Dear Valued Customer,

We understand that our customers are justifiably upset by the need to file claims related to lost or damaged shipments and we regret any inconvenience such losses may cause.

If you have your own cargo insurance policy, please submit your claim to your insurance company. After subrogation we will coordinate with them.

If you did not purchase marine cargo insurance for this shipment, then OEC will pursue the claim against the liable party on your behalf and a settlement will be offered to you if and when the liable party has settled with OEC. Note that cargo claim settlement process generally takes 6-12 months. Failure to adhere to the procedures noted in this document may jeopardize your claim and may result in the declining of your claim.

We acknowledge receipt of your claim regarding the above referenced shipment. We are reviewing the situation. At this time, we do not admit any liability for your claim and all our rights are strictly reserved. Please advise the estimated amount of your claim as soon as possible using the form at the end of this document.

Do not dispose of damaged goods; they are evidence of your claim. Disposal of goods without OEC's written authorization will compromise the claim and result in OEC's declining liability. It is the claimant’s duty to mitigate the damages and to act reasonably in order to minimize the damages.

The carriers including OEC are liable for FOB value of the goods only, the freight charges are not returnable, “Charges shall be deemed earned on acceptance of the Goods or Containers or other packages for shipment by the Carrier and shall be paid by the Merchant in full, without any offset, counterclaim or deduction, cargo and/or vessel or other conveyance lost, or not lost, and shall be non-returnable in any event.” OEC bill of lading clause 16.

CHARGES, INCLUDING FREIGHT. For full and fast payment you should purchase cargo insurance, which it is available through OEC upon request.

In the event of a liability claim, please follow the below procedures and submit all claim documents promptly so we may resolve your claim in a mutually beneficial manner. Please note, all claims are handled in accordance with the limitations of liability applicable under any Bill of Lading or/ Air Waybill/Trucking receipt/Warehouse receipt, subject to our Contracts of Carriage, Tariff and Terms and Conditions of Service.
PROCEDURES IN CASE OF LOSS OR DAMAGE

If there is any loss or damage to cargo that has been received, please follow these procedures:

1. MAKING A CLAIM

   - To pursue a liability claim, we will require a detailed “Formal Claim” on your company letterhead as per the enclosed form sample at the end of this document.
   - If the entire shipment was lost, state when delivery was expected, the total number of packages missing and weight.
   - If the shipment was damaged or short, state the items missing or damaged.
   - If the delivery receipt was signed clean, state the reason for not putting remarks on the receipt.
   - If damages were concealed, state when and how damages were discovered.
   - State the total value of your claim.
   - State whether the goods can be repaired, replaced or salvaged.
   - Report any steps that you have taken to mitigate your damages.
   - OEC Group will forward the customer’s formal claim to the liable party (steamship line or airline).
   - To process your claim as promptly as possible, it’s important that the claimant provide the appropriate documents:
     a. Formal notice of claim on your letterhead
     b. Copy of House Bill of Lading/air waybill
     c. Copy of Customs entry summary
     d. Copy of Commercial Invoice
     e. Copy of Packing list
     f. Copy of Delivery Receipt, EIR (Equipment Interchange Report) and warehouse unloading tally
     g. Official survey report if applicable
     h. Itemized claim statement for the claim amount
     i. Original color photos of damaged cargo inside and outside of the packaging and lading of the container
     j. Original color photos of container detect (if any) / Confirm where in the container the damaged cargo was found (door end, middle, nose end, bottom, top, etc..)
     k. Any other documents that will support your claim
   - In support of your claim, promptly forward all supporting documents and the attached claim statement to OEC Group Claims department (listed below). Preserve all outer and inner packaging until claim has been settled or otherwise advised by OEC Group to dispose.

   Claims Administrator
   OEC Group
   claims@oecgroup.com

Shipments insured thru OEC Group will be directly handled by OEC Group in accordance to the guidelines set by the underlying insurance carrier. If you have your own cargo insurance thru a 3rd party provider, please contact that insurance carrier immediately.

