

Dextrans Worldwide Group

Credit Control Policy

The Dextrans Group Credit Control Policy primarily refers to its management for direct Customers and Overseas Freight Agent. The approach adopted is a holistic one where the control starts from the acceptance of the job and not when the job is completed and invoiced out.

In a holistic approach whilst the local account receivable (AR) team is entrusted with the task to recover and manage all outstandings, yet it is the site manager that must be held accountable for the collection. In terms of functional responsibilities, operations and sales/business development staff are key to this essential accounting control since they are at the upstream level of the acceptance of order. All in all, it is always envisage that an effective credit control system requires the good and close cooperation between the staff in the various departments. It must be emphatically noted that at Dextrans, we adopt a zero tolerance for bad debt. Local AR team is required to follow up daily on AR collection.

1. Customer Data Form (CDF)

- i. Attached under appendix 1 is copy of CDF to be set up for a new customer account and new overseas agent account (including COD account)
- ii. CDF must be filled up properly and recommended by the sales or operation staff and approved by Country Manager or CFO/COO for credit limit > USD25K before any transaction or shipment handling can begin. Kindly be informed that incomplete form will be rejected.
- iii. CDF can only be keyed in to the EDI by staff appointed by HQ after all verified signatures are in place with the proper salesman's code filled and coded. The assigned staff need to ensure each company has only 1 code in the EDI.
- iv. All agents are under HSE account, unless stated otherwise. By default, the credit limit granted to all agents (except for blacklisted agents) are USD5,000 with 7 days credit terms.

2. Credit terms granted to various type of customers

- i. In our normal expectations, the credit period granted to all the customers should not more than 30 days. It is highly encouraged to handle all businesses on COD basis where possible.
- ii. It is the responsibility of Country Manager to evaluate the creditworthiness of the potential or existing customers when approve or recommend the credit terms granted to various type of customers.
 - Credit limit granted < USD25,000 to be approved by Country Manager.
 - Credit limit granted > USD25,000 to be approved by CFO/COO.
- iii. Group Credit Controller should always review and highlight the credit risk associated with the customers/ agents based on their historical payment pattern to Country Manager so that we can tighten the credit terms granted.

Type of customers

a) Blacklisted customers/agents

The general rule is that site offices are not allow to deal business with any of these customers without any clearance from group management.

A list of payment delinquent customer will be maintained, updated by the Group Credit Controller and send to respective site accountant on every Friday. Site accountants must coordinate with Group Credit Controller to propose any delinquent customers.

b) WCA members (World Cargo Alliance)

- i. The WCA member list is updated daily on the WCA website and any office that intends to handle business on credit basis must first ensure that client is covered under WCA Gold Medallion Financial Protection Program *and also is not a “Blacklisted” agent per Dextrans Group blacklisted agents list.

*** IMPORTANT: A customer can be a WCA member but if that agent is not covered under WCA Gold Medallion Financial Protection Program (WCA GM), Dextrans is not protected against WCA guaranteed payment protection.**

- ii. An approved WCA GM customer means Dextrans is protected against WCA guaranteed payment protection subjected to the conditions laid out by WCA.
- iii. An approved WCA customer does not mean that the customer has been granted a credit approved status by WCA as there are no provisions anywhere in WCA undertakings. By default, the general credit limit given to WCA GM customers are USD5,000 and max 30 days credit period. However, the responsibility still remains with Dextrans site operations (site managers are to be involved in this process) to assess the credibility of customer, profit margin against credit granted.
- iv. WCA blacklisted customer, refer <https://www.wcaworld.com/WCAworldBlacklist>. COD is required or even stop cooperation if it’s deemed necessary to avoid more risks.
- v. To find out whether that customer is covered under WCA Gold Medallion Financial Protection Program and what is the conditions we have to meet before submit the claims – please refer Point 8 in this Credit Control Policy.

c) JCtrans members

*******Only apply to sites that enrol as JCtrans member. Please confirm your site JCtrans membership with Site accountant or CM**

- i. The Jctrans member list is updated daily on the JCtrans website and any office that intends to handle business on credit basis must first ensure that customer was not suspended by JCtrans and also is not a “Blacklisted” agent per Dextrans Group blacklisted agents list.
- ii. An approved JCtrans member means Dextrans is protected against JCtrans guaranteed payment protection subjected to the conditions laid out by JCtrans.

