

Cargo Damaged/Shortage Claims Procedure

If the cargo was carried by HLS and when there is a claim to file with us for cargo damage or shortage found at the destination, please contact HLS as soon as you discover the damage or shortage. Please be advised that the delayed notice may jeopardize your right. Please refer to the Clause 11-19 of back terms of HLS Bill of Lading ("HLS B/L") and note HLS' limitation of liability to cargo damage or cargo shortage and other relevant regulations and/or stipulation. Even though you had notified the claim to the related employee of HLS via telephone or email, please make sure you also notify HLS Claim Department ("HCD") via email (claims@hlsholding.com.cn). Please also refer to the following procedures:

For Cargo Damage

- ✓ 1. Before devanning, please check the condition of the seal and the container and take photos as evidence. We strongly recommend you to take video for whole progress of devanning and discharging.
- ✓ 2. Before or when devanning/discharging, please take photos if you found any damage to the seal of the container, damage to the cargo and/or damage to the container.
- ✓ 3. Suspend discharging, segregate the damaged cargo and evaluate the loss you suffered to decide whether to file a claim or not.
- ✓ 4. If decided to file a claim, please notify HCD via the above email address and negotiate with HCD for the joint survey; at the same time, please arrange your own or the cargo insurer's inspection company to carry out the survey of the cargo damage.
- ✓ 5. To obtain the compensation quickly, you may choose to request your cargo insurer for compensation at first; after your cargo insurer's payment, the cargo insurer may dispose the claim with HLS and/or other responsible party.
- ✓ 6. To take any reasonable steps to mitigate the loss; and please fully understand that the liability limitation enjoyed by HLS contained in Clause 11 of back terms of HLS B/L. The steps of mitigation includes but not limited to salvage sale, cleaning or repacking the cargo.

For Cargo Shortage:

- ✓ 1. Before devanning, please check the condition of the seal and the container; take photos as evidence. It is strongly recommend to take video of devanning and discharging.
- ✓ 2. Before or when devanning/discharging, please check package condition and cargo quantity; and take photos as record.
- ✓ 3. If any shortage, suspend discharging and notify HCD via email to the above address.
- ✓ 4. Provide HCD (to above email address) with photos to prove the cargo shortage, packing lists, tally reports/receipts issued by terminal or tally company; and negotiate with HCD for the joint survey. At the same time, please arrange your own or the cargo insurer's inspection company to carry out the survey of the cargo shortage.

The documents are needed to file a claim

✓ To speed up the disposal of your claim, you shall provide HLS with the following documents:

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| a. Notice of claim which stated the backgrounds and claimed figure | b. Copy of the HLS B/ L |
| c. Commercial invoice of the cargo | d. Packing list |
| e. Proof of ownership (such as Proof of payment for cargo) | f. Delivery receipt |
| g. Warehouse receiving records with devanning tally | h. Formal notice to HLS for invitation to joint survey |
| i. Proof of loss (shall include photos for damage/shortage to cargo) | j. Cargo interest's survey report with color photos |
| k. Salvage sale receipts or Certificate of Destruction | l. Proof of Insurance |
| m. Subrogation letter if claimant is not a party to the HLS Bill of Lading | |
| n. Any documents to prove the cause and amount of cargo damage or shortage | |

✓ For refrigerated cargo, the below additional documents are needed:

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| o. Harvest Date for produce | p. Packing date for produce |
| q. Container stuffing date | r. Final Delivery date |
| s. Devanning date | t. Pictures of cargo stow prior devanning |