

Pakistan



Total Respondents:

| | |
|---------------|----|
| October 2014 | 41 |
| February 2015 | 45 |
| July 2016 | 64 |

Respondents with customers in this country:

| | |
|---------------|----|
| October 2014 | 13 |
| February 2015 | 14 |
| July 2016 | 17 |

Sales are primarily to:

| | Existing Customers | New Customers |
|-----------|--------------------|---------------|
| July 2016 | 94% | 6% |

Do accounts in this country represent a significant portion of respondents A/R?:

| | Yes | No |
|-----------|-----|------|
| July 2016 | 0% | 100% |

Respondents extending credit to customers vs. those who do not

| | Extend Credit | Do Not Extend Credit |
|---------------|---------------|----------------------|
| October 2014 | 15% | N/A |
| February 2015 | 29% | N/A |
| July 2016 | 41% | 59% |

Payment terms granted by those extending credit to customers in this country:

| | 0-30 | 31-60 | 61-90 | 91+ |
|---------------|------|-------|-------|-----|
| October 2014 | 50% | | 50% | |
| February 2015 | 50% | 25% | 25% | |
| July 2016 | 14% | 72% | | 14% |

Payment methods used (multiple selections permitted):

| | Wire Transfer | EFT (seller initiated) | EFT (buyer initiated) | Check | Credit Card | Extended Payment Program or Progress Billing | B.P.O. (Bank Payment Obligation) | Letter of Credit | Cash Against Documents | Dated Draft | *Other | N/A |
|--|---|------------------------|-----------------------|-------|-------------|--|----------------------------------|------------------|------------------------|-------------|--------|-----|
| October 2014 | | | | | | | | 46% | | | 38% | 15% |
| February 2015 | | | | | | | | 50% | | | 21% | 29% |
| July 2016 | 69% | 6% | 6% | 6% | 13% | | | 56% | 19% | 6% | | |
| *OTHER (NOTE: Previous surveys asked for top method of payment which included PIA and open account) | | | | | | | | | | | | |
| October 2014 | <ul style="list-style-type: none"> Payment in Advance, no specified payment method | | | | | | | | | | | |
| February 2015 | <ul style="list-style-type: none"> Payment in Advance, no specified payment method | | | | | | | | | | | |

Pakistan

Payment Delays Are:

| | Increasing | Decreasing | No Change | No Payment Delays |
|--|--|------------|-----------|-------------------|
| October 2014 | N/A | N/A | N/A | 0% |
| February 2015 | N/A | N/A | N/A | 0% |
| July 2016 | 6% | | 59% | 35% |
| *NOTE: Previous Surveys asked for average length of payment delay. | | | | |
| October 2014 | <ul style="list-style-type: none"> 50% of respondents cited delays of <30 days; 50% of respondents cited delays >90 days | | | |
| February 2015 | <ul style="list-style-type: none"> 75% of respondents cited delays of <30 days; 25% of respondents cited delays of 30-60 days. | | | |

Causes of payment delays, open account:

| | Billing Disputes | Other Disputes | Cash Flow Issues | Inability to Pay | Unwilling to Pay | Customer Payment Policy | Government Approval | Regulatory Issues | Foreign Exchange Rates | Central Bank Issues | Cultural Norms and Customs | Other |
|-----------|------------------|----------------|------------------|------------------|------------------|-------------------------|---------------------|-------------------|------------------------|---------------------|----------------------------|-------|
| July 2016 | 12.5% | | 50% | | 12.5% | | 12.5% | | | | 12.5% | |

Resources used to check creditworthiness of customers (multiple selections permitted):

| | Customer visits | Trade references | International credit reports | Country risk reports | Financial statements | Bank references | Tax records | Customer's borrowing relationship with their bank | Customer's line of credit with their primary bank |
|-----------|-----------------|------------------|------------------------------|----------------------|----------------------|-----------------|-------------|---|---|
| July 2016 | 63% | 31% | 81% | 56% | 56% | 19% | 6% | 6% | 13% |

Documents used to confirm or finalize sale to prior to shipping (multiple selections permitted):

| | Credit Applications | Purchase Orders | Sales Contract | Other |
|---------------|--|-----------------|----------------|-------|
| July 2016 | 65% | 94% | 53% | 12% |
| *OTHER | | | | |
| July 2016 | <ul style="list-style-type: none"> Irrevocable LOC with our JP Morgan Chase bank broker recommendation | | | |

Advice when doing business in this country:

| | |
|-----------|---|
| July 2016 | <ul style="list-style-type: none"> Get an irrevocable LOC drafted and work with the customer to define terms to avoid additional expenses before the customer submits the LOC. Sales team needs to be strong and do a lot of the leg work for you since some company policies do not allow travel to Pakistan. Know your customer. We only have two customers in Pakistan and sell to them on OA terms. Know your customer and country conditions. Really have a finger on what your industry market is doing. |
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