Shipments that are not secured with cargo insurance will be subject to the liable carrier’s limitations. OEC Group does not assume liability for uninsured claims or losses contributed by other 3rd parties. OEC Group will file those claims on your behalf with those carriers. However, we cannot guarantee quick resolutions. Some claims may take as long as 6 – 12 months to settle (possibly longer). The only guarantee for a quick resolution is through the purchase of Marine Cargo Insurance.
2. **PROMPTLY REPORT LOSS OR DAMAGE**

Contact your local OEC Group office right away so steps can be taken to properly notify and place all carriers "on notice". In general, all notices of actual claim or potential claim (especially concealed damage) must be submitted within 3 days of receiving your cargo, even if the full extent of your loss is not fully apparent.

- Immediately notify your local OEC Group office of the loss/damage in writing.
- Notify your Cargo Insurance Company. If your Cargo Insurer is conducting a survey, please provide the location and contact details. The Carriers may appoint its own surveyor at their discretion and goods must be available for such inspection.

3. **MAKE IMMEDIATE INSPECTION OF EACH PACKAGE**

- If delivery driver is still present, carefully examine the shipment and note all visible damages or shortage of items on the delivery receipt before signing.
- Do not sign the delivery receipt “clean” if there are any damage or shortages. Make clear exceptions before signing.
- If you receive pallets, skids or shrink wrapped cartons with plastic, you will have to break down the pallets, skids or shrink wrapped cartons with plastic and examine the individual cartons/packages before you can sign a “clean” receipt or to write exceptions in the trucker’s receipt. Otherwise you will jeopardize your claim if later you find that there are re-taped cartons, evidence of pilferage, missing goods and/or empty cartons.
- When containers are delivered damaged or with the seals broken or with a seal number other than stated on the shipping documents, the consignee must write the exact seal exception on the delivery receipt and retain all defective or irregular seals for subsequent identification.
- Take photographs of damaged cartons and their contents. In the event of pilferage, take picture of voids inside packages or containers.
- Separate damaged cargo and decide if a loss has actually occurred.
- Protect cargo from additional loss or damage.
- Notify your Cargo Insurance Company of the loss or damage.

4. **CONTAINERS THAT ARRIVE WITH WATER DAMAGE**

Carriers are not always responsible for wet damages, like in condensation cases, in which there is not a container equipment failure (holes) that can explain the wet damages. In this case, the consignee should claim its shipper and not the steamship line or NVOCC. In order to claim for wet damages to a steamship line or NVOCC like OEC, the container equipment must have a failure or damage in its structure, like a hole, loose door gaskets, or a water line mark inside the container showing that at some point the container was placed under water.

- Stop unloading the container. It is very important that the ocean carrier is notified right away and that they are given the opportunity to send out their own independent inspector to survey the container and the contents.
- It is alright to segregate the water damaged product from the dry product.
- DO NOT discard any packaging, and keep the container at your facility until authorization has been received to release it back to the port.
- Take photographs of the hole in the container or water line marks (if any).
- Notify your Cargo Insurance Company of the loss or damage.
5. **YOUR RESPONSIBILITIES**

Mitigation of loss – It is the claimant’s duty to mitigate the damages and to act reasonable in order to minimize the damages (i.e. sorting the damaged goods, repackaging, cleaning, selling it at a discount cost, etc.)

