

TRANSPORTATION AND HANDLING MANUAL

Published by the Hyundai GLOVIS Quality Department in cooperation with the Port Operations, Vehicle Logistics, and Claims Departments, this manual is provided to assist in accomplishing the goal of damage free delivery to the customer. All procedures and requirements detailed in this manual for the handling, loading, transport, unloading and storage of Hyundai and Kia vehicles are mandatory unless previously agreed upon in writing by Hyundai GLOVIS. Updates to this manual will be based on changes to customer bulletins, business policy, and network changes. All previous bulletins are replaced by this document. Printed copies of this manual are uncontrolled.

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APPENDIX A - SHIPPING QUICK REFERENCE GUIDE

APPENDIX B - VEHICLE DELIVERY QUICK REFERENCE GUIDE

APPENDIX C - VEHICLE TECHNICAL BULLETINS

APPENDIX D - IN-TRANSIT REPAIR PROCEDURES

APPENDIX E - VEHICLE INSPECTION DAMAGE CODES

APPENDIX F - RAILCAR CHOCKS QUICK REFERENCE GUIDE

The manual contains information about the proper handling of Hyundai and KIA vehicles. It includes general handling procedures, truck-away instructions, rail loading and unloading instructions, damaged vehicle procedures, and vehicle model specific shipping instructions.

All personnel involved with the handling of Hyundai and KIA vehicles must be fully aware and trained on the procedures detailed in this manual. Any suggestions or questions concerning the material presented, or requests for additional copies should be directed to the Hyundai GLOVIS Quality Department.

HYUNDAI GLOVIS CONTACT NUMBER - (714) 435-2960

- **PORT OPERATIONS DEPARTMENT** - Ocean Port and VPC operations
- **VEHICLE LOGISTICS DEPARTMENT** - Truck/rail transport operations and distribution network
- **CLAIMS DEPARTMENT** - Damage claims and claims system - Hotline (866) 445-6847

- **QUALITY DEPARTMENT** –Quality standards for services

1 GENERAL VEHICLE HANDLING PROCEDURES

1.1 Minimum Facility/Terminal Standards

1.1.1

Areas where Hyundai/Kia vehicles are to be stored, processed, loaded or unloaded must be completely paved and fenced with adequate lighting and proper security. Loading and staging areas must be clearly marked. These areas must be level and have an adequate drainage system.

1.1.2

Operational fire extinguishers must be strategically located and highly visible. All personnel should be trained to locate extinguishers and how to use them. Fire extinguishers must be readily available, fully charged, and inspected.

1.1.3

Entire area must be free of trash, debris, pot holes and loose gravel. Vegetation must be controlled throughout the facility to prevent contact with vehicles and to allow an unobstructed view of the interior perimeter of the fence.

1.1.4

Drains, drain covers, water basins and drain channels must be kept free of debris and checked regularly for obstructions to prevent yard flooding.

1.1.5

During winter months, yards must be kept clear of snow and ice.

1.1.6

Trash, debris, and especially oil/hydraulic spills must be cleaned up immediately. Refuse material must be disposed in an environmentally appropriate manner.

1.1.7

Vehicle yards must be clearly marked indicating the maximum allowable speed limit of 15 mph or 25 km/h. Stop, yield or vehicle directional flow signs should be clearly posted or stenciled into the pavement where necessary for proper driver and yard safety. Yard obstructions or areas that require caution should be clearly marked with a florescent paint, cones or markers.

1.1.8

Vehicle parking bays must be clearly marked and wide enough to permit opening doors without damage to nearby vehicles. To ensure that maximum side-to-side spacing is maintained, vehicles must be parked with the left tires on the left line of the parking bays. There is to be a minimum 15 inches of clearance between any portion of the vehicle and the nearest point of contact.

1.1.9

Unauthorized vehicles are prohibited from the loading and staging areas. Hyundai/Kia vehicles are not to be used for shuttle purposes. All vehicles leaving the facility will be subject to inspection.

1.1.10

All permanent obstructions or hazards must be painted a bright color.

1.1.11

Adequate lighting must be maintained and all lights must be operable.

1.1.12

Facilities must be adequately secured to prevent trespassing, vandalism, and theft.

1.1.13

Security personnel must control all facility entrances and exits.

1.1.14

All personnel and visitors must be logged in and out of the facility.

1.2 Tools

1.2.1 Tool pouches must be made of non-abrasive material. Tool boxes and carts must have adequate padding to prevent damage.

1.2.2 All port operations tools must have protective coatings on handles.

1.2.3 Defective tools must be removed from service.

1.2.4 Personnel should carry tools in hand on opposite side from vehicles. Care must be taken to prevent accidental contact with a vehicle.

1.3 Anti-Mutilation

1.3.1

In order to prevent damage, anyone who enters an area where vehicles are stored must adhere to the requirements listed below.

1.3.2

Clothing must be clean and free of exposed metal, zippers, belt buckles, fasteners, or any abrasive material. If such items must be worn, items must be covered with a suitable non-abrasive material such as tape. Blue jeans are not allowed due to the rivets. Denim without rivets is acceptable.

1.3.3

If one-piece jumpsuits or speed-suits are worn, they must be fully zipped and snapped. They are designed with covers for the zippers and snaps when worn properly.

1.3.4

Sandals or flip-flops are prohibited. Boots or shoes must have a closed toe. Recommend non-slip, comfortable shoes to minimize slipping on asphalt and equipment surfaces.

1.3.5

Rings, watches, bracelets, and jewelry should not be worn. If worn, these must be covered with a suitable non-abrasive material such as tape.

1.3.6

If work gloves are worn, they must be removed before entering a vehicle to prevent contamination.

1.3.7

Acrylic finger nails of any length must be covered by wearing gloves or other suitable coverings.

1.3.8

It is prohibited to carry parts, tools, or hard objects in pockets that could accidentally damage vehicles.

1.3.9

Metal clipboards are prohibited or must have a suitable protective covering. If pens are used, they must be retractable and retracted when not in use.

1.3.10

Wearing high visibility jackets or clothes are recommended.

1.3.11

Bump hats or safety helmets are recommended. If worn, they must be removed prior to entering vehicles.

1.3.12

The Port, Vehicle Processing Center (VPC), transport, and terminal managers are responsible for enforcing compliance. Violations of the Anti-Mutilation policies will result in removal from the area until the violations are corrected.

1.4 Vehicle Handling

1.4.1 Vehicle Operation

1.4.1.1 No Hyundai or Kia vehicles will be driven without training on the procedures contained in this manual.

1.4.1.2 All handling, loading, unloading, or baying deviations are included in the respective technical bulletins in APPENDIX C. Technical Bulletins take precedence over information contained in this manual.

- 1.4.1.3 Intoxication of any kind will not be tolerated. Violators will be removed from the facility and prosecuted to the fullest extent of the law.
- 1.4.1.4 Vehicles can only be driven by personnel with valid driving licenses over the age of 18.
- 1.4.1.5 Vehicles can only be driven for the purpose of loading, unloading, or parking unless otherwise directed by Hyundai GLOVIS personnel.
- 1.4.1.6 If a vehicle Warning Light(s) appears after the initial start-up sequence, immediately shut off the engine and contact yard management. Do not attempt to move or ship vehicles with active dashboard warning lights.
- 1.4.1.7 Keep all objects away and off vehicle surfaces. Personnel are not to sit on, lean or brush against the exterior of vehicles. Avoid touching vehicles except for the purpose of entry and exit.
- 1.4.1.8 The maximum speed allowed for Hyundai and Kia vehicles is 15 MPH. Vehicles must be driven at safe speeds and in a manner that minimizes damage probability.
- 1.4.1.9 Never use a vehicle for towing or pushing.
- 1.4.1.10 Before driving vehicles, all doors must be shut. Never drive a vehicle with open deck lids, hatches, or hoods.
- 1.4.1.11 Do not drive the vehicle without full visibility. If windshield cleaning is required, the vehicle's windshield sprayer must be used to prevent damage to the wiper blades.
- 1.4.1.12 Snow and ice may be removed with a snow removal tool (i.e. SNO-PRO tool) only. Under no circumstances may a broom, wood, cardboard or metal instrument be used to remove snow or ice.
- 1.4.1.13 Enter vehicles through driver's door only, opening door carefully to avoid damage by contact with other vehicles or equipment.
- 1.4.1.14 Do not depress the accelerator pedal prior to starting.
- 1.4.1.15 No smoking, eating, drinking or lounging inside or near the vehicles.
- 1.4.1.16 Cell phone use is prohibited while driving vehicles. This includes hands-free devices.
- 1.4.1.17 Vehicle handlers must keep carpets, seats, dash and side panels free from grease, dirt, mud and other foreign contaminants.
- 1.4.1.18 Vehicles will not be used for shuttle or taxi purposes. No more than one person is permitted inside a new vehicle at any time, except for authorized training purposes. Hyundai GLOVIS managers are the approval authority for training.
- 1.4.1.19 Do not race or rev engines, idle vehicles for an excessive amount of time, or spin tires. Do not slip the clutch at high engine speeds.
- 1.4.1.20 Transport carriers will not apply any devices, stickers, labels or any markings on windows, panels or any part of the vehicle body to identify any issue or status without Hyundai GLOVIS approval.
- 1.4.1.21 Flat tires must be changed before a vehicle is moved. See Section 5 regarding flat tires. The spare tire in the vehicle should not be used. If the spare tire is used, it must be replaced. Flat tires must be replaced with an equal replacement tire of the same manufacturer.

