Dextrans Interco & Overseas Agent Working Arrangement and Credit Procedures

Nomination business

Guiding Principle

- All Dextrans offices must officially work with each other ie. if you have a free hand shipment or a nomination shipment please always use and work with a Dextrans office in that area or country. Hence if a shipment is from Shanghai, you must only use Dextrans Shanghai.
- If there is no Dextrans office in that area eg. Guangzhou, what must you do? In this case always use the nearest office and, in this case, Dextrans Shenzhen.
- Any disputes between parties will be arbitrated by either Group CEO/COO and decision made is final.

Exceptions to the rule

- If the rates from Dextrans office is not competitive, you have the free will to solicit other quotes from other agents. Indeed, if the rates obtained are more competitive, the first priority s always to make it known to that Dextrans offices. This provides them the first choice to compete for the business as we are all part of the same family. If that Dextrans office can match the service and price, the uncompromised rule is that you must use that Dextrans office. In the event that Dextrans office cannot compete, please always get approval from Group CEO/COO for approval to use the rate of another agent but the booking, liaison and handling of the nomination must still be handled by our own local Dextrans office.

1. Profit sharing between Dextrans offices

Guiding Principle

- In the absence of any pre-agreed formula, the profit sharing will be 50/50 basis for freight (only airfreight/seafreight) between offices for all nominated cargo ie. business brought to the nominating party (usually destination office) to the origin office. Each local office will keep the local services profit for each respective office.
- For export CIF shipments, the exporting office keeps 100% of the profit and the destination office shall collect the local delivery charges from the consignee.

- For 3 party/cross-trade shipment, the pre-agreed formula will be Nominating office (office that generates the business – 50%), origin office (50%), destination office (0%).
- Any disputes between parties will be arbitrated by either Group CEO/COO and decision made is final.

Exceptions to the rule

- Bilaterally each office may discuss with written agreement (usually via email) if certain shipments require a different profit-sharing computation. This can be done through handling fees, higher percentage for the nominating party etc.

2. Payment/Settlement terms within Dextrans offices

The standard terms between Dextrans offices is month + 60 days ie. All invoices for month of January must be settled by 30th March. In the event of disputes on invoices this must be rectified before settlement date otherwise it will be brought before arbitration with the Group CEO/COO. In such a case the decision of the CEO/COO will be final. An appeal will only be granted for amounts smaller than USD 5000.

3. Payment/Settlement terms with overseas agents

Always check if they are WCAF network member by going into WCAF website (www.wcafamily.com) member listing to confirm if agent is a member of WCAF or not. Dextrans is a member of APLN, CGLN. Hence if agent is directly a member of these 2 networks, we are covered and protected up to USD 50,000. If agent is a member of other networks within WCAF such as WCA, IGLN, then Dextrans is covered and protected up to USD 25,000. Please note that WCAF protection limit is up to USD 1 million annually. What this means is that disbursement per year will be limited to this amount. Hence, if eg. By August of a particular year this amount is reached and we have a claim in eg. September, no reimbursement will be entitled. Claims will only be paid upon debtor's claim to being dissolve and it is not able to operate anymore as a gong concern. Claims will not be entertained by WCAF if there is a dispute on the invoice.

- **Recommended procedures if agent is registered WCAF agent member**

- If we only get small handling fee, please effect shipment on MBL collect, HBL collect. Terms should be COD or pay via WCAF Partner Pay system.
- If we can have good mark up and get a small handling fee, suggest that we MBL prepaid, HBL collect. Terms should be COD or pay via WCAF Partner Pay system as agent should be made to understand that we only earn on the handling fee.
- Recommendation for handling fee – USD 30-50 per FCL.
- If agent wants credit terms and margins are good and they are WCAF member where we are protected, we can consider provided the profit makes business sense. Country Managers/Directors to decide.

- **<u>Recommended procedures if agent is non-registered WCAF agent member</u>**
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- If we only get small handling fee, please effect shipment on MBL collect, HBL collect. Terms should be strictly COD.
- If we can have good mark up and get a small handling fee, suggest that we MBL prepaid, HBL collect. Terms should still be strictly COD as agent should be made to understand that we only earn on the handling fee.
- Recommendation for handling fee – USD 30-50 per FCL.
- If agent wants credit terms and margins are good we need to decide carefully. Seek Country Manager/Director's approval. For countries of Africa, Middle East, Indian sub-con and developing countries we should take extreme precaution where a large amount of discretion is needed.