

Shipping Procedures For Customers

BDG International, Inc.

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QUOTES: *Please refer to the attached quote form.*

Information required for Air & Ocean shipments:

1. Commodity Description
2. Origin/Destination
3. Shipment Size: - Pieces, Weight & Dimensions (L x W x H)
4. Freight Charges: - Prepaid or Collect
5. Method of payment: - Letter of Credit, Sight Draft, or Open Acct.
6. Terms Of Payment - Incoterm, ie: CIF, CPT, DDU, Ex Factory
7. Insurance Required: - Value of Product
8. Service Required: - Air - Express, Standard, or Deferred.
- Ocean - LCL or FCL
9. Type of Quote: - Actual shipment
- Quote to customer
10. Approximate shipping date.

Export / Import Service Levels:

Air Service Levels -

- a) Express - Premium carrier, next flight out / departs ORD ASAP / SATURDAY SERVICE
Guaranteed Transit Times available to selected destinations upon request
- b) Standard - Service is economical with a transit time airport to airport ranging between 24-96 hours, averaging 72 hours
Mondays - Friday overflow freight
Wednesday & Friday
Cut Off - P/U Called in by customer previous weekday at 12 noon
Transit Times are not guaranteed
- c) Deferred - Subject to airline discretion's, freight moves out of BDG's warehouse within 5 days.
Transit Times are not guaranteed

Ocean Service Levels

- a) LCL: Weekly Sailings - Call for specific details.
- b) FCL: Weekly Sailings - Call for specific details

Quotation Validity:

Ocean Export:

"Estimates are subject to carrier price changes at any time. Estimates expire after 30 days. GRI's or Surcharges may be imposed by the carriers without notice. Shippers are responsible for properly loading, blocking, bracing. Maximum loads permitted are subject to local / state laws and carrier limits. A load in excess of these limits in total or per axle may be rejected and subject to additional charges or fines."

Air Export:

"Estimate number must be placed on SLI. Estimates are subject to carrier price changes at any time. Estimates expire after 30 days. Airport of Destination must be confirmed with the consignee; re-quote the shipment if the destination changes."

Import:

"We will wait for your written confirmation of your acceptance of this quotation, prior to arranging for the freight to move from the shipper. This is an estimate only; this is not a confirmation of booking. Estimate number must be placed on the P.O. No. Estimates are subject to carrier price changes at any time. All imports must be covered under a Single Entry Bond (SEB) or continuous bond. SEB rate:\$5.00 per \$1000.00 value of goods + duties/Minimum \$45.00. Terminal handling charges may vary and Duties & Taxes not included, unless otherwise listed. All foreign exchange rates will be converted at time of export. A safety margin is suggested when calculating your cost of shipping. This estimate will expire after 30 days and is subject to equipment availability. If Customs exam is required, additional charges will follow."

Alternative methods to sending quotes to BDG.

1. We recommend using BDG's quote form.
2. BDG's web site has a quote form that can be e-mailed to BDG.
www.bdginternational.com

How to book a shipment and prepare documents for BDG International.

Information required for Shipment Booking.

1. (Pcs / Weight / Dimensions) or Ocean Container size (Specify OD if Open Tops) and number of containers
2. Your **reference** number
3. Preferred Pick up **date** / Loading **Time**.
4. Warehouse **Open and Close** times
5. Destination
6. Service Required:
 - Air : Required Arrival Date - BDG offers 3 service levels to meet your needs: Express, Standard, Deferred
 - Ocean: Desired arrival date
7. Quote or Proposal Number
8. Ocean ONLY : BDG will prepare an Inland B/L with all sailing details and delivery address. This form is faxed to you.
 - FCL Shipments - Fax the inland B/L back to BDG with the Seal Number & Container number completed
 - LCL Shipments - This inland form does not need to be faxed back.
9. Commodity -
 - Air Freight - Hazardous Information must be provided at the time booking.
 - Ocean Freight-Hazardous Declaration or MSDS - MUST BE PROVIDED PRIOR TO CARGO PICK UP.
10. Terms of Sale: Prepaid or Collect. Incoterm being used. L/C, Sight Draft, Open Account

• **Booking Notification**

1. FCL Bookings: 48 Hour Notice (Seasonal Considerations, and Equipment Available).
2. LCL and Air: 6 Business Hour notice.

- **What documentation do we need to perform an export shipment?**

Air Freight Shipments Only

1. **Security Form**– (Necessary for Unknown Shippers Only / Known Shippers do not need to provide the form.)
 - Known Shipper – Freight can be moved via passenger or cargo aircraft. Passenger aircraft typically have a lower price per kilo.
 - Unknown Shipper - Freight will be moved as deferred and as per TSA requirements.

Air and Ocean Shipments

1. **Commercial Invoice** (5 copies)
 - Information should include: Contact person, Phone/Fax number
2. **Packing List** (5 copies)
 - Information should include: Contact person, Phone/Fax number, List box numbers with contents in each box. This is very important for insurance purposes.
3. **Shipper's Letter of Instruction** or Shipper Transmittal Letter
4. **Letter of Credit** (if issued)
5. **Hazardous Declaration** (MUST BE PRESENTED PRIOR TO CARGO PICK UP)
6. **Pre-Shipment Inspection Certificate** (e.g. SGS) Your customer will normally notify you of these requirements.

Trade Shows

6. **BDG Trade Show Information Sheet** (only used if cargo is destined for a trade show)
7. **Trade Show Packet** (provided by the trade show)

- **Marking Recommendations**

1. Consignee Name, address
2. Contact person
3. Phone Number/Fax number
4. Consignee Reference Number, L/C Number, or other number.
5. Country of Origin (USA)
6. Piece#/Total box count, ie: 1/10, 2/10, 3/10 ...
7. Box Weight
8. Handling Instructions
9. Markings should be clearly visible.
10. Labels should be attached using self adhesive backing with additional tape or stapling used to secure the label to the box or crate. Stenciling is also a highly recommended procedure.