1.4.1.22 Under no circumstances are vehicle tires to be inflated or deflated for any reason by carriers. Only port processors are allowed to adjust tire pressure.

1.4.1.23 Vehicles must be moved under their own power. Never push or pull a vehicle with another vehicle.

1.4.1.24 For no-starts including dead batteries, see APPENDIX D.

1.4.1.25 Do not attempt to pass other moving vehicles.

1.4.1.26 Drivers are to obey all stop signs, stop lines, stoplights or other indicators. All vehicles are to come to a full stop at these signs.

1.4.1.27 Drivers must obey established driving patterns within the aisle ways.

1.4.2 Parking Vehicles

1.4.2.1 When vehicles are parked for storage, ensure the power bar or transportation fuse is disengaged (off). This practice reduces the electrical trickle drain on the appe. Note that some vehicles require the power bar or transportation fuse to be engaged (on) to start.

1.4.2.2 When vehicles are parked, hoods, trunks, glove box doors, tailgates, and windows are to be closed. All lights including flashers must be off.

1.4.2.3 Marking or identifying parked vehicles by leaving doors open, hatches open, turning lights on, using flashers is strictly prohibited.

1.4.2.4 Protective seat and floor coverings are to be properly positioned when entering or upon exiting a vehicle. Removal of vehicle seat or floor protectors is strictly prohibited.

1.4.2.5 Do not use any part of a vehicle as a support for writing.

1.4.2.6 Heating, air conditioning and all electrical controls should be in the "OFF" position. Radios are to remain off at all times.

1.4.2.7 Never write directly on a vehicle. If vehicle parts have been written on, they must be cleaned prior to shipment.

1.4.2.8 Never open the sun roof or manually operate electric mirrors.

1.4.2.9 Drivers are to uniformly align the left tires of their vehicle on the left bay stripe. Correct alignment is defined as 2-inch tolerance from the line as measured from the side of the tire contact point on the pavement. If bay markings include hash marks, park front left tire directly on top of the hash mark, as long as there is still at least 12 inches of clearance. Front tires must be straight.

□ Hyundai Vehicles:

└ Bumper to bumper spacing = 12 inches

└ Side to side spacing = 40 inches (Genesis and Equus = 35 inches) □ Kia

Vehicles:

└ Bumper to bumper spacing = 12 inches (K900 = 15 inches)

└ Side to side spacing = 36 inches

1.4.2.10 In snow conditions, vehicles are not to be parked within 10 feet of any building's roof drip line. 1.4.2.11

Printed materials (manuals, labels, guides, tags, etc...) must not be removed or tampered with.

1.4.2.12 All doors must be unlocked.

- 1.4.2.13 All storage compartments must be closed.
- 1.4.2.14 Keys and remotes must be stored as directed by the respective vehicle Technical Bulletin in APPENDIX C. Keys must never be left in the ignition.
- 1.4.2.15 Automatic transmissions must be set in "Park"; Manual transmissions must be in "first gear".
- 1.4.2.16 Parking brake must be engaged.
- 1.4.2.17 If the vehicle is being released for shipment, it is imperative that the complete VIN on the vehicle Monroney label, the dashboard VIN plate, and the B-Pillar VIN plate all match to prevent mis-shipping vehicles.
- 1.4.2.18 Hyundai GLOVIS contractors must not communicate hold or repair information to final destination facilities.
- 1.4.2.19 Violations of handling procedures may result in permanent restriction from handling Hyundai GLOVIS vehicles.

2 OCEAN CARRIERS (IMPORTS)

2.1 Ocean Vessel Unloading Procedure

- 2.1.1 Stevedores, marine handlers, and marine surveyors must comply with the vehicle handling and anti-mutilation sections of this manual.
- 2.1.2 Stevedores should stage all vehicles at a pre-determined and designated First Point of Rest (FPOR) area.
- 2.1.3 When unlash vehicles from import vessels, lashes are removed and pushed to the edge of the deck. Extreme caution should be exercised to ensure that the lashes do not fall under the railing, damaging the vehicles beneath.
- 2.1.4 Prior to unloading, all marine ramps must be inspected for safety. Ensure ramps are free of cracks, metal edges, or any issue that could cause tire or undercarriage damage.
- 2.1.5 If a driver must move an unassigned vehicle in order to get to the assigned vehicle for unloading, the unassigned vehicle must be returned to its original position.
- 2.1.6 Verify the Vehicle Identification Number (VIN) on all documents and vehicles
- 2.1.7 No more than one vehicle at a time is allowed on the vessel unloading ramp. Ramp speed is not to exceed 5 mph.
- 2.1.8 Drive with the flashers and headlights on at all times.
- 2.1.9 Exercise extreme caution during unloading operations to prevent any part of the vehicle from touching any part of the transport vessel. Exercise caution to prevent sidewall chafing of the tires during unloading.
- 2.1.10 The maximum speed is 15 MPH in the facility or terminal. A minimum of one vehicle length is to be maintained between moving vehicles.
- 2.1.11 Drivers will park the vehicles with a minimum of 15 inches bumper to bumper. Front wheels are straight. Side to side spacing should be a minimum of 36 inches.
- 2.1.12 After the vehicle is unloaded and parked, transmission must be set to "Park" (automatic) or first gear (Manual), and parking brake engaged. See key placement in respective Technical Bulletins in APPENDIX C.

2.2 Discharge Procedure

- 2.2.1 First Point of Rest (FPOR) Survey
- 2.2.2 Port personnel and 3rd party surveyors should commence discharge transportation inspection of all vehicles on the day of vessel discharge.
- 2.2.3 A discharge document must be presented including the VIN, associated damage and pictures to the ocean carrier vendor; this document must be used to perform a verification inspection conducted by the ocean carrier and must be signed by both parties.

- 2.2.4 The complete physical inspection process must take place within two (2) business days of discharge of the vessel. In the case of a holiday within this two (2) business day period, the inspection transmission may end a day later.
- 2.2.5 Within two (2) business days (excluding, Saturday, Sunday and public holiday) from the end of the physical inspection, the 3rd party surveyor must electronically transmit the Marine Survey Report to the GLOVIS Claims Management System (GCMS) and email the Marine Damage documentation to Hyundai GLOVIS Claims Department for entry into GCMS.
- 2.2.6 If the parties cannot agree on damages noted, the Hyundai GLOVIS Claims department and carrier representative must be notified via email. The notification must include one up-close picture and one picture taken from 3 feet away.
- 2.2.7 Surveyor must keep pictures of transportation damage for two (2) years, along with the vessel's discharge documents.

2.3 Marine Damage Survey Inspection

- 2.3.1 All surveys should be conducted in well-lit areas.
- 2.3.2 Surveyor must follow the manufacturer's quality standards and record any vehicle transport damage and defects using Cause Codes, Repair Mode Codes, and standard AIAG Damage Codes (APPENDIX E).
- 2.3.3 The inspection consists of a complete walk-around assessment of the exterior and visible areas of the vehicle's undercarriage such as exhaust pipes and underside of fascia's, as well as tires and wheels.
- 2.3.4 If damage is detected, a closer more thorough inspection may be required. If any disturbances to protective film are observed, the film must be removed and the area of the vehicle inspected for damage.
- 2.3.5 Inspection time is typically 1-3 minutes for each vehicle.
- 2.3.6 Do not remove plastic wrap during inspection unless there is an indication of damage (plastic wrap is torn, dirty or scratched). If the plastic wrap is damaged, the condition of the plastic wrap must be described in the survey.
- 2.3.7 Check all body panels, trim and paint finish for scratches, dents or fluid damage.
- 2.3.8 Check the bodyline of the vehicle, paying careful attention to the fit of the hood with the fenders and the front bumper.
- 2.3.9 Check all glass for cracks, scratches or chips.
- 2.3.10 Check all tires, including the spare, for cuts or punctures.
- 2.3.11 Check for evidence of leaking fluids.
- 2.3.12 Do not apply markings of any kind to the vehicle (i.e. grease pencil). Temporary stickers to outline damages for pictures are allowed but must be removed after the pictures are taken.
- 2.3.13 All damage or defects should be documented including other than marine (OTM) damage, WPO (will polish out), BTU (brush touch up), etc...
- 2.3.14 If major damage is discovered, the surveyor must report the vehicle to the Hyundai GLOVIS Port Manager within same day of discovery. The surveyor will complete a Damage In Transit (DIT) survey which will accompany the Marine Survey Report. The DIT survey must be emailed to the Hyundai GLOVIS Claims Department within two (2) business days of completion.

