “The property and funds of the Association shall be under the control of the Board of Directors. The Board shall open bank account(s) in the name of the Association, into which all monies shall be deposited. All payments from such accounts shall be authorised by at least two persons appointed by the Board.”
- 23.2. The property and funds of the “Association” shall be used in running the affairs of the “Association” as approved by the “Board of Directors”.
- 23.3. The “Association” shall be financed by such fees, contributions and such other means as are approved by the “Board of Directors”.
- 23.4. The Fiscal Year of the “Association” shall end on 31st December in each year.

24. GUARANTEE FUND

- 24.1. Each “Member” must subscribe to the Guarantee Fund by paying an annual fee of US\$500.00, or such other amount as may from time to time be determined, to the “Guarantee Fund”.
- 24.2. The "Guarantee Fund" is an insurance to cover a maximum liability of US\$100,000 for a "Network Office" who declares bankruptcy. The said amount will be compensated to the "credit agents" proportionally against the total payables by the "debit agent".
- 24.3. The provisions that govern the application of this "Guarantee Fund" are detailed in the "FFSI Guarantee Fund Policy" in Appendix IV.

25. AMENDMENTS TO THE CONSTITUTION

- 25.1. The Board of Directors may from time to time amend the “Constitution” whenever deemed necessary.
- 25.2. The Constitution, with all its latest amendments, shall be made available to all members either through publication at the “FFSI” Website or distribution of printed copies.

26. BYE-LAWS

The “Board of Directors” shall have the power to make bye-laws in keeping with the spirit of Clause 5 to regulate the affairs of the “Association”.

27. INDEMNITY

If any prosecution, action or suit at law be commenced against any “Directors of the Board” or any employee, servant or agent of the “Association” for anything done by him or them in the proper or reasonable discharge of their duty of the “Association”, such person or persons shall be defended and indemnified by and at the cost of the “Association” from all damages, costs and expenses which may be incidental to or result from such prosecution, action or suit at law and

the property and funds of the “Association” may be applied for such purpose as may be directed by the “Board of Directors” from time to time.

28. DISSOLUTION

28.1. The “Board of Directors” may at any time resolve that the “Association” shall be wound up and dissolved and thereupon an emergency meeting shall be convened to consider and if thought fit, to pass a resolution that the “Association” be wound up.

Upon such resolution being passed by a majority of not less than three-fifths of the “Members” of the “Association”, the “Board of Directors” shall call a further meeting not earlier than thirty (30) days or not later than sixty (60) days thereafter for the purpose of confirming such resolution.

28.2. The “Board of Directors” can appoint any officer of the “Association” or an attorney to handle the legal aspects of dissolution, which may be required by law at the place of the “Association’s” official and original registration.

28.3. The “Board of Directors”, upon such dissolution, shall dispose off, as deemed fit, the property of the “Association” and converted into cash and all surplus funds remaining after satisfying all liabilities of the “Association” and the cost of winding up, shall be distributed among the “Members”.

APPENDIX I**FFSI CODE OF ETHICS****1. MAINTAIN HONESTY, INTEGRITY AND CONSISTENCY**

- Operate according to agreed plans and stated shipping procedures
- Share profits according to prior agreements
- Quote rates in full detail and in a timely manner
- Maintain absolute integrity in all matters
- Pay all monies due to members according to FFSI Policy, or as per any bi-lateral agreements in place.

2. COMPLETE TASKS AND OBJECTIVES ON TIME AND KEEP TO YOUR PROMISES

- Adhere to deadlines when completing agreed tasks or projects
- When any agreed deadline cannot be met inform those parties involved immediately

3. REACH DECISIONS AFTER EFFECTIVE OPEN COMMUNICATION, LISTENING AND CONSULTATION

- Make decisions based on information and in consultation with those directly effected
- Avoid aggressive and emotional communications
- Listen to all parties involved before making decisions
- Respond to all communications as promptly as possible

4. UNDERSTAND, TOLERATE AND RESPECT CULTURAL, RELIGIOUS AND OTHER DIFFERENCES

- Show the necessary respect for diversity

5. ADD VALUE TO ALL YOUR PARTNERS

- Treat all partners with respect and friendliness
- Aim to always do things right the first time
- Support fellow members to the fullest extent possible
- Respect other Members' existing customer base

6. PROMOTE A STRONG TEAM SPIRIT

- Offer assistance whenever possible
- Always adopt a positive approach
- Be active in promoting sales for mutual growth

7. LEARN FROM MISTAKES

- Learn from your experiences and share these with others
- Avoid blaming others for your own mistakes
- Accept responsibility and accountability for your actions
- Replace excuses with answers
- Accept that others make mistakes

8. BE INNOVATIVE AND CREATIVE; TAKE THE INITIATIVE

- Do not hide problems; confront and discuss them openly
- Be open to all suggestions and possible solutions

9. CELEBRATE SUCCESS

- Recognise success and give immediate feedback

10. TO DISPLAY, EXPLAIN AND ENDORSE THIS CODE OF ETHICS TO ALL COMPANY STAFF

Company Name

Name of FFSI Accredited Representative

Signature

Date

Final approval of your application will be dependent upon our receipt of this signed document.