- iii. An approved JCtrns customer does not mean that the customer has been granted a credit approved status by JCtrns as there are no provisions anywhere in JCtrns undertakings. By default, the general credit limit given to approved JCtrns customers are USD5,000 and max 30 days credit period. However, the responsibility still remains with Dextrns site operations (site managers are to be involved in this process) to assess the credibility of customers, profit margin against credit granted.
- iv. JCtrns blacklisted customers, refer <https://www.jctrans.com/en/membership/tools/black> .COD is required or even stop cooperation if it's deemed necessary to avoid more risks.
- v. To find out whether that customer is covered under JCtrns Financial Protection Program and what is the conditions we have to meet before submit the claims – please refer Point 9 in this Credit Control Policy.

d) Oversea Customer

All oversea customers must only be invoiced in USD. In order for this to take place, it is important that our rates/pricing quotation given to overseas clients must always be quoted in USD so as not to allow for any disputes.

e) Local Customer

This category of customer is defined as those customers either locally procured by the existing sales or previous sales staff but remains with Dextrns and serviced by our customer services team. Additionally, it could be also suppliers of nominated accounts through agents where we handle directly the shipments on nomination basis but there are however some essential local charges to be collected.

f) Personal Effects

Personal effects shipping involves sending personal belongings across country or internationally. Dextrns site operation is required to collect COD for handling such shipment. Shipment will be shipped/released only after payment is received from that individual.

3. Debts collection timeline

- i. Escalation & Reminders to be send to debtors.

- Payment request	- Invoices at due date
-1st reminder request	- 7 days after due date
- 2nd reminder request	- 10 days after due date and escalate up to Country Manager
- 3rd reminder request	- 14 days after due date and copy JH
- ii. Dispute cases

All the dispute cases must solve within one month.

4. AR invoices and proforma invoices

- i. The AR invoice must bill within 3 days from vessel sail.
- ii. All invoices issued to external parties must be final tax invoice and the issuance of proforma invoices to external party is disallowed. It is important to only issue the AR invoice when the staff can confirm the price is reasonably accurate and not to issue the AR invoices for quotation purposes.

5. Credit Notes (CN) and bad debts

Can only be issued by accounts staff after approval from authorised personnel.

- Approval Limit granted < USD1,000/shipment to be approved by Country Manager (CM).
- Approval Limit granted > USD1,000/shipment to be approved by CFO/COO.
- Sales code account under CM to be approved by CFO/COO regardless of CN amount.

Before any CN or bad debts is to be considered, Dextrans site operations must exhaust all avenues to rectify all disputes with customers or overseas agent. Branch Manager/accountant to tender to group management to approve CN/ bad debts.

6. Group Central Settlement

The concept entails the consolidation and contra of various bilateral outstanding accounts either piecemeal or on a periodic basis such as a monthly period into a single netting offset system. In practice, through the nett off, DWSG on behalf of the group clears the outstanding both within Intra Dextrans offices and Overseas Agents through 1 single transaction ie. Either being paid or to receive payment.

Implementation and Process Flow of Consolidated Agent Statements– (with Overseas Agents)

Dextrans Worldwide Group CASS will be overall managed by the designated Group Credit Controller (GCC).

- 1) Branch accountants will send updated AR/AP report to GCC weekly by end of every Tuesday
- 2) GCC will consolidate the SOA & get agents to pay to DWSG weekly by close of Wednesday for those agents designated as under CASS
- 3) DWSG will send CN/INV to branch accountants for receiving/paying on behalf after payment settled
- 4) Invoice Disputes will be passed to branch accountants to be settled with their ops

Accounting settlement – what are the current issues

- Different accounting systems in different countries
- Different level of accounting regulations, competence, taxation policies and standard practices in various countries
- Lack of information on the exposure to any agent from a corporate level and therefore a delayed reaction time in case of doubtful debt
- Multiple currencies transactions and need for consolidation
- Lack of visibility on the financial situation of an individual Dextrans office