2.3.15 Damage found outside of the FPOR will not be considered marine damage.

2.3.16 Any and all revisions to a Marine Survey Report must be approved by the Hyundai GLOVIS Claims Department only.

3 CAR CARRIER TRUCK PROCEDURES

3.1 Car Carrier Truck Equipment

3.1.1 Carriers are responsible to ensure all truck-away equipment have the ability to transport various Hyundai and Kia vehicles in a safe and secure manner.

3.1.2 Sub-haulers and their equipment must meet all vehicle shipping standards and be approved by the contracted provider prior to use.

3.1.3 Equipment must be designed to allow entry and exit of the vehicles without contacting any metal surfaces of the car carrier truck.

3.1.4 Hydraulic systems must be functioning properly and not leaking.

3.1.5 Vehicles must not be loaded in any position that would require the driver to enter or exit by any means other than the front driver's side door.

3.1.6 Trucks must be equipped with soft tie-downs (straps). Hyundai and Kia vehicles require soft tiedowns only.

3.1.7 All Hyundai and Kia vehicles require 4 cargo straps per vehicle. All straps must be in good working condition (no frays, tears, or missing hooks).

3.1.8 Vehicles in lower deck positions must be protected against damage from fluid leakage or hot exhaust from a vehicle loaded in an upper deck positions.

3.1.9 No part of the vehicle, excluding the tires, may contact the skids, rig structure, or ground at any point.

3.1.10 Flipper plates, filler plates, and all other pivoting components in the wheel track must be flat and supported from both ends.

3.1.11 The maximum permitted distance to "jump" a vehicle between deck sections is 4 inches. For distances greater than 4 inches flipper plates or skids must be used.

3.1.12 All trucks must be equipped with a spill kit. The driver is responsible for the cleanup and notifying the proper authorities at the facility in the event of a spill.

3.1.13 All transporters must be equipped with a height stick and tie-down bar. If equipped with a ladder, it must be secured.

3.1.14 GLOVIS reserves the right to inspect transporters before approving them as suitable for the transport of Hyundai and Kia vehicles.

3.2 Car Carrier Liability Inspection

3.2.1 A thorough inspection of the vehicle must be performed at each handling point. This inspection protects the driver from liability of existing damages or missing equipment. It is the service provider's responsibility to perform a thorough inspection of the vehicle regardless of environmental conditions but only as safety allows. Following this procedure does not absolve the service provider of liability.

3.2.2 The inspection should be performed at the last point of rest. Do not move the vehicle. If the vehicle is moved, the driver accepts liability of the vehicle.

3.2.3 Inspection Process

- 3.2.3.1 The inspection consists of a complete walk-around assessment of the exterior, visible areas of the vehicle's undercarriage such as exhaust pipes and underside of fascia's, as well as tires and wheels. For an effective inspection of the underside of fascia's (front and rear), it is recommended to bend and touch these areas. If damage is or missing parts are detected, a closer more thorough inspection may be required. If any disturbances to the protective film are observed, the film must be removed and the area of the vehicle inspected for damage.
- 3.2.3.2 Inspection time is typically 3-6 minutes for each vehicle.
- 3.2.3.3 Ensure all vehicle's VINs are checked in 3 locations; Carrier delivery documents, VIN plate on the dashboard, and the Monroney label.
- 3.2.3.4 Ensure all items listed on the Monroney label, or mentioned in a service/product bulletin, are in the vehicle. (i.e. keys, remotes, owner's manuals, and throw-in accessories).
- 3.2.3.5 Do not remove plastic wrap during inspection unless there is an indication of damage (plastic wrap is torn, dirty or scratched) or the wrap is loose (the edges are not adhering to the vehicle) and may cause damage from wind buffeting. The condition of the plastic wrap must be described on the delivery receipt and pictures should be taken.
- 3.2.3.6 Check all body panels, trim and paint finish for scratches, dents or fluid damage.
- 3.2.3.7 Check the bodyline of the vehicle, paying careful attention to the fit of the hood with the fenders and the front bumper.
- 3.2.3.8 Check all glass for cracks, scratches or chips.
- 3.2.3.9 Check all tires, including the spare, for cuts or punctures.
- 3.2.3.10 Check under the hood for any missing equipment or evidence of leaking fluids.
- 3.2.3.11 Inspect all trim panels, upholstery, carpets, dash, sun visors, headliner and door trim.
- 3.2.3.12 Check for keys, key FOB's and owner's manual packet and, if applicable, the Navigation DVD and SD Cards.
- 3.2.3.13 Upon completion of the inspection and driver turning on the vehicle, driver accepts liability of the vehicle and therefore, must ensure control of the vehicle until delivery.
- 3.2.3.14 Do not apply markings of any kind to the vehicle (i.e. grease pencil). Temporary stickers to outline damages for pictures are allowed but must be removed after the pictures are taken.
- 3.2.3.15 Do not leave any inspection detail, notes, etc. in or on the vehicle prior to final delivery to dealers.
- 3.2.3.16 See SECTION 5 for damage reporting.

3.3 Car Carrier Loading and Unloading Procedures

3.3.1 Prior to loading

- 3.3.1.1 Refer to the individual vehicle technical bulletins (APPENDIX A) to verify authorized loading positions. Do not load vehicles in unauthorized deck positions.
- 3.3.1.2 Inspect the truck to insure that the vehicle pathway is clear of all straps, chocks, tools, and loose chains hanging from upper decks. Drivers should not drive over unused chains or hooks. All hydraulic lines are secured to avoid contact with the vehicle.

3.3.1.3 Jump skids or plates are properly positioned. Deck sections are positioned to avoid vehicle contact during loading.

3.3.1.4 Loading ramps must be placed at a sufficiently low angle to enable easy access and prevent damage to the underbody of the transported vehicles. The recommended maximum ramp angle is 7 degrees.

3.3.1.5 All decks must be pinned during loading, unloading, and transport to protect the driver and the vehicle in the case of equipment failure.

3.3.2 Loading

3.3.2.1 All vehicles must be inspected prior to moving.

3.3.2.2 Verify that the shipping destination on the Monroney label matches the load sheet information.

3.3.2.3 Mirrors must be in the folded position. If mirrors fold automatically, activate interior electronic controls to fold mirrors -- folding electronic mirrors manually will cause damage.

3.3.2.4 Vehicles must be driven onto transporters at speeds that reduce the probability of damage.

3.3.2.5 Vehicles must be positioned in their designated location with front wheels straight.

3.3.2.6 Parking brake must be engaged, transmission set properly, keys stored per APPENDIX C.

3.3.2.7 Loaded vehicles must maintain the following minimum clearances:

- Clearance between vehicle's underbody and deck = 2 inches
- Clearance between vehicles (bumper to bumper) = 3 inches
- Clearance between vehicle roof and truck upper deck = 4 inches

3.3.2.8 Vehicles must never be transported in a manner that allows the vehicle to exceed 15 degrees from horizontal. During loading, unloading, and all other handling situations, never position a vehicle to exceed 25 degrees from horizontal.

3.3.2.9 A minimum of 2 inches clearance must be maintained between all vehicle components and the car carrier trailer.

3.3.2.10 Special caution should be taken when entering and exiting vehicles to ensure that the door does not touch any part of the carrier.

3.3.2.11 At a minimum, the keys must be removed from the last vehicle loaded on the truck.

3.3.3 Tie-Down Procedures

3.3.3.1 All Hyundai and Kia vehicles must have 4 straps per vehicle. All straps must be in good condition.

3.3.3.2 Straps must adhere to the following guidelines:

- Straps may only contact tire tread surfaces. Straps must never contact any part of the vehicle other than the tires.
- Straps must run parallel with the tread.
- Straps must have rubber cleats to ensure they stay in place during transit.
- Straps can only tighten down at the front and rear of the tire.
- Straps may not wrap in front or behind the tire and pull inward or outward. (Lasso style or side-pulls are strictly prohibited)
- No part of the strap or strap basket may touch any part of the wheel, only the tire itself.

- Extreme caution must be used when using ratchet bars for tightening or releasing tie downs. Ratchet bar must never come in contact with the vehicle.
- Straps must never be wrapped around or through any other part of the vehicle (i.e. strapping through the wheels, around axles, etc.).
- If the vehicle's front and rear wheels are on the same surface, all four tie-down securements are to be tightened before the surface is tilted.
- Straps must never be twisted in the securement process.
- Straps must be properly maintained. Worn straps are to be replaced when frayed or worn. Trucks are required to carry extra straps.

3.3.3.3 Hooks on the straps must be placed as close to the wheel as possible. The strap must never make contact with any point on the vehicle other than the tire.

3.3.3.4 The straps should lie flat on the tire with no twists at any point.

3.3.3.5 Place strap over tire, ensuring that the rubber cleats are centered across the width of the tire.

3.3.3.6 Tighten the strap using the ratchet. Do not over tighten wheel straps. Over tightening may lead to premature wear of the strap and assembly, damage to the vehicle, or unexpected failure of the straps. Over tightening means applying more force than is necessary to adequately and properly secure the vehicle to the equipment.