APPENDIX II**FFSI ACCOUNTS SETTLEMENT POLICY**
("THE POLICY")**1. INTERPRETATION**

- 1.1. "Accountable Transactions" shall mean "Monies" payable and accountable by a "Debit Agent" to a "Credit Agent".
- 1.2. "Credit Agent" shall mean a "Member" who is entitled to demand payment of all freight and related charges from a "Debit Agent".
- 1.3. "Debit Agent" shall mean a "Member" who is obliged to pay and settle all freight and related charges owed to and payable to a "Credit Agent".
- 1.4. "Defaulter" or "Defaulting Agent" shall mean a "Debit Agent" who has failed to pay as per clause 4.1. stated hereinafter.
- 1.5. "Money" or "Monies" shall mean any amount of money payable to a "Credit Agent" by a "Debit Agent".
- 1.6. "Normal Credit Term" shall mean settlement by the end of any month for the previous month's transactions. However, for ocean freight shipments, the arrival dates of vessels are to be considered as transaction dates.
- 1.7. "Payer" shall mean "Debit Agent".
- 1.8. "Receiver" shall mean "Credit Agent".

2. SETTLEMENT AND REMITTANCE TERM

- 2.1. A "Debit Agent" shall pay "Monies" due to a "Credit Agent" on "Normal Credit Term" basis.
- 2.2. A "Credit Agent" shall have the right to request settlement forthwith from a "Debit Agent", when "Monies" owing accumulate to an amount of US\$30,000.00 or more, and the "Debit Agent" must effect settlement within fifteen (15) days, prior to the expiry of the "Normal Credit Term" period.
- 2.3. When a dispute arises, only the disputed amount is allowed to be withheld. All disputes are to be resolved within thirty (30) days from due date per Clause 1.6. above.
- 2.4. All amounts on invoices of a "Credit Agent" shall be expressed in the local currency of the "Credit Agent" or in the currency acceptable by both the "Debit Agent" and the "Credit Agent".
- 2.5. Settlements to a "Credit Agent" shall be in the form of a bank draft or by telegraphic transfer and in the currency as per the invoices of a "Credit Agent". In the event the "Payer" is unable to settle in a currency other than per the invoices of the "Receiver" due to Central Bank or currency remittance restrictions, both the "Payer" and the "Receiver" must first agree with the exchange rate to be applied prior to effecting the shipment.

- 2.6. Provided the “Payer” settles the full original amount of remittance in the agreed upon currency within the credit term period, any further losses on currency exchange rates shall be borne by the “Payer”.
- 2.7. Bank charges related to remittances either by bank drafts or telegraphic transfers shall be by bilateral agreement.

3. ACCOUNTS RECEIVABLES REPORT

- 3.1. An “Accounts Receivable Report” in U.S. dollars must be submitted by all “Members” online through FFSI Website on a monthly basis and this no later than the fifteenth (15th) day of each month.

