

## ***Section 3 - Exception Reporting***

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### **3.1. General Inspection Reporting**

- a) The condition of the vehicle must be reported into FCA’s Vehicle Inspection & Claims System-OBT using the five-digit damage coding system, or into FCA’s Claim Management System using the six digit coding system.

These codes can be found in Section 5. Code cards may be purchased from the AIAG website (<http://www.aiag.org>) under product code “M-22”. Pending AIAG publication to the 928 EDI standards, a sixth digit will be required identifying grid location for each panel. The grid layout can be found also in Section 5.

- b) The Non-Carrier Transportation Damage Liability Guideline (formerly Schedule 1) is to be used as a basis for identifying all factory related or non-transport damage and can be found in Section 2. The guideline can be found on the AIAG website (<http://www.aiag.org>) under product code “M-22”.
- c) One complete inspection must be completed and transmitted within one business day (Monday to Friday) of receipt, except for vehicles arriving to First Point of Rest where the inspection and transmittal of exceptions must be completed within 2 business days from the date on which vehicles are unloaded and released to the port.
- d) The actual inspection date sent to OBT must be the date the vehicle was inspected.
- e) All inspections (clean or damaged) must be transmitted into OBT by the receiving provider. A clean vehicle is defined as a unit that does not have any damages/exceptions noted during inspection.
- f) Any time hidden damage to a tie down slot is identified, all claim responsibility will be placed upon the previous haul-away provider. Liability will transfer from one provider to another at handover.
- g) When a vehicle is delivered to a compound/yard:
- Notification of all exceptions must be sent by the yard /receiver within one business day of delivery, by traceable means to the delivering party. Delivering provider must notify FCA of compound not complying with this notification procedure.
  - For severity 3 or greater damages, the vehicle must be held where the carrier parked the vehicle for deliverer verification for one business day from the time of notification and only moved into a designated sick bay area if it impedes normal traffic flow. When a vehicle in this condition is delivered by an ocean carrier to a port (Last Point of Rest), the vehicle must not be moved.

- After this period or if the delivering party does not verify the noted exception the vehicle can be shipped to the next location.
- US, Canadian and Mexico-North bound vehicles- Yards only - Severity 3 or greater exceptions must be reported to OBT in-transit team for possible repair.
- Facility managers are responsible to identify all carriers entering the facility and ensure they are notified of all severity damages. Failure to notify the correct carrier will result in responsibility of any claims to fall on the facility provider.

h) When a vehicle is picked up from a compound / yard:

- Drivers must note all exceptions on the load sheet and leave a copy of it with the compound manager, security officer or a designated compound representative the compound manager determines.
- US, Canadian and Mexico-North bound vehicles- Yards only-all severity 3 or greater exceptions must be reported ion OBT for repair as per Section 1.3. Yards must put these vehicles on an AA hold.
- If the facility operator has a more strict verification policy, the impacted providers must be notified in writing. The stricter policy must not impede vehicle flow. Please reference Section 5 for “Severity” definitions.

i) Vehicles with any of the following conditions must be treated as severity 3 damaged vehicles:

- Multiple damages on the same panel, regardless of severity.
- Missing keys.
- Locked vehicles with keys inside.
- Glass damage regardless of severity.
- Tire and wheel damage which prohibits safe movement of the vehicle.

j) If a vehicle is noted as damaged by the receiving party, accountability lies with the delivering party until proven otherwise. FCA will not act as an arbitrator.

k) Please refer to section 9 for instructions on how to establish an interface with FCA’s OBT system for sending inspection information to FCA.

l) FCA will not arbitrate nor make claim assignments as a result of tardy inspection data, nor will FCA tolerate late payment of claims due to such disputes.

m) Contact your FCA claim analyst in order to resolve the dispute. The parties should transmit all the documentation and pictures to FCA’s claim system for further analysis.

### **3.2. Special Rules for Port Inspection**

- **VEHICLES DEPARTING ON OCEAN/NAVAL CARRIERS (Export)**These rules only apply to Ocean carriers and Vehicle Processing Centers. Truckload carriers delivering to VPC must follow the general rules stated in Section 3.1.
- Port processor should stage all vehicles at the designated Last Point of Rest area two business days prior to loading of vessel.
- The Ocean carrier’s surveyor should commence preload transportation inspection of all vehicles within two business days of loading of vessel.
- In the case of a holiday within this two business day period, the preload inspection may commence a day earlier.

