FEE PROTECTION SCHEME INSURANCE

THE SCHEDULE

Policy Number	: 2026-A5742505-FPS
Insured	: ACESTAR INTERNATIONAL COLLEGE PTE. LTD.
Address	: 1 North Bridge Road, #B1-36, High Street Centre, Singapore 179094
Business	: Training Courses N.E.C.
Period of Insurance	: 15/01/2026 to 14/01/2027 (Both dates inclusive)
Maximum Insurable Limit	: S$50,000.00
Territorial Limit	: Singapore
Jurisdiction	: Singapore

Signed for and on behalf of the Company

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Authorised Signature

Date: 08/01/2026

Fee Protection Scheme

APPROACH

1. <u>Fee Collection and Fee Protection Scheme Policy</u>

1. Fee payment modes should be communicated to all students during the pre-course counselling sessions and during the execution of student contract.
2. All Fees, with the exception of Course Application Fees, can only be collected only after the execution of the Student Contract. The Corporate Services shall also ensure that Original Receipts are issued to students and that the respective financial records are duly updated.
3. Student Services Department shall also ensure that the fees reflected in the Student Contract, and the Invoices do not exceed the fee collection cap as stated in the FPS Instruction Manual.
4. All Compulsory Fees (as stated under Schedule B in the Student Contract) paid by students would need to be protected under the FPS and it is the responsibility of the Corporate Services and Student Services Departments to ensure that the implementation of the FPS complies with all requirements as stated in the FPS Instruction Manual.
5. The School will work with the insurer to ensure that it has an active FPS-G Policy at all times and that the maximum insurable limit is determined jointly with the insurer.
6. The School endeavours to report the FPS based on date of receipt issuance by the 11th of the following month with the protection start date starting on the date of receipt, and protection end date ending on course end date. The instalment amount will be protected (excluding GST).
7. The following fees are exempted from FPS, if collected by the school:
    a. Course Application Fee
    b. Prevailing Goods and Services Tax (GST)
    c. Miscellaneous Fees
    d. FPS Insurance Premium
    e. Examination Fees collected less than 2 months before Examination Date
8. The School will work with insurer to track the utilisation of the maximum insurable limit and ensure that adequate actions are in place, such as engaging the insurer to increase the maximum insurable limit when utilisation is close to 90%. At all times, the utilisation of the insurance coverage limit shall not be more than the maximum insurable limit. The School will also ensure that a renewal process is in place for expiring FPS policy.
9. The following would make up the School's Revenue Recognition Policy: -
    a. Course Application Fees are immediately recognized as revenue.
    b. Course Fees, Re-Module Fees and other fees that are collected over time should be recognized on an accrual basis over the period in which they are being conducted.

c. There should be a differentiation between revenue and deferred revenue. This is so that the Financial Statements reflect its work in progress.

d. If a lesson has not been delivered to the student, its fees cannot be recognized as revenue, and it will be considered as deferred revenue. It is only when the service has been rendered, that the payment of the fees can be recognized as revenue.

e. For pre-mature withdrawals without refunds, all remaining deferred revenue will be immediately recognized as revenue.

PROCESS

1. <u>Fee Collection and Fee Protection Scheme Process</u>

1. The School would be allowed to collect Course Application Fees prior to the signing of actual Student Contract. This is a fee that is charged to process each application. An original receipt should be issued to students for any such fees paid.

2. Upon receipt of the Letter of Offer and if the applicant would want to confirm to enrol in the course that has been offered to them, the Student Services Department would need to prepare the Form 12 – Advisory Note and Student Contract with the following operational guidelines that must be adhered to strictly: -

   a. Explain all the terms and conditions of the Student Contract to each student, including the cooling off period of 10 calendar days, the breakdown of all fees, non-refundable fees, discounts / rebates, fee payment modes and ensuring that each student fully understands all the information provided prior to signing.

   b. Ensure fees reflected in the Student Contract do not exceed the fee collection cap as stated in the FPS Instruction Manual.

3. Once the Student Contract is duly executed, Corporate Services Department can then proceed to issue invoices based on the fees as stated in the Student Contract.

4. Corporate Services Department needs to double check and ensure that the fees in the invoices do not exceed the fee collection cap as stated in the FPS Instruction Manual and that all fees paid by students would have accompanying original receipts issued to them.

   a. Corporate Services Department shall verify the receipts collected for the month before completing the FPS Data File and submitting to the insurer by the 11th of the following month with the correct course start date, course end date and amount to protect. Should there be no FPS to be submitted, a ‘Nil’ response must still be submitted within the same timeline.

   b. Monitoring of FPS will be done once a month through the FPS monitoring record by the Corporate Services Department to ensure that FPS is submitted accurately.

   c. For Transfer Case, no changes to the FPS will be made unless there are additional course fees collected.

d. For Withdrawal Case, no changes to the FPS will be made.

e. For Deferment Case, no changes to the FPS will be made unless the new end date exceeds the Master Group FPS Policy expiry date.

f. The School will work with the insurer to ensure that there is an active FPS-G policy at all times. In general, one to two months prior to the expiry of the Master FPS Group Policy, the renewal process will be started by insurer, otherwise, the School will request for the renewal process.

g. As part of the renewal process, the School will work with the FPS Insurance Provider to determine the maximum insurable limit (MIL). Generally, the revenue from permitted courses of the previous year will be used as the baseline for the MIL for renewal.

h. The School will work with the FPS Insurance Provider to track the utilization of the MIL on a monthly basis. Prior to the limit reaching 90% or upon reaching 90%, the FPS Insurance Provider will inform the School. The School will work with the FPS Insurance Provider to increase the MIL if needed.

i. The School and the FPS Insurance Provider will ensure that the utilisation of the insurance coverage limit will not be more than the MIL. In the event the MIL has been reached, and the limit has not been increased, the School will stop all fee collections until the MIL has been increased.

5. The Revenue Recognition Procedures consists of 2 major components:

   a. Fees that are immediately recognized as revenue:

      → Course Application Fees

   b. Fees that are recognized as revenue progressively as they are earned:

      → Course Fees

      → Re-Module Fees

      → Fees that are collected over time.

6. Fees that are immediately recognized as revenue are recorded in the accounting system by the Corporate Services Department.

7. Fees that are collected progressively will be recorded as deferred revenue in the accounting system by the Corporate Services Department.

8. Subsequent Revenue Recognition of Deferred Revenue - The Corporate Services Department review the prior month’s deferred revenue and reverse the portion that will be recognized as revenue in the current month where the service had been rendered.

9. The Corporate Services Department will ensure that each revenue item is correctly recognized in the accounting system. (E.g., when the deferred revenue is reversed to recognize the current period revenue, the Corporate Services Department will debit the Deferred Revenue account, and credit the Revenue account).