3.3.3.7 Secure all unused straps and hooks so they can't fall and damage vehicles during transport.

3.3.3.8 Stow and secure skids so they will not touch vehicles.

3.3.3.9 Prior to departure, the driver should check the load height to ensure that the loaded vehicles will not be exposed to damage from overhead obstruction while in transit.

3.3.3.10 Vehicle tires are never to be deflated to reduce trailer heights.

3.3.4 Outgate Procedures

3.3.4.1 As each vehicle is loaded, the driver must record the vehicle's VIN on the delivery documents. If adhesive backed barcodes are not used at a particular port the carrier will simply collect the port processor generated release document from each vehicle.

3.3.4.2 Outgate documents are scanned by the port processor or terminal security. The driver must present the delivery documents / out-gate document(s) with barcodes (or hand-written VINs) or port processor generated release documents for each vehicle to the Security officer. The Security Officer will confirm that the number of barcodes match the number of vehicles loaded. Drivers will not be permitted to exit without the completed documents.

3.3.5 Transport

3.3.5.1 During transport, all tie-downs are to be inspected periodically, making any necessary adjustments.

3.3.5.2 On-time delivery is a priority. Drivers need to promptly report transportation delays to the dispatcher. Such reports should include the location, cause and expected length of the delay. Dispatchers will notify Hyundai GLOVIS Vehicle Logistics if the delay exceeds 24 hrs.

3.3.5.3 If a carrier encounters potential dangerous or hazardous weather events (hail, wind with debris, lightning, etc.) in rout to the final destination, it is recommended that the driver pull over and find shelter until the weather event is over. Driving through a dangerous or hazardous weather event can cause even more serious damage to vehicles being transported.

- 3.3.5.4 Carrier must notify Hyundai GLOVIS claims department within 24 hours of a dangerous or hazardous weather event that could have caused damage to transported units.
- 3.3.5.5 Carrier must specify cause of damage on delivery receipt if damage is caused by an unavoidable dangerous or hazardous weather event upon delivery of the units to final destination. Cannot write "Act of God", it must be more descriptive (i.e. large hail, strong winds, flying debris, etc.).
- 3.3.5.6 In cases of fire or rollover, truck and units need to be moved to a safe and secure location, if possible, and inform Hyundai GLOVIS Claims Department within 24 hours of incident.
- 3.3.5.7 Driver must take pictures of all units and send them to Hyundai GLOVIS Claims Department within 24 hours of incident.
- 3.3.5.8 Even if the vehicles on transporter seem not to be affected by the fire or rollover, they cannot be released for delivery until Hyundai GLOVIS Claims Department releases them.
- 3.3.5.9 All costs associated with the movement and storage of the units will be the liability of the carrier.

3.3.6 Unloading and Delivery

- 3.3.6.1 Driver should check the delivery documents for notes (Special Instructions) regarding delivery restrictions. It is the carrier's responsibility to contact each of their dealers and review the delivery process. The following information should be made available to all delivering drivers so they are familiar with the specific dealer's needs before they arrive at the dealership. At a minimum, the requested information should include the following:
- Hours of operation
 - Proper entrance and exit of dealership premises
 - Name of the primary contact person authorized for vehicle inspections
 - Unloading area, Vehicle staging area
 - If "Subject To Inspection" (STI) is allowed
- 3.3.6.2 The transporter must be parked on level and firm ground. The tractor and trailer must be lined up in a straight line.
- 3.3.6.3 The loading decks must be free of all straps, chocks, tools or other objects.
- 3.3.6.4 Loading ramps must be placed at a sufficiently low angle to enable easy access and prevent damage to the underbody of the transported vehicles. The recommended maximum ramp angle is 7 degrees.
- 3.3.6.5 All ramps must be pinned to guard against hydraulic failure.
- 3.3.6.6 Cars must be driven off and away from the transporters at speeds that reduce the probability of causing damage. Speed must be particularly reduced before driving off the ramps.
- 3.3.6.7 Cars must be unloaded only under motor power. Pushing a vehicle off the transporter requires Hyundai GLOVIS Vehicle Logistics authorization.
- 3.3.6.8 Vehicles must be delivered in designated areas in drivers view or control.
- 3.3.6.9 Either an EPOD or paper delivery receipt can be used for delivery but not both. If an EPOD is used for delivery, the copy for the dealer must be given to them electronically, directly printed from the EPOD, or through a printer. A paper copy that is hand marked up and signed cannot be given to the dealer if an EPOD is used for delivery.

3.3.7 Delivery Inspections

- 3.3.7.1 The dealer has the right to inspect the vehicle and call the exceptions while walking around the vehicle together with the delivering driver. Exceptions are to be noted on the carrier's "Delivery receipt".
- 3.3.7.2 The dealer has the right to wash the vehicle in the driver's presence. A Hyundai or Kia approved carwash must be used in order to avoid any potential damages to the vehicle by the dealer.
- 3.3.7.3 If the parties cannot agree on a noted exception the driver and dealer must add their comments, sign and date the "Delivery receipt" on paper or electronic format but not both.
- 3.3.7.4 After sign off by both the dealer and driver, the delivery receipt must not be altered in any way by either party and the carrier copy becomes the legal delivery document for proving any delivery damages.
- 3.3.7.5 All delivery receipts must have the date and time of the delivery; the drivers printed name, signature; and the dealer representative receiving the vehicles printed name and signature.
- 3.3.7.6 All writing must be legible. Illegible documents cause delays in claims processing and can potentially result in denial of claim.
- 3.3.7.7 Hyundai GLOVIS Claims Department will determine carrier's responsibility for issues noted on the Delivery Receipt based upon the transportation damage guidelines, evidence presented, and circumstances of the incident.
- 3.3.7.8 It is Hyundai and Kia policy that a dealer MUST accept a vehicle delivery regardless of its condition, and note the damage on the Delivery Receipt. The dealer must contact the Hyundai GLOVIS Claims Department Hotline at 866-445-6847 for further instructions immediately after the delivery.

3.3.8 Normal Delivery Hours

- 3.3.8.1 Driver must maintain control of vehicles and keys until inspection is complete and the delivery documents are signed by the consignee or dealer.
- 3.3.8.2 If damage or theft is detected, the damage or theft must be documented on the delivery receipt using current AIAG exception codes (APPENDIX E) and signed by both the receiving and the transferring party.
- 3.3.8.3 If the vehicle is delivered during normal business hours, the inspections must be completed immediately by the dealer, typically within one hour for a full load of 9 vehicles.

3.3.9 After Hours or Unattended Facility Delivery (aka STI)

- 3.3.9.1 Driver should check the delivery documents for notes (Special Instructions) regarding delivery restrictions. It is the driver's responsibility to confirm after hours delivery is available.
- 3.3.9.2 Vehicles must be delivered to the dealer's designated after-hours parking area. If delivering to a port/Vehicle Processing Center (VPC), vehicles must be delivered to the port/VPC designated vehicle receiving parking area. Any other area and the carrier could be held liable for any damages or theft.
- 3.3.9.3 Vehicle keys must be placed in the designated drop box or location assigned by the dealer/port/VPC.
- 3.3.9.4 The driver must sign, date and note any damages (if PPF shows signs of damage, see section 5.1.8.5 for instructions) on the delivery receipt in order to identify each VIN as delivered. The

driver must also note that it is a subject-to-inspection (STI) delivery and indicate the date and time of delivery. If delivery to a port/VPC, no STI needs to be noted on delivery receipt but date, time and any damages at time of delivery must be on the delivery receipt.

- 3.3.9.5 The dealer/port/VPC has the right to inspect the vehicle and note all damages on the carrier's delivery receipt. If damage is suspected under PPF due to damaged, torn, soiled, discolored or dented film, do not remove and see 5.1.8.5 for instructions. The dealer/port/VPC has the right to wash the vehicle before the inspection.
- 3.3.9.6 Depending on the make of the vehicle, the dealer/port/VPC has a certain amount of time to notify the carrier of any damages found.
- If the vehicle is a Kia, the dealer/port/VPC has two (2) business days to notify the carrier of any damages found, via traceable means. Writing must be legible on the delivery receipt.
 - If the vehicle is a Hyundai, the dealer/port/VPC has two (2) business days to send the notification letter to the carrier of any damages found, via traceable means. Writing must be legible on the delivery receipt.
- 3.3.9.7 Carrier is responsible for all damages or missing items noted on the "Delivery Receipt" meeting the transportation damage guidelines unless evidence can be provided to prove otherwise.

3.3.10 Delivering or Returning Vehicles to Ocean Ports or VPCs

- 3.3.10.1 Hyundai GLOVIS has a "drop and go" policy for delivery and returning vehicles to Ocean Ports and Vehicle Processing Centers (VPCs). The "drop and go" policy is an automatic subject-toinspection (STI). STI does not need to be noted on the delivery receipt.
- 3.3.10.2 Carriers are authorized to deliver vehicles to designated drop-off locations within the port or VPC and leave a delivery receipt with security or designated port representatives.
- 3.3.10.3 Port or VPC security is NOT responsible for documenting STI on delivery receipts; this responsibility is solely the carrier's responsibility.
- 3.3.10.4 Port or VPC security are not permitted to inspect, note defects, or confirm vehicle discrepancies.
- 3.3.10.5 The "drop and go" policy requires the port/VPC and carrier to follow the "after hours delivery inspections" process outlined in paragraph 3.3.9.