4. IRREGULARITIES AND DEFAULT ACTION

- 4.1. If a “Debit Agent” fails to make settlements by the thirtieth (30th) day of the month for the previous month’s accounts or within seven (7) days after demand under Clause 2.2. hereof, the “Credit Agent” shall report the irregularity to the Network Services Office.
- 4.2. On learning of such failure, the “Network Services Office” shall send to the “Debit Agent” a notice of irregularity for the settlement period in which such failure is notified. The notice shall invite immediate remittance in respect of the accountable transactions and shall request a full written explanation of the “Debit Agent’s” failure within fourteen (14) days.
- 4.3. If settlement of the accountable transactions required by Clause 4.2. above is received and if the “Debit Agent” within fourteen (14) days from the date of notification submits a written explanation which satisfies the “Board of Directors” that a bona fide reason caused the failure to settle accountable transactions, no further action shall be taken, and the notice of irregularity shall be removed from the records.
- 4.4. If the written explanation of the “Debit Agent” does not satisfy the “Board of Directors”, even after the remittance, the irregularity shall not be removed from the records.
- 4.5. If settlement of the amount involved remains unsettled by fourteen (14) days from the date of the notice of irregularity, the “Network Services Office” shall take immediate and appropriate default action against the “Debit Agent”. The “Network Services Office” shall immediately send the “Debit Agent” a notice of default and demand for payment of the full amount involved, as well as any other amounts whether the remittance date for payment is due or not, within seven (7) days and at the same time the “Board of Directors” reserves the right to take the following actions: -
 - 4.5.1. notify all “Members” of the “Association” of the default and request submissions of statements of accounts related to the “Defaulter”;
 - 4.5.2. direct all “Members” of the “Association” to withhold any “Money” due to the “Defaulter” by his “Debit Agents” until such time all disputes are settled. The “Board of Directors” have the right to demand all “Members” of the “Association” to remit any “money” due to the “Defaulter” to the account of “FFSI” and the “Board of Directors” can exercise the right to dispose appropriately by a reasonable period as determined.
 - 4.5.3. In the event that the payables, due from the “Defaulter”, remitted to FFSI falls short of the receivables due to the “Credit Agents”, the “Board of Directors” may decide, at its sole discretion, to top up any short fall up to a maximum of US\$25,000.00. This

amount will come from our “Guarantee Fund” As purposely allowed under Clause 1.3 of the “FFSI GUARANTEE FUND POLICY”

- 4.5.4. Members with bilateral credit arrangements with each other which are outside the “FFSI Accounts Settlement Policy” and “Guarantee Fund Policy” shall not be covered by the Guarantee Fund in the event that one of the agreeing parties to the bilateral credit arrangements goes bankrupt or defaults in payment.
- 4.5.5. Without prejudice the “Board of Directors” may, at its discretion and depending upon the circumstances surrounding the default, remove the “Defaulting Agent” from the “Association’s” “Members” Listing;
- 4.5.6. Special arrangements, and if such arrangements are meant to replace Clause 2 above or any sub-clause thereof, on payment agreeable between the concerned “Members” must be filed with the “Network Services Office”. Confirmation of Acceptance of FFSI Accounts Settlement Policy (The Policy)” is a prerequisite prior to consideration for admission as a “Member” to “FFSI”. The prescribed form, per APPENDIX III, confirming acceptance of “The Policy” must be duly completed and filed with the “Network Services Office”.

APPENDIX III

**CONFIRMATION OF ACCEPTANCE
OF
FFSI ACCOUNTS SETTLEMENT POLICY
(The “Policy”)**

I, _____ [name of authorised signatory] _____, the undersigned, being duly authorised to sign on behalf of _____ [name of member] _____, and having read and understood the terms and conditions of “The Policy”, hereby confirm acceptance of the same on behalf of [name of member] _____.

I fully understand that “The Policy” is to protect all “FFSI” “Network Offices” of the “Association”.

Name of Member: _____

Full Address : _____

Signature : _____

Name of Signatory : _____

Title/Position of Signatory : _____

Official Company Seal of the “Member”.

Date of this confirmation and acceptance: _____

APPENDIX IV**FFSI PAYMENT PROTECTION SCHEME**

The Scheme has two coverages: -

- 1. GUARANTEE FUND POLICY**
- 2. PAYMENT PROTECTION POLICY**

1. GUARANTEE FUND POLICY**1.1. Purpose and Scope of the POLICY**

- 1.1.1. The purpose of the FFSI GUARANTEE FUND POLICY is to cover “Creditor Agents” in the event a “Debtor Agent” is “Legally Declared Bankrupt”.
- 1.1.2. For this purpose, “Legally Declared Bankrupt” means an entity which through legal process has declared its inability to pay its debts.
- 1.1.3. Furthermore, it is also the purpose of this policy to support the FFSI Accounts Settlement Policy under its clause 4.5.3.

1.2. Guarantee Fund Fee

- 1.2.1. Each “Member” must subscribe to the Guarantee Fund by paying an annual fee of US\$500.00 or such other amount as may from time to time be determined by the “Board of Directors”.

1.3. Limitation of Compensation

- 1.3.1. The “Guarantee Fund” is a policy to cover a maximum amount of US\$100,000.00 for a “Network Office” which is “Legally Declared Bankrupt”.
- 1.3.2. The amount of US\$100,000.00 will be distributed to the “Creditor Agents” proportionately against the total payables by the “Legally Declared Bankrupt”.
- 1.3.3. The “Policy” only covers transactions that are less than 90 days from the date of the execution of transactions.
- 1.3.4. Any “Member” which fails to submit their “Accounts Receivable” Report or fails to include the amount of indebtedness of the Defaulter in their report for any of the months covering the claim period shall be excluded from receiving any compensation whatsoever.
- 1.3.5. FFSI will not be liable for any compensation from the date which the “FFSI Network Services Office” (NSO) formally notifies Members that further transactions with any particular “Network Office” is at the sole discretion and risk of Members.