6. **CARRIER’S LIABILITY LIMITATIONS**

- Ocean shipments to/from the United States, carrier’s liability per package is USD$500.00.
- Air shipments, the carrier’s limit per Kilogram is 17 SDR (special drawing rights).
- Intrastate (within a state) trucking liability limits varies, however the usual liability limit is USD$0.50 per pound. (Movements under a OEC bill of lading are subject to COGSA and Montreal Convention)
- Interstate (within USA) trucking, the limit will be declared value of the goods by the shipper at a higher rate, or if shipper’s choose not to declare value of the goods, then the liability will be USD$0.50 per pound. (Movements under a OEC bill of lading are subject to COGSA and Montreal Convention)
- For OEC Group terms and conditions of carriage, please visit: [www.oecgroup.com/Upload/Bill%20of%20Lading%20Terms.pdf](http://www.oecgroup.com/Upload/Bill%20of%20Lading%20Terms.pdf)

7. **TIME FRAMES FOR FILING CLAIMS**

- Ocean shipments: Visible loss/damages: Immediately
  Concealed damages: 3 days from delivery
- Air shipments: Visible loss/damages: Immediately
  Damages: 14 days after arrival date
- Domestic Trucking: Immediately, within 7 days from delivery.

8. **STEAMSHIP LINES AND NVOCC’S LIABILITY EXCEPTIONS**

Steamship Lines and NVOCC’s liability exceptions as per The United States Carriage of Goods by Sea Act 1936: Neither the carrier nor the ship shall be responsible for loss or damage arising or resulting from:

(a) Act, neglect, or default of the master, mariner, pilot, or the servants of the carrier in the navigation or in the management of the ship;
(b) Fire, unless caused by the actual fault or privy of the carrier;
(c) Perils, dangers, and accidents of the sea or other navigable waters;
(d) Act of God;
(e) Act of war;
(f) Act of public enemies;
(g) Arrest or restraint of princes, rulers, or people, or seizure under legal process;
(h) Quarantine restrictions
(i) Act or omission of the shipper or owner of the goods, his agent or representative;
(j) Strikes or lockouts or stoppage or restraint of labor from whatever cause, whether partial or general:
Provided, That nothing herein contained shall be construed to relieve a carrier from responsibility for the carrier’s own acts;
(k) Riots and civil commotions;
(l) Saving or attempting to save life or property at sea;
(m) Wastage in bulk or weight or any other loss or damage arising from inherent defect, quality, or vice of the goods;
(n) Insufficiency of packing;
(o) Insufficiency or inadequacy of marks;
(p) Latent defects not discoverable by due diligence;
(q) Any other cause arising without the actual fault and privy of the carrier and without the fault or neglect of the agents or servants of the carrier.
Sample

(Procedure)
1. Enter your claim statement in the below table
2. Copy below information and paste to your letter head
3. Email claim statement along with supporting document listed below to claims@oecgroup.com

Formal Claim Statement

To: OEC Group
Attention: Claims Department
Reference: House B/L#: OERT201702B01758
Master B/L#: CMDUCN0E04336

Was the shipment insured through OEC Group? Yes ( ) No ( )
Do you have marine cargo insurance? Yes ( ) No ( )

Enclosed:

a) Copy of House Bill of Lading/air waybill
b) Copy of the Customs entry summary
c) Copy of Commercial Invoice
d) Copy of Packing List
e) Original Color Photos of damaged cargo inside and outside of the packaging and Lading of Container
f) Original Color Photos of container defect (if any) / Confirm where in the container the damaged cargo were found (door end, middle, nose end, bottom, top, etc..)
g) Copy of Delivery Receipt, EIR and warehouse unloading tally
h) Mitigation efforts: salvage, repair, sell of damaged goods receipt and contract, other
i) Official Survey report if applicable
j) Itemized claim statement (see below)

Dear Sir:

This letter is to act as a Formal Claim letter to the above shipment.

<table>
<thead>
<tr>
<th>Description of Goods</th>
<th>Number of Cartons Affected</th>
<th>Number of Pieces Affected</th>
<th>Weight of Cartons Affected</th>
<th>Value per Piece</th>
<th>Total Claim</th>
</tr>
</thead>
</table>

Please review all above enclosures. Should you require any additional documentation, please feel free to contact me. Thank you in advance for your soonest acknowledge receipt of this formal claim.