3.3.11 Concealed and Hidden Damage on Dealer Deliveries

- 3.3.11.1 Concealed or hidden damage is defined as damage that cannot be identified by visual inspection, such as a damaged component that would require the use of a hoist to inspect and detect. Concealed or hidden damage is not damage found under PPF. See section 5.1.8 for Damage found under PPF.
- 3.3.11.2 Damage such as a scratched or cracked windshield, a damaged bumper or a scratch that is undetected because the vehicle is dirty, is not considered hidden damage.
- 3.3.11.3 Any damage deemed to be concealed or hidden must be reported to the carrier and depending on the make of the vehicle, the dealer has a certain amount of time to notify the carrier of any damages found.
- If the vehicle is a Kia, the dealer has two (2) business days after delivery to notify the carrier of any damages found, via traceable means.

- If the vehicle is a Hyundai, the dealer has two (2) business days after delivery to send a concealed damage letter with the receipt to the carrier, via traceable means.

3.3.11.4 The carrier has two (2) business days from the date of receipt of dealer's notification to meet with the dealer and view the damages.

4 RAIL HANDLING

Hyundai GLOVIS recognizes the Association of American Railroads (AAR) as the standard setting organization for North America's railroads. The AAR Multi-Level Manual was developed to bring together in one publication all industry standards, specifications, recommended practices and procedures related to rail shipment of motor vehicles. As such, Hyundai GLOVIS mandates that all contracted rail work must conform to the AAR Multi-Level Manual rules and standards. The AAR standards shall be used in conjunction with this manual.

4.1 Rail Car Equipment

4.1.1 Railcar Serviceability

4.1.1.1 Railcars must be maintained in a manner that provides damage free transportation. Railroad origin locations are responsible for prepping railcars, including the inspection, maintenance, and

replacement of defective and/or missing equipment before rail cars are placed for loading. Refer to the AAR Multi-Level Manual, Sections I and II.

4.1.1.2 Railcars with defects in the following areas shall not be placed or spotted for loading until the defect is permanently repaired:

- Broken Cross Members
- Cracked uprights
- Loose or missing side shielding
- Inoperative hinged decks
- Inoperative end doors
- Damaged or missing chock rails (Tri-Levels) or grates (Bi-Levels)

4.1.1.3 Railcars must be inspected and serviced in the following areas prior to placement or spotting:

- Hinged decks lubricated and locked in the raised position
- Damaged or missing chocks repaired or replaced
- All debris, including any accumulated snow or ice, must be removed from the railcar interior. Salt must never be used to melt the snow or ice.

4.1.1.4 Prior to loading or unloading, railcar end doors must be opened and secured with locking pins fully seated.

4.1.2 Chocks

4.1.2.1 Refer to APPENDIX F for Railcar Chocks.

4.1.2.2 Securement chocks must be in good condition. Chocks that are cracked or badly worn must be replaced by the railroad.

4.1.2.3 All chocks must be properly stored prior to loading the railcar. During pre-loading preparation, the railroad is responsible for storage of chocks. Once loading begins, the loading and/or securement crew is responsible for storage of chocks.

4.1.2.4 Chock supplements of any type are not to be used for securing Hyundai or Kia vehicles without written consent from GLOVIS Vehicle Logistics.

4.1.2.5 Chains are not to be used for securing Hyundai and Kia vehicles. Any railcars received with chains must be rejected.

4.1.3 Bridge Plates

4.1.3.1 Bridge plates must be in good condition and free of defects, such as sharp/curled/bent edges, cracks, tears, and breaks. If any defects are present, the bridge plate must be taken out of service.

4.1.3.2 Bridge plates must be coated with an anti-skid material. If 25% or more of the anti-skid material has been worn away, the bridge plate must be taken out of service.

4.1.3.3 Bridge plate pin assemblies must be in good working order.

4.1.3.4 Bridge plates should always be handed up or down. Never drop them to the ground.

4.1.3.5 If railcar decks are at equal heights, bridge plates should be installed according to the direction of traffic, so that the hinged end is driven over first. If there is a difference in deck heights, bridge plates should be hinged on the higher deck.

4.1.3.6 Portable bridge plates are to be positioned such that no part of the vehicle, except the tires, will contact the ground, ramp or rail car structure.

4.1.4 Loading / Unloading Ramps

4.1.4.1 For both stationary and mobile ramps, ramp decking must be in good condition, and ramp mechanics must be in good repair.

4.1.4.2 The ramp must be properly aligned to the railcar and positioned so that no part of the vehicle (except the tires) touches the ground, ramp, or railcar structure.

4.1.4.3 In accordance with American Association of Railroads (AAR) standards, loading and unloading ramp angles must not exceed 4 degrees from the plane of the ground.

4.1.4.4 Vehicle speed on ramps must be slow enough to prevent compression of the vehicle's suspension at the on/off junctions.

4.1.4.5 Only one vehicle may be on the ramp at a time.

4.2 Loading and Unloading

4.2.1 Railcar Spotting

4.2.1.1 When spotting multi-level equipment for loading, rail cars with a difference in height of 3 inches or more are not to be coupled together. However, if the deck height difference is greater than 3 inches, a spotter must be used for each vehicle crossing a junction.

4.2.1.2 Railcars must be spotted for loading/unloading so that all vehicles can be driven on/off forward.

4.2.1.3 Railcar spacing must be 38 to 46 inches from bridge plate connector to the adjacent railcar deck when using a 53 inch bridge plate, 41 to 49 inches when using a 56 inch bridge plate.

4.2.1.4 Railcar couplers must not be compressed. Compressed couplers will not allow bridge plates to seat properly, reducing loading height clearance and exposing vehicles to potential damage. Compressed couplers may also "push out", risking personnel injury.

4.2.1.5 Immediately upon railcar spotting, the hand brake on every railcar must be fully set. Failure to set brakes properly may expose personnel to injury and vehicles to damage due to railcar movement, including causing bridge plates to fall.

4.2.2 Loading/Unloading Procedure

4.2.2.1 Hyundai and Kia vehicles will be handled in accordance with SECTIONS 1.3 Anti-Mutilation and 1.4 Vehicle Handling of this manual. Loading restrictions are identified in the vehicle Technical Bulletins located in APPENDIX C.

4.2.2.2 Gloves must be worn outside the vehicles and must be removed before touching vehicle interiors (place gloves in lap or on floor).

4.2.2.3 Prior to loading/unloading, railcars must be inspected to ensure that they are properly spotted and vehicle drive-paths are clear of obstructions. Any deficiencies must be corrected before loading/unloading begins. Drivers are also responsible for ensuring that drive-paths before them are clear at all times.

4.2.2.4 Vehicles must be loaded/unloaded under their own power. Never push or pull a vehicle with another vehicle.

- 4.2.2.5 For vehicles with folding side mirrors, mirrors must be in the folded position. If mirrors fold automatically, activate interior electronic controls to fold mirrors -- folding electronic mirrors manually will cause damage.
- 4.2.2.6 Extreme care is to be taken to prevent damage from contact with the overhead structures, coupler housings and the sides of rail cars. A minimum of one vehicle length is to be maintained between moving vehicles at all times. Speeds must be kept at 5 MPH or less when driving on loading/unloading ramps or through rail cars. Speed must be reduced when moving from one rail car to another.
- 4.2.2.7 Personnel must be especially careful when entering/exiting vehicles on railcars. Enter/exit through driver's door only, opening door carefully to avoid damage by contact with railcar or equipment.
- 4.2.2.8 Vehicles are to be positioned based on the type of securement device used.
- 4.2.2.9 When loading rail cars with hinged "B" decks, extreme care should be used to insure that no part of the hinged deck rests on any part of the roof of the vehicles loaded on "A" deck.
- 4.2.2.10 Vehicles must not be spotted with tires resting on opening between deck plates.
- 4.2.2.11 Drivers exiting vehicles must ensure all vehicles are in PARK (automatic transmission) or FIRST GEAR (manual transmission) with the emergency brake engaged. Additionally, the keys and/or remotes must be stored properly, driver seat protection positioned correctly, and transportation fuse in correct position.
- 4.2.2.12 Inspect each vehicle on the multi-level to ensure that proper loading and securement procedures have been followed.

4.2.3 Vehicle Positioning

- 4.2.3.1 Vehicles loaded into tri-levels must be parked with tires ½ to 3 inches from the chock rail. Tires must not contact the chock rail during loading, unloading, or chocking.
- 4.2.3.2 Vehicles loaded into bi-levels with the Holden Grate/Lock Chock System must be centered laterally on each deck.
- 4.2.3.3 Vehicles must be uniformly spaced on each deck and must not extend beyond the railcar striker plate.
- 4.2.3.4 Vehicles must be parked no closer than 3 inches from adjacent vehicles and 5 inches from end doors.
- 4.2.3.5 Vehicles parked in the first and last positions of tri-levels must be checked for sufficient roof clearance.