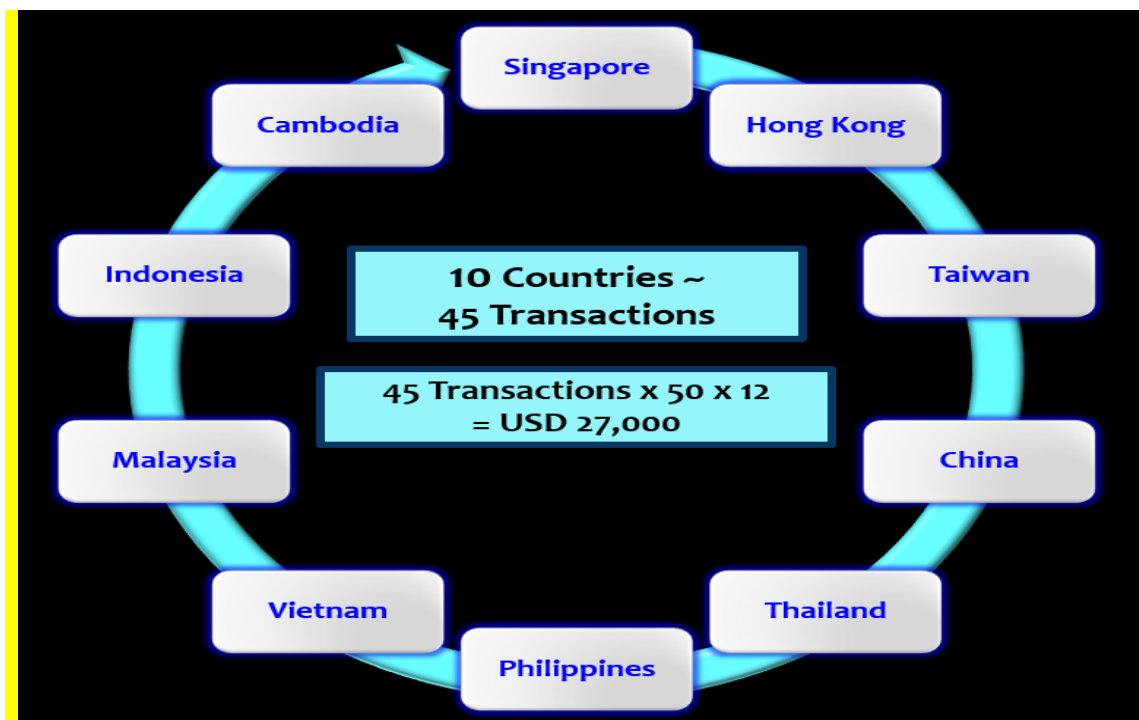
The Objectives

To use CBS as a strategic tool to WIN customers through:

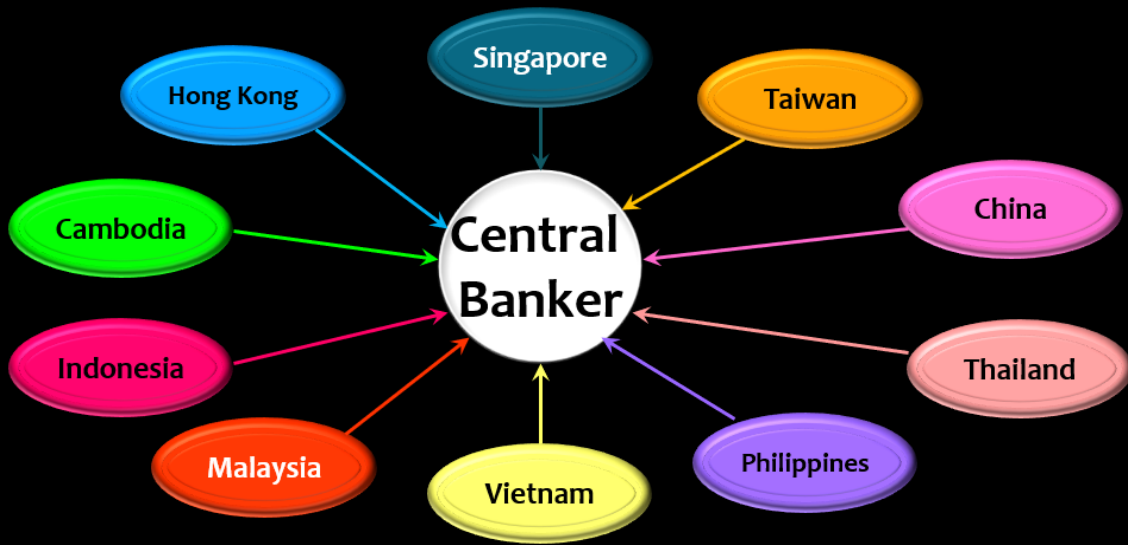
- Institutionalize Biz, Anchor customers/agents
- Greater visibility across both operating & accounting phases
- Monetize CBS – through transactions
- Lower transactional operating cost
- Heighten corporate image and branding
- Project a Dextrans identity – 1 group 1 system, 50 sites 15 countries – only 1 approach
- Derive Cost Savings
- Central and Live AR and Agent Risk Management
- Efficient cash management – reduce wastage
- Quick access of information – accessible by all accounting, operations and business development staff in Dextrans offices
- Taxation Planning
- Group consolidation process
- Foreign exchange risk management
- Use financial information as a tool for decision making
- CBS must be used to control and command our Partnerships / Alliances