- The ocean carrier must present a document including the VIN and associated damage; this document must be used to perform a verification inspection conducted by the VPC or Port of Exit and mutually agreed upon by both parties.
- The ocean carrier must transmit the agreed upon inspection through OBT for FCA contracted carriers (by the end of the second business day) so that the complete inspection process takes place within two business days of loading of the vessel.
- If the parties cannot agree on damages noted the Damage Prevention Specialist and carrier representative must be notified via email.
- The notification must include one up-close picture taken from 3 ft. away.
- For any vehicles that are delivered to the port after the vessel's cut off-time and cannot be kept for the inspection verification, a notification must be sent to Damage Prevention Group. The Damage Prevention Group in conjunction with Intl Operations will determine whether or not vehicles have to be held at the port. In either case, FCA will notify both the VPC and the ocean carrier.
- In the case FCA's instruction is to load vehicles on the vessel without completion of the inspection process, the ocean carrier must retain FCA's approval document so that they are not held liable for any damages.
- Cause and Repair Assessments will not be accepted as valid declinations, examples include: OTTD (other than transportation damage), OTMD (other than marine damage), WPO (will polish out), BTUP (brush, touch-up), etc.

a) VEHICLES DELIVERED BY OCEAN/NAVAL CARRIERS (Import)

- These rules only apply to Ocean carriers and Vehicle Processing Centers. Truckload carriers delivering to VPC must follow the general rules stated in Section 3.1.
- Stevedores should stage all vehicles at the designated First Point of Rest area.
- Vehicle Processing Center's /Receiver's surveyor should commence discharge transportation inspection of all vehicles within one business day of discharge of the vessel. A Discharge Sheet must be presented including the VIN, associated damage and pictures to the ocean carrier; this document must be used to perform a verification inspection conducted by the ocean carrier and must signed by both parties.
- Within 24 hours (excluding, Saturday, Sunday and public holiday) from the end of inspection, the surveyor must transmit the agreed upon inspections through OBT.
- The complete inspection process must take place within two business days of discharge of the vessel. In the case of a holiday within this two business day period, the inspection transmission may end a day later.
- If the parties cannot agree on damages noted the Damage Prevention Specialist and carrier representative must be notified via email. The notification must include one up-close picture and one picture taken from 3 ft. away.
- Once the inspection process has finished, the Vehicle Processing Center / Receiving party must file and submit the Transportation Damage documentation to:
  - Astrea, for Vehicles built in European plants. Documents must be submitted within 7 calendar days, and must include in addition to the Discharge Sheet verified by the receiver and deliverer, the Damage Form (Scheda Dani) per VIN, Repair Estimate per VIN, and pictures per VIN.

### 3.3. Special Rules for On-Rail Inspection

#### [Europe, Middle East, Africa]

##### a) DEPARTING TRAINS

- The receiver acquires from compound operator the chassis' list (vehicles to be dispatched) and loading operation starting time.
- The inspection has to be completed at least 3 hours before the departure of the train.
- The receiver must perform the inspection of vehicles exterior and the deliverer must be available to counter-inspect the found damages.
- The assessment should be performed with vehicles loaded and blocked on wagons and with closed doors.
- In case of transport damages, and for each inspection, the receiver should complete a Train Report and send it to FCA within 2 business days from inspection completion.

##### b) ARRIVING TRAINS

- The deliverer acquires from compound operator the chassis' list (vehicles to be dispatched) and operating time of the starting of the receiving operation.
- The inspection has to be completed no later than 3 hours after the arrival of the train (excluding bank holidays).
- The receiver must perform the inspection of vehicles exterior and the deliverer must be available to counter-inspect the found damages.
- The assessment should be performed with vehicles loaded and blocked on wagons and with closed doors.
- In case of transport damages, and for each inspection, the receiver should complete a Train Report and send it to FCA within 2 business days from inspection completion.
- In case of vehicles contaminated by "flugrost" or "rust", the receiver should fill a report with the following items:
  - Calendar date and timing of the inspection.
  - Wagon number where the vehicle is placed.
  - Position of the vehicle on the wagon.
  - Chassis number of the vehicle.
  - Explanatory pictures of the phenomenon.