4.2.4 Departing Trains

- 4.2.4.1 After loading, railcar end doors must be closed and secured with appropriate seals. Seal numbers are to be recorded by railcar number.
- 4.2.4.2 Green seals are used to indicate the front of the railcar or the end of the railcar that the motor vehicle is facing.
- 4.2.4.3 Silver or gray seals are used to indicate the back of the railcar or the opposite end of the railcar.

4.2.5 Arriving Trains and Inspection

- 4.2.5.1 Railcar door seals must be intact upon arrival. If the seals are broken or seal numbers don't match the railcar, alert the rail terminal operator prior to unloading.

- 4.2.5.2 The initial damage assessment will be performed with vehicles loaded and chocked in the railcars. This inspection is intended to identify any damage to the exterior of the vehicle which could have happened during the rail loading or transit process. Any damage found onboard must have photos of the damage, and of the rail car deck showing that no vehicles have been removed, and that no chocks have yet been removed.
- 4.2.5.3 Any damage discovered after the onboard inspection, and prior to chock removal, whether major or minor, shall be the responsibility of the unloading agent.
- 4.2.5.4 After the initial damage assessment, vehicles can be unloaded. If transport damage was detected during the initial assessment, the unloading agent must notify Hyundai GLOVIS Claims Department within one (1) business day from inspection completion.
- 4.2.5.5 Claims resulting from these exceptions can be filed one of three ways:
- If the damage is deemed handling-related, the claim will be filed against the origin loading contractor
 - If the damage is deemed to have occurred while in the destination railroad's care, the claim will be filed against the destination railroad.
 - If there is shared responsibility for the damage, the claim will be shared between the origin and destination railroads.
- 4.2.5.6 After the unloading agent handles the vehicle (removal of chocks and driving the vehicle to first point of rest), the unloading agent assumes full responsibility and liability for the vehicle.

5 DAMAGED VEHICLE PROCEDURES

5.1 General Policy

5.1.1 AIAG Damage Coding

- 5.1.1.1 The AIAG damage coding system is the industry inspection standard and is used by Hyundai GLOVIS. Therefore, all Hyundai GLOVIS contractors are required to use the AIAG damage coding system.
- 5.1.1.2 The condition of the vehicle must be reported to the Hyundai GLOVIS Claims Management System (GCMS) using the five digit damage coding system. These codes can be found in APPENDIX E. Code cards may be purchased from the AIAG website (<http://www.aiag.org>) under product code (DMG-1) Global Vehicle Damage Codes Laminated Cards.
- 5.1.1.3 Inspections must be completed and transmitted within one (1) business day (Monday through Friday) of receipt, except for vehicles arriving at First Point of Rest (FPOR) where the inspection and transmittal of exceptions must be completed within two (2) business days from the date on which

vehicles are unloaded and released to the port. The actual inspection date sent to GCMS must be the date the vehicle was inspected.

5.1.2 Chain of Custody

5.1.2.1 The chain of custody establishes damage liability. Reporting an incident or issue does not determine liability. Chain of custody is established when two parties have a verifiable means to inspect a vehicle for damage, mutilation, or missing parts when accepting the vehicle from one another. Vehicle chain of custody is established through vehicle inspections. Railcar chain of custody is established by the original undamaged seals.

5.1.2.2 If a vehicle is noted as damaged by the receiving party, accountability lies with the delivering party until proven otherwise.

5.1.3 Damage Defined

5.1.3.1 Damage is typically caused by physical impact, abrasion, forced entry, or excessive soiling which are charged to carriers. Damage must be noted on the carrier's delivery documents. Some common examples include but are not limited to:

- Undercarriage damage
- Interior damage or contamination (grease)
- Impact to exterior panels
- Tire and wheel damage
- Glass scratched, chipped, or broken

5.1.3.2 Missing items are not considered damage but are carrier liable. Missing items must be noted on the carrier's delivery documents. Some common examples include:

- Keys and key FOBS
- Owner's manuals
- SD Cards
- iPod Cables
- Loose accessories listed on Monrone label (i.e. floor mats)

5.1.3.3 Defects are created in the assembly process and are not transportation claims. Defects are not a carrier liability and not noted on carrier's delivery documents. Some common examples include but are not limited to:

- Wavy sheet metal
- Paint runs, over spray, or blisters
- Any defect under the clear coat

- Injection molding recesses or indentions
- Incorrect parts or accessories

5.1.4 Repair Authority

5.1.4.1 It is strictly forbidden for any Hyundai GLOVIS contractor (vessel owner, stevedore, railroad or rail loading/unloading service provider, port processor or truck carrier) to repair or authorize the repair of any Hyundai or Kia vehicle without written authorization or agreement from Hyundai GLOVIS. Violations of this policy will result in the contractor assuming liability for the damage, associated repairs, surveys, and transportation costs. If Hyundai GLOVIS is unable to ascertain the extent of the damage prior to the unauthorized repair, the vehicle may be classified as a total loss. The violating contractor will be fully liable.

5.1.4.2 Authorized repairs must be made by Hyundai GLOVIS approved repair facilities. Contact the Hyundai GLOVIS Claims Department for the nearest approved repair facility.

5.1.5 No Starts and Other Conditions – See APPENDIX D

5.1.6 Flat Tires

- 5.1.6.1 Contractors will not attempt to repair or change a flat tire. See paragraph 5.1.6.5 for the only exception.
- 5.1.6.2 Vehicles are NOT to be driven on flat tires. Flat tires are treated like any other vehicle body damage and reported in the same manner. Any repairs or replacements will be completed by an authorized tire repair service. Contact the Hyundai GLOVIS Claims Department for disposition instructions.
- 5.1.6.3 Flat or damaged tires may never be patched, plugged or repaired. Damaged tires must be replaced with the same OEM tire. If the spare tire is used to move the vehicle, the spare tire must be replaced as well.
- 5.1.6.4 Never use the vehicles Tire Mobility Kit (TMK) to inflate a damaged or flat tire.
- 5.1.6.5 If a vehicle is in-transit waiting to be unloaded and has a flat tire, the unloading agent may use an air compressor (Aerosol tire sealant kits are not considered air compressors and are never allowed at any time) to fill the tire with air in order to unload it. If the tire is punctured or cut so that it cannot be filled with air, the unloading agent may use the facilities spare tire and jack, not the vehicle's spare tire and jack. This is the only instance when a contractor is authorized to change a tire. Report the damage as an exception, per rail or truck procedures in prior sections, to the Hyundai GLOVIS claims department within one (1) business day of discovery of exception.
- 5.1.6.6 Any vehicle that has been resting on its undercarriage must be reported. Tires are not salvageable and cannot be requested from dealers or repair agents due to liability laws and legal implications. The repair agent or dealer is to render the tires unusable by cutting or puncturing the bead.

5.1.7 Damaged Glass

- 5.1.7.1 Damaged, cracked or broken glass is treated like any other vehicle body damage and reported in the same manner. Any repairs or replacements will be completed by an authorized glass repair service. Contact the Hyundai GLOVIS Claims Department for disposition instructions.
- 5.1.7.2 When damaged glass is discovered, immediate damage mitigation is required by the ramp, VPC or port agent. Place the affected vehicle under a protective awning or inside a building if available. Cover the damage with a heavy duty material such as a plastic sheet and seal with tape (preferably blue painters tape).
- 5.1.7.3 In-transit vehicles may require additional damage mitigation to prevent residual or collateral glass damage to other vehicles.

5.1.8 Protective Plastic Film (PPF) or Wrap Guard

- 5.1.8.1 PPF or wrap guard is used by OEMs to protect the exterior panels of a vehicle from damage and should remain in place.
- 5.1.8.2 During pre-load inspection and anytime during transport, carriers should remove vehicle PPF or wrap guard if it is loose or not adhering properly to the vehicle. If found at any time during transport, it is recommended to remove the PPF or wrap guard but only when deemed safe to do so by the driver in a safe location. Loose PPF or wrap guard can cause damage to the vehicle paint finish.
- 5.1.8.3 Prior to loading, if the PPF or wrap guard is damaged, torn, soiled, discolored or dented, it should be removed and the vehicle inspected for damage.

- 5.1.8.4 If a vehicle arrives at the dealership with the PPF damaged, torn, soiled, discolored or dented, the damaged film must be noted on the delivery receipt, a picture of the PPF and its condition on the vehicle must be taken. Only then can the PPF be removed in the driver's presence and the damage noted on the delivery receipt. Any damage found at this time is considered transportation damage.
- 5.1.8.5 If a vehicle is delivered to a dealership as a STI delivery (see 3.3.9 for clarification of STI) with the PPF damaged, torn, soiled, discolored or dented, the damaged film must be noted on the delivery receipt, a picture of the PPF and its condition on the vehicle must be taken. Only then can the PPF be removed and the damage noted on the delivery receipt. Any damage found at this time is considered transportation damage and the carrier must be notified in accordance with section 3.3.9.6.
- 5.1.8.6 PPF damage does not fall under the concealed damage category.
- 5.1.8.7 Damage found underneath PPF or wrap guard with no corresponding disturbance to PPF or wrap guard, cannot, in most cases, be assessed as transportation damage.
- 5.1.8.8 Plastic wheel covers are not considered PPF or wrap guard and are treated separately from PPF or wrap guard.