Intra Dextrans Transactions

Currently this is what we spent yearly



Intra Dextrans Transactions



10 Countries ~ 10 Transactions
10 transactions x 50 x 12 = USD 6,000
Group savings – USD 20,000 and each site saves about USD 2,000

Dextrans Offices spend with 1 Agent currently ...



10 Countries ~ 10 Transactions
10 transactions x 50 x 12 = USD 6,000

Dextrans Offices spend with 50 Agents currently

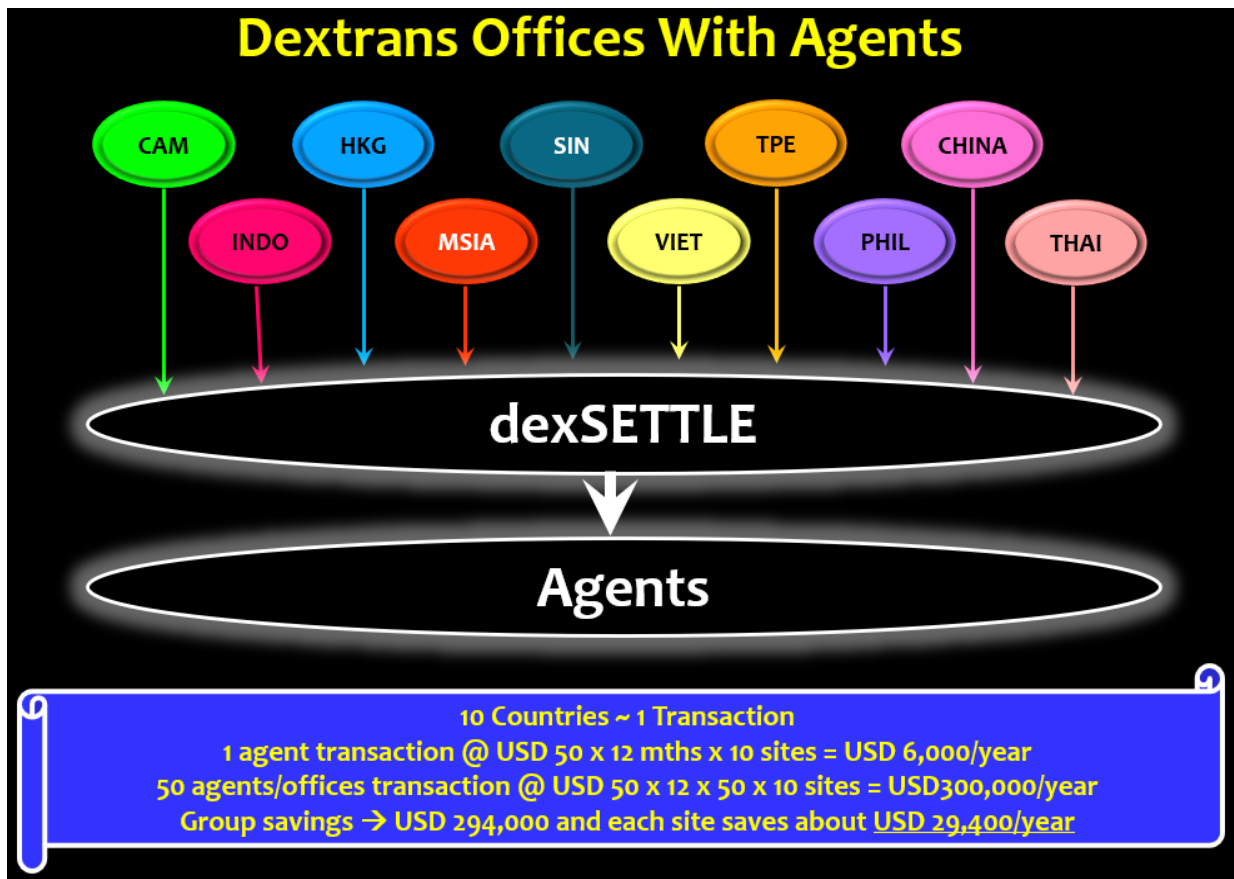


10 Countries ~ 50 Agents
500 transactions x 50 x 12 = USD 300,000

Dextrans Offices spend with 50 Agents currently



10 Countries ~ 50 Agents
500 transactions x 50 x 12 = USD 300,000
Group savings = USD 250,000/year



7. Central Banking Features (In the implementation stage)

- Dextrans offices use only 1 standard currency
 - o e.g. USD to trade with each other.
- Weekly exchange rate denominated in standard currency (USD) with individual countries
- Invoices has validity period and hence forces the operator to verify or dispute invoices promptly
- All Dextrans offices deals only with the central bank
- Central bank will handle all the settlement with overseas agents
- Group verification set date
 - o e.g. Month +45 days, month +60days
- Group Contra settlement set date
 - o e.g. Month +60 days, month +75 days etc.

Benefits

- Only 1 settlement with central bank per month
- Better circulation of funds where loans can be extended within the group.
- Helps to reduce reliance of banks for financial support
- Pressure to keep up to date accounts
- Onus and pressure on the operating staff in the local office to settle disputed invoices
- Up to date accounting and settlements