The list of these contaminated vehicles should be given to the compound provider as soon as completed the unloading.

#### [US, Canada and Mexico]

- When the loader is not contracted by the railroad, an on rail inspection at origin (survey type 07) must be performed by receiving party or their agent and provided to the loader prior to moving the railcar. This inspection pinpoints damages that have occurred while loading and is used to identify and correct any tie down and clearance issues that could result in damages, so that they can be corrected prior to moving the railcar by the loader. This survey is considered the handoff to the railroad & any damages noted will be considered loader's liability.
- FCA requires an "08" on-rail inspection be sent by the receiving rail provider when any damage is found on rail prior to chock release. This includes jumped chocks (code per the AAR standard jump choke codes) and parking brake issues.
- The "08" code must be verified by a third party inspection agent and transmitted electronically into OBT.

- Pictures of any severity 3 or greater exceptions of a repetitive nature should be taken and submitted to FCA Damage Prevention Group.
- All exceptions noted on rail must be forwarded to the railroad/loading agent responsible for loading the railcar, along with photos of severity 3 or greater damage.
  - 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. Doors, hood, deck lid, must not be opened during this inspection. Claims resulting from these exceptions will be filed against and deemed to be the responsibility of the originating railroad.

### **3.4. Special Rules for Deliveries to Final Dealers**

#### **[US, Canada and Mexico]**

a) All carriers must 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 needs before they arrive to 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 contact person for vehicle inspections.
- Unloading area, Vehicle staging area.
- If “Subject To Inspection” is allowed, refer to Section 4.4 for further requirements.

b) 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/Delivery Device”.

c) The driver may not pre-note any “Previous” exceptions on the new delivery receipt.

d) After sign off by both the dealer and driver, the delivery receipt must not be altered in any way by either party.

e) All writing must be legible.

f) FCA will determine carrier’s responsibility for anything noted on the ePOD/Delivery Receipt meeting the transportation damage guidelines and additional information on a given VIN.

g) A dealer cannot refuse a vehicle delivery. If a dealer attempts to refuse a delivery, the carrier should contact FCA Vehicle Logistics Operations. See Section 9 for web address to access a full contact list.

### **3.5. Special Rules for Dealer “After Hours” Deliveries**

a) Carrier must submit an 05” inspection into OBT upon delivery. Carrier must input all 05” dealer/final destination delivery exceptions into OBT regardless if the vehicle is delivered clean or damaged. If Subject To Inspection (STI) delivery, the carrier must give the dealer their allowed two business days to respond with any exceptions found and then immediately submit an 05” inspection. This is vital in FCA’s reporting and claim forecasting model. Special Rules for Dealer “After-hours Delivery.”

#### **[US, Canada and Mexico]**

b) It is the carrier’s responsibility to draw up and have a signed STI agreement with the final destination facility, which includes:



- Vehicle placement.
  - Key and document placement.
  - Means of exception notification.
  - Any other pertinent information / restrictions.
- c) The driver must sign and date the delivery receipt to identify each VIN as delivered. They must also note that it is an STI delivery and indicate the time of delivery, but must not note any exceptions.
  - d) The dealer has the right to inspect the vehicle and note all damages on the carrier's delivery receipt. The dealer has the right to wash the vehicle before the inspection.
  - e) The dealer has two business days to notify the carrier of any damages found via traceable means, as specified in the STI agreement. Writing must be legible on the delivery receipt.
  - f) Carrier is responsible for anything noted on "Delivery Receipt" meeting the transportation damage guidelines unless documentation can be provided to prove prior damage.

### **3.6. Special Rules for Hidden Damage on Dealer Deliveries (also applicable to First Point of Rest at International Ports).**

- a) 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.
- b) 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.
- c) Roofs and tires are not considered hidden damage.
- d) Any damage deemed to be hidden must be reported to carrier within two business days of delivery. Writing must be legible on the delivery receipt.
- e) The carrier has two business days from the date of dealer's notification to meet with the dealer and view the damages.