5.1.9 Plastic Wheel Covers

- 5.1.9.1 Plastic wheel covers can be removed prior to transportation but any damages found at the final destination on the wheel rims and/or tires become the liability of the carrier.
- 5.1.9.2 If the plastic wheel covers are disturbed or damaged in transit, the wheel covers may be taken off in the driver's presence but only after a picture of the disturbed plastic cover is taken by the driver. Any damages found must be noted on the delivery receipt.
- 5.1.9.3 Notating damaged plastic wheel covers on the delivery receipt does not allow the dealer the right to claim damages after the inspection. If the wheel covers are on and not taken off, dealer accepts any possible liability of damages found after the delivery receipt is signed.

5.2 Damage Classifications

5.2.1 General

- 5.2.1.1 Hyundai and Kia solely classify vehicle damages based on statutory and legal department liability guidelines. Hyundai and Kia vehicle damages are categorized by three damage classifications.
- 5.2.1.2 Hyundai GLOVIS will authorize and approve contractors to provide estimates for damage. Auto-processors are contractually approved to provide damage estimates.
- 5.2.1.3 Damage estimates are the basis for both Hyundai GLOVIS and its customers to classify damaged vehicles. Therefore, damage estimates become legal documents and the property of Hyundai GLOVIS.
- 5.2.1.4 Additional damages could be found while the vehicle is being repaired or prepped for repair. If additional damages are found after the initial inspection, a supplemental inspection will be requested. The supplemental inspection may cause a change to the classification of the vehicle.
- 5.2.1.5 If a change in classification is warranted, the liable carrier will be liable for all services performed under the original classification as well as the new damage repairs or destruction that was subsequently done prior to the finding of new damages.
- 5.2.1.6 Stolen vehicles are considered total loss vehicles and the vendor/carrier that last had possession of the vehicle will be billed the full cost of the vehicle.

5.2.1.7 If and when a stolen vehicle is recovered the unit will then be classified and the carrier that was charged the full vehicle cost could incur additional costs if the unit is deemed to be destroyed (i.e. Storage, towing, cleaning, repairs, destruction or other special fees charged in the finding of the vehicle). If the classification is reduced to Class 2, the carrier will be reimbursed the cost of the vehicle less any Class 2 charges, as described in 5.2.3 Damage Classification 2.

5.2.2 Damage Classification 1 (Sold as “NEW”)

5.2.2.1 The motor vehicle is damaged to the extent that it can be repaired and sold as **new**. This is typically minor damage.

5.2.2.2 Criteria for Classification 1 are as follows but are not limited to:

- Total Repair Time – Less than 10 hours of combined paint and body work labor time, excluding removal and installation (R&I) time. Blend time is included in overall paint labor time.
- Cost – Overall repairs, labor, and parts are less than \$1,000 in total cost for KMA and \$1,200 for HMA.
- Repair Type – Only 1 panel may be damaged. No body filler of any type or quantity may be used. No cut or weld operations.

5.2.2.3 Liable parties are responsible for all costs associated with the repair including, but are not limited to, survey, transportation, and administration.

5.2.3 Damage Classification 2 (Sold as “Other than New”)

5.2.3.1 The motor vehicle is damaged to the extent that it can be repaired, but it cannot be sold as new and is therefore considered “Other Than New” or “Used” for sales purposes.

5.2.3.2 Criteria for Classification 2 are as follows but are not limited to:

- Total Repair Time – Ten (10) or more hours of combined paint and body work labor time, excluding removal and installation (R&I) time. Blend time is included in overall paint labor time.
- Cost – Overall repair, labor, and parts exceed \$1,000 in total cost for KMA and \$1,200 for HMA.
- Repair Type – Multiple panels are damaged and require repair or refinishing. Panels requiring blending only are not considered damaged panels. Repairs that require any amount of body filler to be used due to panel or part replacement being impractical. A cut or weld repair operation is required.

5.2.3.3 Liable parties are responsible for all costs associated with the repair including, but not limited to, survey, transportation, and administration. In addition, the liable parties are responsible for depreciation of the vehicle since it can no longer be sold as new.

5.2.4 Damage Classification 4 (“Constructive Total Loss”)

5.2.4.1 The motor vehicle is damaged to the extent that it is a total loss and is not fit for sale either as new or used. Hyundai and Kia legal departments make the final decision regarding this classification.

5.2.4.2 Criteria for Classification 4 are as follows:

- A cut or weld operation to the roof, roof seam, or roof structure is required, including the “A” pillar, “B” pillar, or “C” pillar. This does not include the welding shut of small holes or punctures in the roof skin.

- Damage or large punctures to the roof skin or panels (that are not bolt-on) that may compromise the structural integrity or safety of the vehicle.
- Frame damage to the extent that the vehicle must be mounted on a frame repair or pulling machine in order to realign the frame to factory specifications.

5.2.4.3 Class 4 vehicles may not be salvaged or cannibalized for parts. Class 4 vehicles must be destroyed by an automobile destruction or crushing facility. A certified destruction certificate must be submitted to Hyundai GLOVIS claims department by the destruction facility.

5.2.4.4 Liable parties are responsible for, but not limited to, dealer invoice or dealer invoice less salvage, depending upon contract terms, survey fees, storage, transportation, frame survey, vehicle destruction expenses and associated claim recovery costs as applicable.

5.3 Port and VPC Damage Policy

5.3.1 It is Hyundai GLOVIS policy that NO VEHICLE is to be shipped out of a port, VPC and/or a plant facility with pre-existing vehicle body damage, missing parts, or missing accessories.

5.3.2 Carriers must inspect vehicles for damage or missing items. If a carrier discovers damage or missing items, the vehicle shall not be moved. Once a carrier moves a vehicle, the carrier assumes liability for any damage or missing items.

5.3.3 If damage is noted by the carrier, it should not be loaded or, if loaded, pulled from the load and the port manager and/or processor notified same day or, if after hours, very next business day.

5.3.4 The damage will be repaired prior to shipment; therefore, any visible damage noted at destination becomes the liability of the carrier.

5.3.5 The Hyundai GLOVIS port/VPC staff is the only authority to determine if the vehicle's damage/shortage is to be repaired, replaced or if the exception is considered commercially acceptable (CA).

5.3.5.1 If the Hyundai GLOVIS port/VPC staff determines that a repair is required, the driver will be instructed to remove the vehicle from the load and notify his/her dispatch office for a replacement.

5.3.5.2 If the Hyundai GLOVIS port/VPC staff determines the vehicle is customer acceptable (CA), the Hyundai GLOVIS port/VPC staff will record a "CA" on the carrier's delivery documents and sign his or her full name. This also applies to vehicles with known parts shortages.

5.3.6 All exceptions must be noted on the carrier's delivery documents with Hyundai GLOVIS port/VPC staff signature. Carriers must use the delivery documents with the Hyundai GLOVIS port/VPC staff signature to return any misfiled claim back to the Hyundai GLOVIS Claims Department.

5.4 Car Carrier In-Transit Damage

5.4.1

Car carriers are liable for damage or loss to vehicles while the vehicle is under the control and care of the carrier. Property should be maintained and secured to prevent damage and theft.

5.4.2

If the transported vehicles are on a car carrier where the railcar, truck, trailer or both, are involved in an accident or fire, the transport carrier must notify Hyundai GLOVIS Claims Department immediately (same day or, at very latest, within one (1) business day of the incident). The carrier will hold the loaded vehicle(s) and await further instructions from the Hyundai GLOVIS Claims Department. The carrier must not attempt to deliver the vehicles unless instructed by Hyundai GLOVIS Claims Department.

5.4.3

If transported vehicle(s) sustain(s) damage while in transit, but damage is not due to a car carrier accident, in accordance with Hyundai and Kia policy, dealers MUST accept damaged vehicles (Kia Service Policies and Procedures, 11.4; Hyundai Warranty Policy and Procedures, 2.1.1) and note the damage on the delivery receipt. The dealer must contact the Hyundai GLOVIS Claims Department immediately after the delivery for further instructions.

5.5 Rail Terminal Damage Policy

5.5.1 It is the policy of Hyundai GLOVIS that damages originating prior to railcar unloading or haulaway must be verified in writing by either a 3rd party inspection company or the ramp operator. This must be done in accordance with the ramp or facility operator's damage verification procedure.

5.5.2 All damages must be reported to the Hyundai GLOVIS Claims Department within one (1) business day of discovery by either the 3rd party inspection company or the ramp operator.