- Monthly updated country accounting statement which will help to reduce year end group consolidation
- Better security for payment to overseas agencies
- System will allow immediate information to know financial exposure as a group to any agent
- System can be set to limit exposure to the agent as a group
- Year end consolidation can be done with easier ease, maybe even quarterly especially when we are public
- Quicker access to financial information
- Better image to public, investor relations
- With better foreign exchange management we can use it as a tool to extract revenue
- CBS can be used as conduit to ensure that all operations come into system
- Increase sales potential
- Substantially reduced transactional cost for all site offices

Cost Savings

- Inter-Dextrans offices 15 countries
 - o USD 30,000 annually or USD 2,000/site
- Dextrans with agents
 - o e.g. 50 agents ~ USD 294,000 annually = USD 29,400/site
- Average savings on the internal source of funding through internal lending can range from USD 100,000 depending on our size
- Total savings approx. ~ USD 250,000 per annum after taking into consideration cost of manpower + software cost

8. World Cargo Alliance (WCA)

WCA is the world's largest and most powerful network of independent freight forwarders, with over 12,153 member offices in 197 countries worldwide. The combined logistics might of the WCAworld membership exceeds that of the world's largest multinational freight forwarders and it has the function of providing each member with the ability to contact shipping partners in the same network no matter where they are.