2. PAYMENT PROTECTION POLICY**2.1. Purpose and Scope of the POLICY**

- 2.1.1. The purpose of the FFSI PAYMENT PROTECTION POLICY is to cover “Creditor Agents” in the event a “Debtor Agent” is declared a “Defaulter”.

2.1.2. For this purpose, a “Defaulter” means a “Member” is unable to settle whatsoever debts, either to “Members” and/or Association, the “Board of Directors” shall have sole discretion to declare the “Member” a “Defaulter”.

2.1.3. Furthermore, it is also the purpose of this policy to support the FFSI Accounts Settlement Policy under its clause 4.5.3.

2.2. Limitation of Compensation

2.2.1. The “Payment Protection Policy” covers a maximum amount of US\$50,000.00 for a “Member” which is declared a “Defaulter”.

2.2.2. The amount of US\$50,000.00 will be distributed to the “Creditor Agents” proportionately against the total payables by the “Defaulter”.

3. Terms and Conditions on Policies

- 3.1. Only members who submit all their monthly AR reports shall be covered by the Guarantee Fund/Payment Protection Policies. This rule shall commence with the April 2019 report which should be reported by 15 May 2019 or latest 25 May 2019. For the April 1, 2019 to December 31, 2019 period, a member must have submitted all the required reports up to the date of declaration of bankruptcy/default to qualify for guarantee fund coverage for any bankruptcy/default that happens within that period. Henceforth, the 12 months period beginning January 1, 2020 will be the basis of “perfect” submissions under the same foregoing principle.
- 3.2. The “Policy” only covers transactions that are less than 90 days from the date of the execution of transactions.
- 3.3. Members with bilateral credit arrangements with each other which are outside the FFSI Policy shall not be covered by the Guarantee Fund or Payment Protection Policies in the event that one of the agreeing parties to the bilateral credit arrangements goes bankrupt or defaulted.
- 3.4. In the event a member is declared bankrupt or defaulted, the affiliated credit member(s) (inter-companies) may not qualify for any compensation whatsoever.

Appendix V

APPLICATION FOR CONTINUED MEMBERSHIP

(Applicable to existing members with expected change of Ownership Structure and Control)

1. Present Company name of member.
2. New Company name. (in case the name is changed)
3. Date of change of name/ownership.
4. Full details of address, telephone, fax and email address for principal office/headquarters and each registered branch office. (in case of any change)
5. Sole proprietorship or corporation. If corporation, state the name/s of all shareholders and percentage held.
6. Names of Directors.
7. What is the authorized/registered and paid-up capital in U.S. DOLLARS?
8. Name of Banker with full address and account number if any change.
9. Name of key executives/managers with title and years of service in the Company if any change.
10. Submit two (2) names with managerial position who are authorized by your Company to act as the Accredited Representatives for coordination relating to the affairs of FFSI and business with Members.
11. Total number of staff. State how many sales personnel.

In case the Company Name/Managing Director/CEO are changed, following documents and information must be submitted:-

=====

1. Certificate of change of name.
2. Forwarders Liability Insurance Policy.
3. "FFSI Code of Ethics". (attached for your execution)
4. "Confirmation of Acceptance of FFSI Accounts Settlement Policy". (attached for your execution)
5. Name of new Managing Director/CEO. If less than 1 year with the Company, state length of service with the Company and/or in the industry.

I hereby certify that the above information is true and correct to the best of my knowledge and belief and I that am authorized by the Company to file this application and documents.

Submitted by : _____

Title/Position : _____

Signature: _____

(Name of Authorized Officer)

Date: _____

Appendix VI**ACCEPTANCE OF ELECTION / APPOINTMENT****TO : The Board of Directors****FETA FREIGHT SYSTEMS INTERNATIONAL**

Dear Sirs,

I, _____ hereby confirm that I accept election and appointment to act as a Director of your Company as from _____. I further confirm that I have read, understand and accept the duties and obligations of a Director as detailed in the FFSI Constitution, and that I believe I have the time available to attend to the affairs of FFSI. I further acknowledge that I shall not either during or after serving any term as a director of FFSI disclose any matter of a confidential nature.

Yours faithfully,

(Signature)

Date:

PARTICULARS

Full Name :

Residential or
Registered Office Address :

Telephone No. :

eMail Address :

Nationality :

Passport No. :

Date of Birth :