5.5.3 Arriving Trains

5.5.3.1 Railcar door seals must be intact upon arrival. If the seals are broken or seal numbers don't match the railcar, alert the rail terminal operator prior to unloading.

5.5.3.2 The initial damage assessment will be performed with vehicles loaded and chocked in the railcars. This inspection is intended to identify any damage to the exterior of the vehicle which could have happened during the rail loading or transit process. Any damage found onboard must have photos of the damage, and of the rail car deck showing that no vehicles have been removed, and that no chocks have yet been removed.

5.5.3.3 Any damage missed during the onboard inspection, and prior to chock removal, whether major or minor, shall be the responsibility of the unloading agent.

5.5.3.4 After the initial damage assessment, vehicles can be unloaded. If transport damage was detected during the initial assessment, the unloading agent will notify Hyundai GLOVIS Claims Department within one (1) business day from inspection completion. Claims resulting from these exceptions will be filed against and deemed to be the responsibility of the originating railroad.

5.5.3.5 After the unloading agent handles the vehicle (removal of chocks and driving the vehicle to first point of rest), the unloading agent assumes full responsibility and liability for the vehicle.

5.5.4 Haul-Away From Rail Terminals

5.5.4.1 If damage, mutilation, or missing parts are discovered during the driver's inspection, report the discrepancies in accordance with the ramp or facility operator's damage verification procedure:

- If picking up from a CSX ramp, carrier must follow CSX's policies in their Publication CSXT 8100 at this website: <https://www.csx.com/index.cfm/customers/publicationstariffs/the-csxt-8100-publication/>
 - The ramp inspector will determine severity of damages found. Severity 1 and 2 may be delivered, as is, to the dealer, as long as the ramp inspector signs the load sheet before the vehicle is loaded.
 - Any Severity 3 and above damages will need a DIT survey before they can be released for delivery. The ramp inspector will notify Hyundai GLOVIS Claims department within one (1) business day of damage assessment and await further instruction as to the disposition of the damaged vehicle.

- If picking up from a BNSF ramp, carrier must refer to the BNSF Automotive Rules and Policies Guide at this website: <http://www.bnsf.com/ship-with-bnsf/pricing-andtools/pdf/2016-auto-r-and-pg.pdf>
 - Any severity 1 and 2 damages found may be delivered, as is, to the dealer, as long as they are noted on the load sheet and given to the security guard before exiting the ramp. Any severity 3 and above damages will need a DIT survey before they can be released for delivery.
 - The severity 3 and above damage must be reported by the haul-away carrier prior to moving the vehicle from the bay or load line to the BNSF Automotive Facility Management and must be documented in BNSF's system before the vehicle departs the facility. BNSF's Facility Management will notify Hyundai GLOVIS Claims department within one (1) business day of damage assessment and await further instruction as to the disposition of the damaged vehicle.

- If picking up from a KCS ramp, carrier must refer to KANSAS CITY SOUTHERN LINES RULES PUBLICATION 9012, Item 500 at their website: <http://www.kcsouthern.com/enus/customer-resources/guidelines-regulations/rules-publication-page>.
 - If damages are noted at destination, KCS ramp management or contracted agent performing inspections at the ramp shall be notified at the time of finding damages or within one (1) business day and the KCS ramp management or contracted agent performing inspections will be given twenty-four (24) hours to inspect the vehicle.
 - Ramp inspector will notify Hyundai GLOVIS Claims department within one (1) business day of damage assessment and await further instruction as to the disposition of the damaged vehicle.

- If picking up from a Union Pacific (UP) ramp, carrier must follow the UP's policies in their Inspection Verification Process and Policy for UPRR Automotive Distribution Centers posted at the UP ramp facilities with the ramp operation managers.
 - The ramp inspector will determine Severity of damages found. Severity 1 and 2 may be delivered, as is, to the dealer, as long as the ramp inspector signs the load sheet before the vehicle is loaded. Any Severity 3 and above damages will need a DIT survey before they can be released for delivery. - Ramp inspector will notify Hyundai GLOVIS Claims department within one (1) business day of damage assessment and await further instruction as to the disposition of the damaged vehicle.

5.5.4.2 The driver will **NOT** move the vehicle before this process is complete. If the vehicle is moved, the driver accepts liability of the vehicle.

5.5.4.3 If a severe or potentially damaging weather event (i.e. hail) occurs prior to, during, or after loading by the carrier, no vehicles are to depart the facility without authorization from the ramp operator **and** Hyundai GLOVIS claims department.

5.5.4.4 Under no circumstances will vehicles with weather related damage depart a facility until a full damage assessment can be completed by the terminal operator **and** authorization obtained from Hyundai GLOVIS claims department through the terminal operator.

5.5.4.5 If vehicles have departed, and it is known by the carrier that vehicles were exposed to or received weather related damage while in transit, Hyundai GLOVIS claims department may require the vehicles to be returned at carrier expense and liability may fall with the carrier. Under no circumstances will vehicles with weather related damage depart a facility without obtaining authorization from Hyundai GLOVIS.

5.5.4.6 For any damages not noted on an initial third party/processor inspection:

- Driver/carrier representative is responsible for a vehicle damage survey.
- Any damage must be noted legibly on a vehicle inspection form using the standard AIAG five digit damage codes.
- A copy of this form must be left with the ramp operator at time of haul-away.

5.5.4.7 Any damage or loss not noted and verified as above becomes the responsibility of the carrier.

6 CLAIMS PROCEDURES

6.1 General Policy

6.1.1 Claims Process

- 6.1.1.1 Port processors or contractors must notify Hyundai GLOVIS Vehicle Logistics Department, In Transit Repair (ITR) Analyst, of damage within one (1) business day of incident or discovery.
- 6.1.1.2 Dealers must repair the vehicle and submit their claims in WebDCS per Hyundai and Kia's Transportation/Warranty Policies and Procedures manuals if the repair costs and labor time fall within the description of a Class 1 damaged vehicle (see section 5.2.2 for this description).
- 6.1.1.3 Class 1 damaged units will not have documents attached, in most cases, in GCMS for the costs of the repairs and pictures of the damage. Class 1 damaged units are electronically transmitted by the customer's dealers and dealers cannot transmit repair documents or pictures due to system restrictions.
- 6.1.1.4 If the carrier feels that they need a copy of the repair order for a Class 1 damaged vehicle, the carrier can request that information directly from the dealer. Dealers are not required by Hyundai or Kia to take pictures of damages unless major damage (Class 2 or 4) is suspected.
- 6.1.1.5 Dealers must notify Hyundai GLOVIS Claims Department when major damage is suspected (see section 5.2.3 and 5.2.4 for the description of these classifications) and a survey may be warranted, no later than one (1) business day from date of delivery, by email (NOT through H/KMA WebDCS) to the Hyundai GLOVIS Claims Department general email: claims@glovisusa.com.
- 6.1.1.6 The dealer, processor, or contractor must provide the following documentation when major damage (Class 2 or 4) is suspected and before a survey can be warranted:

- Delivery documents (i.e. delivery receipt)
 - Repair estimate
 - Damage report
 - Photos
 - Copy of Letter of Notification (LON) sent to carrier due to STI/after hour's delivery or concealed damage (concealed damage is not damage found under PPF).
- 6.1.1.7 Hyundai GLOVIS Claims Department creates a claim in GLOVIS Claims Management System (GCMS) and uploads any and all documents related to the suspected major damaged unit.
- 6.1.1.8 Hyundai GLOVIS Claims Department sends a notification of the suspected major damage to the suspected liable party for acceptance or denial of the pre-claim within five (5) business days of notification.
- 6.1.1.9 Hyundai GLOVIS Claims Department evaluates and compares the evidence to the customer classification guidelines and determines if a critical damage survey is required.
- 6.1.1.10 If a critical damage survey is requested, the completed survey report is forwarded to Hyundai and Kia for vehicle classification.
- 6.1.1.11 Hyundai GLOVIS Claims Department will notify the liable party and/or the dealer/port/contractor of vehicle classification.
- 6.1.1.12 Hyundai GLOVIS Claims Department will invoice the liable carrier/contractor thru GCMS.
- 6.1.1.13 Liability costs include but not limited to:
- DIT survey cost
 - Transportation cost
 - Storage fees
 - Destruction cost
 - Vehicle cost
 - Repair cost
 - POE fees (if unit is returned to a port for repair)

6.1.2 Claim Denial

- 6.1.2.1 For dealer/port claim denial, the liable party must submit a denial letter to the Hyundai GLOVIS Claims Department within the contractual business days of receiving the GCMS Alert Message – Notice of Transportation Claim.
- 6.1.2.2 The denial letter should include the following information:
- VIN
 - Claim number
 - Declination reason with supportive documentation (i.e. Delivery receipt with no exceptions) and justification.
- 6.1.2.3 If the denial is accepted, Hyundai GLOVIS Claims Department will debit back to the claim filer and/or re-file to another party.
- 6.1.2.4 If the denial is rejected, Hyundai GLOVIS Claims Department will re-file the claim back to the carrier and provide an explanation of denial rejection.