- **Where are the export documents sent?**

All export and import documents should be sent to our office via Fax, E-mail, Messenger or Mail. Our preferred method of communication is via e-mail. We recommend a messenger service be used for original documents such as L/C's.

Documents that are sent with the shipment should be attached to the freight in an envelope marked "Export Documents" . The truck B/L should mention, "Export Documents must move with the freight". **DO NOT GIVE THE DOCUMENTS TO THE DRIVER.**

All ocean documents must be received on the day of loading.

How to consign the Inland Truck B/L

Ocean Freight:

BDG will provide a "ship to" address on the Inland Freight B/L prepared by BDG and sent to you via fax.

Air Freight:

BDG will provide a "ship to" address when your pickup is called in. The warehouse may vary depending on destination.

Governmental Regulations

Exporters are exposed to a variety of regulations imposed by the U. S. Government and the importing country.

Export Administration Act - Export Licensing

- a) Restrict foreign access to goods or technology relating to our national defense.
- b) Enforce sanctions on terrorist nations.
- c) Protect against the export of scarce goods.
- d) Provide for the collection of export trade data through the use of the Shippers Export Declaration. Filed electronically. Must be filed prior to export.

Anti-boycott Law

To avoid having U.S. Companies participate in boycotts

Antidiversion Law

The exporter must note on its shipping documents that the goods have been licensed only for export to the named destination.

Antitrust Laws - e.g.: Price Fixing, conspiracies, market division by competitors

Foreign Corrupt Practices Act

Prohibits U.S. companies from offering or paying anything of value to a foreign official for the purpose of obtaining or retaining business. The act also imposes strict record-keeping and accounting standards on public corporations and their subsidiaries.

Product specific laws

Specific products are covered here, most notably: The Arms Control Act, US Food and Drug Administration, and the Environmental Protection Agency.

Foreign Government Regulations - Depends on the country

Types of Insurance

All Risk – This insurance insures for Loss, Damage, Theft, and Acts of God. The loss can be in total or in part. It does not insure if the cargo were improperly packed, proof of loss during transportation can not be proved, infestation and rust.

FPA (Free of Particular Average) – This is a total loss coverage. Only events in which 100% of the product is damaged, lost will be covered.

General Average – Occasionally a cargo vessel will encounter a potentially serious accident on the sea, such as a fire or encountering severe heavy weather, which may result in the ship having to incur additional costs to save the entire journey (such as towing costs, emergency repairs costs). Because the vessel has had to pay these costs in order to save the cargo and the journey, both the ship and all cargo owners share in the payment of these costs. If you or your customers are advised that a General Average has been declared, it will be necessary to either have a General Average Guarantee signed by your underwriters or pay a cash deposit, to ensure the release of the cargo.

TIME LIMITS FOR REPORTING CLAIMS

BDG recommends that your claims be filed as soon as it is known that there is damage. Upon arrival the consignee should inspect cargo, if damage has occurred it should immediately be notated on the delivery document. BDG should be notified as soon as possible. If BDG has arranged for insurance we will notify the underwriter and a survey of the damaged will be arranged.

CARRIER LIABILITY

Air Carriers - \$9.07/LBS

Ocean Carriers - \$500.00/Containerized Shipping Unit
("STC" or "SLAC" Important in determining "CSU")

Domestic Truck Carriers - .50/LBS

What to do in the event of a claim.

- 1) Speed: To increase the chance for claims to be settled quickly and for the full amount follow the list of steps below as quickly as possible.
- 2) Visually inspect the exterior of the ocean container or shipping carton for visible damage. Note the damage on the delivery receipt.
- 3) Visually inspect the interior of the container or shipping carton for damage. Note the damage on the delivery receipt.
- 4) Visually inspect the product for damage. Note the damage on the delivery receipt
- 5) Photograph all damage as found.
- 6) Do not use or alter the damaged cargo in any way. Leave the cargo in it's original packing as best as possible.
- 7) BDG provides a list of Survey agents with all shipments when insurance has been purchased through BDG. Contact the nearest survey agent immediately to inspect the cargo and verify the damage occurred in transit.
- 8) Immediately contact BDG International and present a formal claim. The claim should mention the estimated loss.
- 9) Non-Delivery:
Consignee must notify the shipper and carrier that the product did not arrive as scheduled.
- 10) Original Insurance Certificate (if issued) must be returned to BDG to present the claim to the underwriter.

CLAIM CHECKSHEET

Documents needed to present formal claim

File Number _____ Claim Number _____

- Letters of Intent (PNCs)
BDG will have this document if we have provided insurance.
- Faxes/Letters from carriers confirming receipt of PNCs
BDG will have this document if we have provided insurance.
- P.O.D. (Sign-off) from involved carriers / dock receipt **(English)**
- Copy of main transport document, (OBL or Awb)
BDG will have this document if we have provided insurance.
- Copy of all related inland bills of lading
BDG will have this document if we have provided insurance.
- Copy of commercial invoice
BDG will have this document if we have provided insurance.
- Copy of packing list
BDG will have this document if we have provided insurance.
- Proof of Insurance, (Original Cert. or stamped copy of transport document)
BDG will have this document if we have provided insurance
- Breakdown of amount claimed and calculations
- Copy of inspection report
- Copy of destruction report or salvage disposition **(English)**
- Photographs
- Survey report
- Any related government documents
- Exception reports from any involved carriers **(English)**
- Formal claim from customer
- Repair estimate
- Other: _____