As an enterprise operating in the field of logistics, Dextrans comprehends the importance of connecting partners globally. Being officially recognized as a member of WCA has once again proved that we are one of the most reliable logistics service providers that fully meet the strict requirements and standards of the Association.

a) Benefits of being a WCA Member

- Partners all around the world.
- Financial Protection program – Gold Medallion Financial Protection Program
- Annual Conference.
- Accreditation.
- All World Shipping's US FMC and China MoC-approved Bill of Lading.
- Saving on bank charges – Using WCAPP for payment

b) Financial Protection program – Gold Medallion Financial Protection Program (WCA GM)

The WCA GM provides the tool that allows WCA members to do business without hesitation, making them more efficient and effective and preventing wasted time and expense on background or credit checks. As a result, it is important to ensure that agent/client is covered under WCA GM before giving any credit to them.

i. To check client WCA GM status

Step 1 : Visit [WCAworld Member Directory | World Cargo Alliance](#) → search by using company name and click search. Eg: AF Global from Singapore

MEMBER DIRECTORY

Search by: Search: Order By:

Networks:

Criteria:

WCAworld QUOTATION SYSTEM Send and receive *secure quotes* between members

India
Head Offices
• [Mumbai - GAF Global Logistics Pvt Ltd \(India\) \(Mumbai, Head Office\)](#) 17 years

Singapore
Head Offices
• [Singapore - AF Global Logistics Pte Ltd. \(Singapore, Head Office\)](#) 9 years

Step 2 : Click the agent name to see their profile – This page will show you whether the client is covered under WCA GM Financial Protection Plan

Example 1 : client is covered under WCA GM Financial Protection Plan

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AF Global Logistics Pte Ltd. (Singapore, Head Office)

ID: 86397

WCAworld Gold Medallion Financial Protection Program *
The following offices of this member are enrolled:
Singapore [Singapore]
* Only the above offices are covered and protected under the GM member to member financial protection.

Please remember that Companies with non-enrolled offices in the vicinity of places of origin, or final destination of shipment(s) are NOT covered by WCAworld Gold Medallion Plan for those specific shipments.

Proudly Enrolled Since: [Jan 16, 2014](#)

Example 2 : client is WCA member but not covered under WCA GM Financial Protection Plan. COD is required or even stop cooperation if it's deemed necessary to avoid more risks



Bay Line Shipping Pte. Ltd. (Rangoon, Head Office)

ID: 96217

NO COVERAGE UNDER GOLD MEDALLION FINANCIAL PROTECTION PROGRAM UNTIL FURTHER NOTICE.
WCAworld Gold Medallion Financial Protection Program *
Myanmar [Rangoon]
* The above offices are NOT covered and protected under the GM member to member financial protection.

Please remember that Companies with non-enrolled offices in the vicinity of places of origin, or final destination of shipment(s) are NOT covered by WCAworld Gold Medallion Plan for those specific shipments.

Proudly Enrolled Since: [Mar 13, 2023](#)

Member(s) of

iii. Compensation Limitation

- Different WCA networks is guaranteed coverage for claims up to US\$50,000.
Eg: WCA first member to WCA advanced professional member
- Within the same WCA network is covered for claims up to US\$100,000.
Eg: WCA first member to WCA first member
- combined total of US\$3,000,000 per annum protection for the membership

iv. Claim procedures

Claims must be filled within 90 to 150 days from the date of invoice and email to gm@wcaworld.com. Further information will be required by the WCA for their investigation.

However, when dispute arise and cannot be resolved mutually before the 90 days criteria, claims must be filed immediately.

v. Exclusions

Please refer to the GM terms for detailed transactions and losses that are excluded from coverage under the Plan. Points highlighted below are importance and everyone should take note.

- i. Subsequent losses after a claim is filed resulting from continuation of business between the member company filing the claim and the member company identified as debtor in the claim during the pendency of the claim.
- j. Losses resulting from demurrage, storage, detention charges, fines, penalties, dead freight, duties, taxes, or similar levies.
- m. Any claims filed wherein the invoice(s) are less than 90 days and/or over 150 days from the date of the invoice(s).
- n. Losses for shipments invoiced over 30 days after shipment departed when Claimant Company is Origin Agent. Losses for shipments invoiced over 30 days after the shipment's arrival when the Claimant Company is Destination Agent.

The terms and conditions of the Gold Medallion Financial Protection Plan is available in the members-only section. Please check with the respective site accountant if you need the log in details.

9. **JCtrans**

*******Only apply to sites that enrol as JCtrans member. Please confirm your site JCtrans membership with Site accountant or CM**

JCTRANS is the international logistics B2B platform established in 2003 and has more than 10,000 global members in all over the world. Similar to the WCA, JCtrans Community provide the same benefit to its members such as link all the member around the world, financial protection, provide business opportunities, annual conferences, using JCtrans pay for settlement to save bank charges and etc.

