

SUPPLY CHAIN MANAGEMENT

The aim of this document is to relate the process that is implemented by DASA regarding control over its suppliers: i.e. quality, operational ability, financial stability; the approval/removal procedure; and the payment process.

Periodic reviews will be conducted of DASA's supplier list to ensure that it consists solely of those companies who are considered as approved for operational reasons. .

The approved supplier list is maintained by the Finance Department.

Additional supplier controls are in place for specific operational supplier types (packing subcontractors, forwarders, and overseas agents) and these are detailed below.

All suppliers should have an awareness of DASA's policies on Data Protection, Social Responsibility and the FIDI ABC Charter. All company e-mails to carry a link to these policies,

SELECTION & AUTHORISATION of NEW SUPPLIERS

Individual department managers are responsible for identifying possible future suppliers and evaluating their potential against existing suppliers.

A new supplier should be proposed if:

- No existing supplier is available within the required timescale,
- Specialist requirements cannot be met by an existing supplier,
- No other supplier works in that region,
- The new provider will replace one already on the list for quality or cost reasons,
- The new provider can meet specified purchase and quality requirements.

There are certain areas of the business where many small suppliers may be required, for example restoration services relating to an insurance claim. In this case lists are maintained from past experience or trade associations, but due to infrequent use the chosen supplier may not be required to go through the full approval process.

The Finance Department will add any new suppliers to the RedSky system.

Packing Subcontractors

The company has a number of packing subcontractors who are subject to a more stringent regime than most moving suppliers because of the potential impact of this outsourced process on customer satisfaction.

Subcontractor selection is the responsibility of the Operations manager. Regular reviews are conducted of performance via customer feedback and periodic warehouse/onsite checks. Any quality issues will be addressed by the operations team. Training sessions are also conducted on regular basis.

Shipping Lines (FCL)

When putting together a quotation, sales will reach out to one or two suppliers for freight rates. These are listed in the suppliers list. When a job is booked, it is the responsibility of the move manager to reach out to three (3) suppliers to ensure we get the most competitive rate available before placing the booking.

Any service issues should be highlighted to the office manager so that these can be taken into account in future evaluations/negotiations.

Forwarders (LCL)

Process is the same as with FCL, but normally we reach out to two (2) suppliers prior to shipping as price level is very similar for this service.

Airfreight Forwarders

Process is the same as with FCL, but normally we reach out to two (2) suppliers prior to shipping as price level is very similar for this service.

Overseas Agents

DASA works with overseas moving companies (as origin or destination agent) on booked moves. DASA is a member of FIDI and aims to work with other FIDI agents. First choice would be to work with FIDI-accredited agents.

In the most popular markets preferred agents have been identified. **Preferred Agents are those agents where the majority of traffic will be directed.** Non-preferred Agents may be used when customers/corporate clients specifically request them, or if there is a competitive rate situation that requires alternative agents. Classic has traffic to and from many countries, and it is a task of the management to ensure that quality agents are being used. When competing against multiple companies for online lead company shipments, we can use the cheapest option but need to inform the customer about this when submitting the quotation.

The designation of "Preferred" or "Non-preferred" agents does not indicate service, quality, etc. Primary Agent status is based upon their commitment to work closely with DASA. The reciprocity between agents in our main market areas is monitored on regular basis and discussed with agents during annual conferences.

On occasions when there is not a preferred or non preferred agent available for a particular shipment, approval must be sought, and the request copied to the Business development manager, the Sales Director or the Managing director. The finance department must also be informed about payment conditions of the agent used.

Management will review the agent volumes regularly, and updates will be circulated. RedSky – Agent listing is the master file to check for agent status.

All agents are approved as credit worthy. The normal credit terms afforded to an approved agent is 30 days; any exceptions to this must be cleared with the Finance manager and the Managing director. If a new agent is not a FIDI member, we will require payment prior to delivery.

Monitoring

Quality issues and customer complaints are monitored at DASA. Details are discussed on regular basis, including identification of the cause of a non-conformity.

Customer service reports are produced on a regular basis and specific supplier performance is reviewed accordingly.

Re-evaluation

Re-evaluation of suppliers will be carried out by the relevant department manager on an ongoing basis. Analysis of any specific issues will be conducted during Operations or quarterly Company Update meetings, and any necessary action agreed and implemented accordingly.

A supplier may be removed from the approved list for quality, operational, financial (or a combination of these) reasons.

Instructions to Service Providers in purchases

All our purchases are ordered in writing. Whenever specific instructions are required, we give details required by the service suppliers when placing an order. (booking confirmations to freight forwarders, pre-advices to agents, instructions and information about the residence for cleaning companies) Suppliers are instructed to quote the RP number on all correspondence/invoices so that documentation can then be matched up and checked prior to invoice approval.

When handling move-related purchases, most examples – such as sea and airfreight forwarding - will be covered by pre-negotiated rates or spot rates for the specific shipment. DASA requires the Move number to show on all purchase invoices in order for the invoice to be approved for payment.