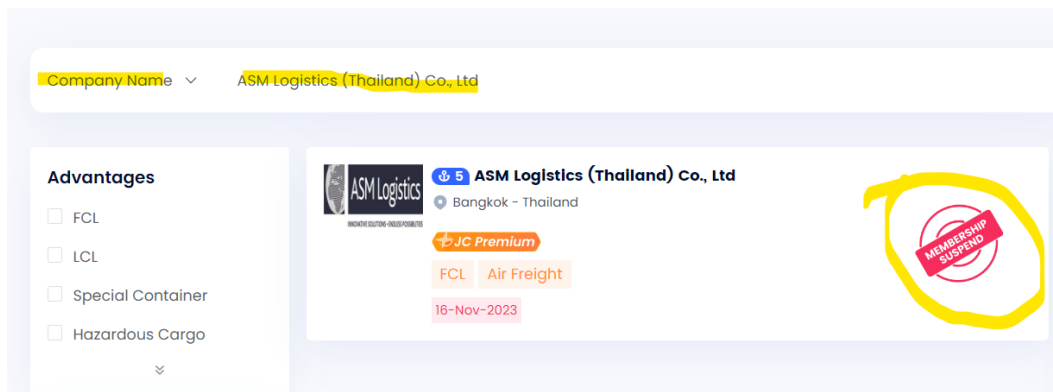
a) JCtrans Financial Protection Program

Staff have to visit JCtrans website frequently to double-check membership status before any cooperation, the company that is suspended will be not covered under financial protection program.

- i. To check customer JCtrans membership status

Visit <https://www.jctrans.com/en/membership/list> and search by company name.

Sample below showing this customer was suspended by JCtrans and not covered under JCtrans financial program. Dextrans site operation is required to collect COD for handling shipment with this type of client.



ii. Compensation Limitation

Membership	JC Elite	JC Premium	JC Rising	JC Projects/JC Dangerous Goods/ JC eCommerce/JC Railway
JC Premium	USD100,000	USD100,000	USD50,000	USD25,000

**Per year Limit

iii. Claim procedures

Claims must be filled within 90 to 150 days from the date of B/L/airway bill and email to gcpSERVICE@jctrans.net and penny@jctrans.net .Further information will be required by the JCtrns for their investigation.

However, when dispute arise and cannot be resolved mutually before the 90 days criteria, claims must be filed immediately.

vi. Exclusions

Transactions and losses that are excluded from coverage are similar to the WCA exclusion points. Please get a copy of JCtrns agreement from site accountant if you need the full details.

CUSTOMER / AGENT DATA FORM

- Notes: 1) This form is to be filled up by either Operations/CS/Sales. Please complete all information required below.
 2) Please email completed form with signed approval to Lyna lyna.nat@dextransgroup.com, Hani hani.huynh@dextransgroup.com, cc. to Helyn helyn.chan@dextransgroup.com Kindly be informed that incomplete forms will be rejected.
 3) **This is an internal company document, please do not send to external parties.**
 4) This form supersedes all previous Credit Application Form.

Name of Company (as per business license):		
Full Address:		
UNLOCO:		
Nature of Business:		
Contact person name:	Job Title:	
Telephone No:	Fax No:	
Email:	Mobile:	
Business Registration No:	Date of Incorporation:	
VAT No:	Website URL:	
Authorized Capital:	Paid up Capital:	
Banker:	Branch:	
Account No:	IBAN No:	
SWIFT Code:	Currency:	
Organisation Type: <input type="checkbox"/> Receivables <input type="checkbox"/> Consignor <input type="checkbox"/> Carrier <input type="checkbox"/> Payables <input type="checkbox"/> Consignee <input type="checkbox"/> Forwarder/Agent		
Credit Limit Requested:	Credit Period Requested:	Sales Rep Code:
Requestor Name:	Designation:	Branch Code:
Date & Time:	Requestor Signature:	

Approved by: Country Manager (for COD & amounts below USD25,000)	JH / SY (for amounts above USD25,000)
Accounts Staff to post in System:	Organization Code assigned: