

Date: February 11, 2020

To our valued customers,

We would like to thank all of our customers who trusted CISD Marine to survey their cargo this year. In 2017, CISD Marine committed to a more aggressive approach to collecting data for analytical purposes, with the ultimate goal of improving our service to our customers. The recorded data generally includes the shipment details on the bills of lading, such as bill of lading date, metric tons shipped, commodity type, shipper, load port, as well as discharge details, reporting time, and the amount invoiced to the customer. Similar additional items are also recorded, though not listed. Though these details likely only represent a small portion of your overall business, and only represents our experiences, we invite our customers to contact us at any time for specific queries relating to cargo surveyed by CISD Marine from 2017 to the present. This could include questions about the average time needed for a shipment from Taiwan to be received in Houston, or which terminal in Houston is receiving the most steel cargoes. CISD Marine can present data on many more (possibly endless) questions you may have. Please ask us and we'll let you know what we can do. It is our intent to offer this service free of charge to our existing customers as a value-added service.

We have collected data to analyze our performance against previous years. In 2019, we surveyed the following totals:

Total discharge files: 117 (17% Less than 2018)

Unique vessels/Voyages surveyed: 90 (77% of discharge assignments)(5% higher than 2018)

Vessel/Voyages with  $\geq 2$  files aboard: 27 (23% of discharge assignments)(5% less than 2018)

Metric tons surveyed: 218,654.920 MT (19.6% less than 2018)

Pipe (Line, tubing, casing, etc.): 92,391.445 MT

Coils (cold rolled, galvanized, etc.): 48,619.347 MT

Wire rod in coil: 18,701.590 MT

Rebar: 21,541.773 MT

Hot rolled coils: 3,512.785 MT

Plate: 13,660.344 MT

Other (Wide flange beams, Square tubing, angles, project cargo, etc.): 20,227.631 MT

In 2019, our average discharge assignment resulted in the following:

Average shipment size: 1,868.850 MT (3% less than 2018)

Average survey cost: \$2,033.86 (8.2% more than 2018)

Average reporting time: 15.1 days (16% faster than 2018)

Average discharge duration: 3.6 days (10.0% shorter discharge)

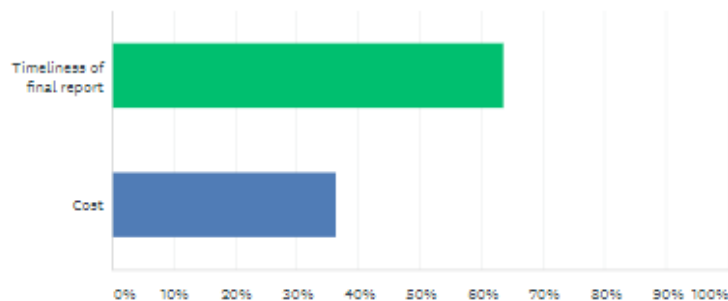
Average time vessel arrives after receiving assignment: 14.4 days (12.2% more notice than 2018)

In addition to analyzing the above data, CISD Marine conducted a customer satisfaction survey. This was our first time to formally solicit responses from our customers to gauge our performance. The responses received were greatly appreciated, and have been considered in our interpretations of the above data.

It has been our experience that our customers are concerned about three (3) items: Quality of work, reporting timeliness, and the cost of the survey. We assume that quality is a given – you cannot use a bad survey report no matter how cheap or quickly the findings are reported. Our customer satisfaction survey indicated that timeliness of reporting was a larger concern over cost of the survey.

Which of the following matters most to you when choosing a surveyor?

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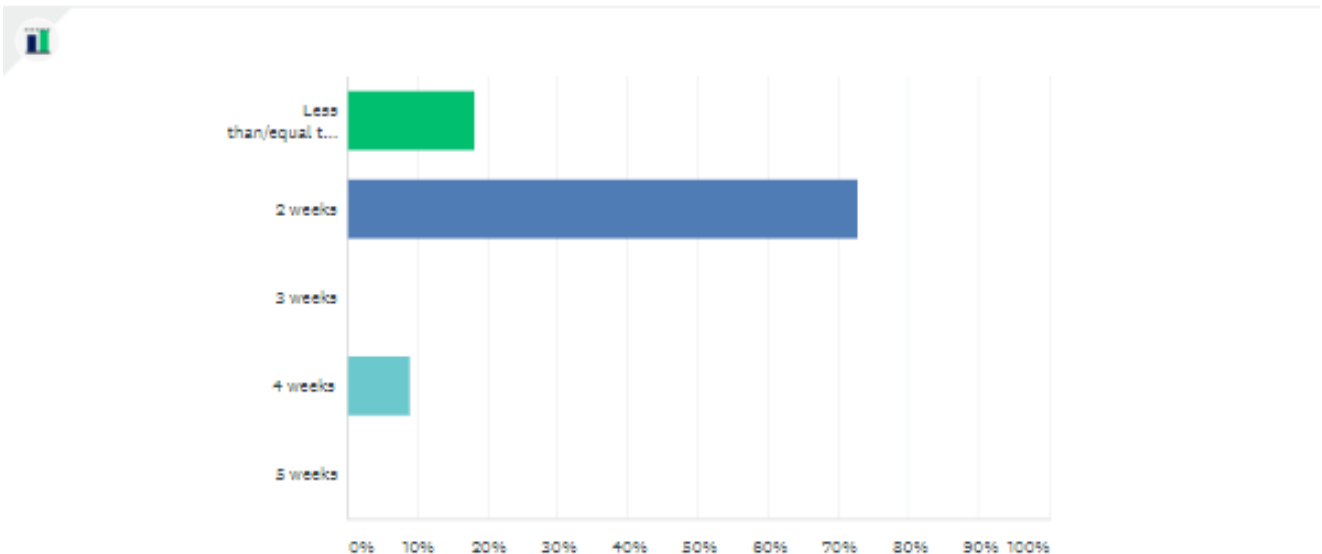


## Reporting timeliness

CISD Marine has made a goal of same-day preliminary reporting via email. Sometimes this report may be as simple as notifying the customer that the ship has arrived, but the cargo is inaccessible. However, CISD Marine will update our customers as discharge progresses. Our next concern is how quickly we can issue the final formal report on CISD Marine letterhead. An initial review in 2017 indicated our average reporting time was forty-two (42) days – we knew we could do better. In 2018, we decreased our reporting time to eighteen (18) days, and we are pleased to announce that in 2019 we further improved our reporting time to fifteen (15) days. The results of our customer satisfaction survey indicate that our customers prefer that the average report be issued in two (2) weeks following the completion of discharge.

What is a reasonable amount of time to receive a final report following the completion of an an average discharge, in an average market?

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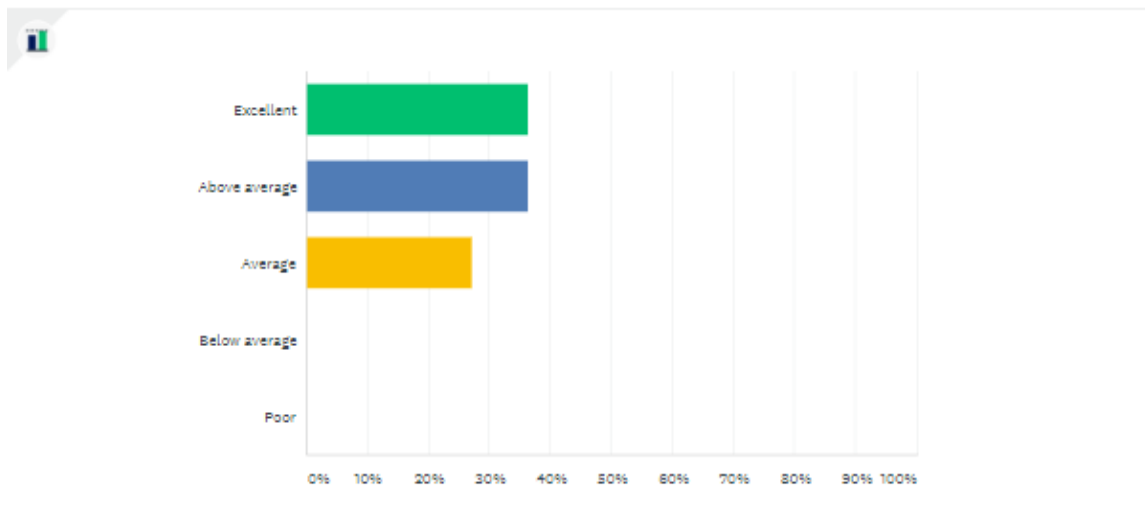


## Survey Cost

Our survey rates have remained unchanged since January 2017, and we intend to keep these rates the same for the foreseeable future. However, we initially noted an eight percent (8%) increase in the cost of our average survey in 2019 when compared to 2018. It was our opinion that this increase was directly linked to new operational requirement of various customers to conduct additional surveys after the shipments were delivered. Approximately fifteen percent (15%) of the tonnage surveyed had this additional requirement. After removing these files from the average, the average survey cost decreases to \$1,869.26, which is 0.4% cheaper than our average 2018 survey. We are pleased that we could keep our average cost to our customers unchanged, even when considering smaller average shipment sizes and less vessels with more than one (1) assignment aboard. Our customer satisfaction survey indicates that our customers agree. One hundred percent (100%) of respondents rated the value of our service as average or better, with over seventy percent (70%) of respondents rating CISD Marine as above average or excellent.

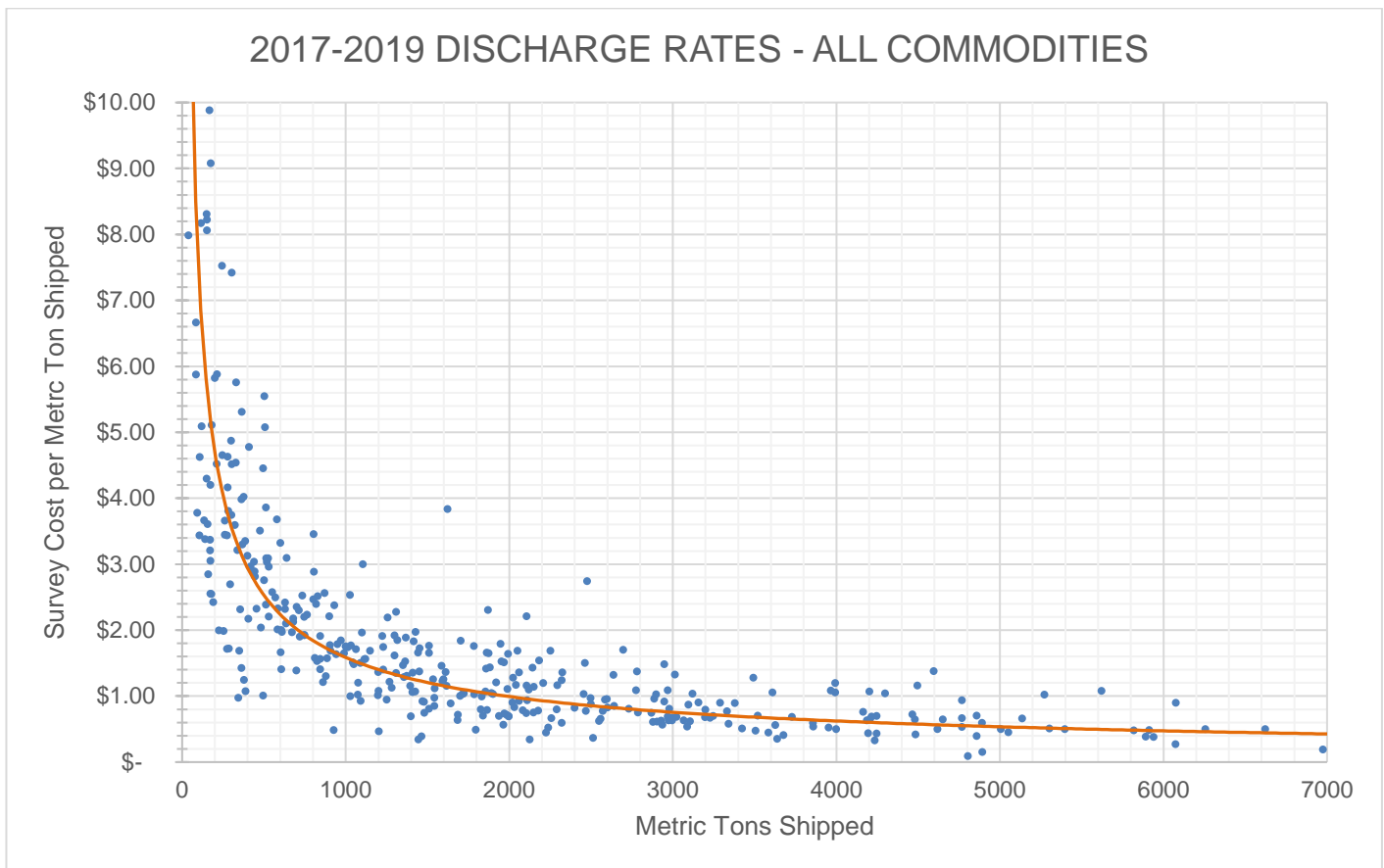
How would you rate the value for money of our service?

Answered: 11 Skipped: 0



From 2017 – 2019, our average survey cost per metric ton has been relatively consistent. There are many variables to the cost of a survey, including weather and operational delays, stowage locations, amount of damage, constant vs. periodic attendance, reporting requirements, etc. We have attempted to ease concerns about these variables by using historical data of the cost of actual surveys performed. While not a price guarantee, we can provide support for estimates. We have also used it to review an invoice prior to issuing to ensure the amount is fair and reasonable. As indicated in the below graph, the cost per ton decreases significantly with increased shipment sizes. For more information on how the cost of a survey can be affected, or for commodity-specific information, please contact us.

The following graph represents all discharge assignments received in the 2017 - 2019 calendar years, for all commodities.

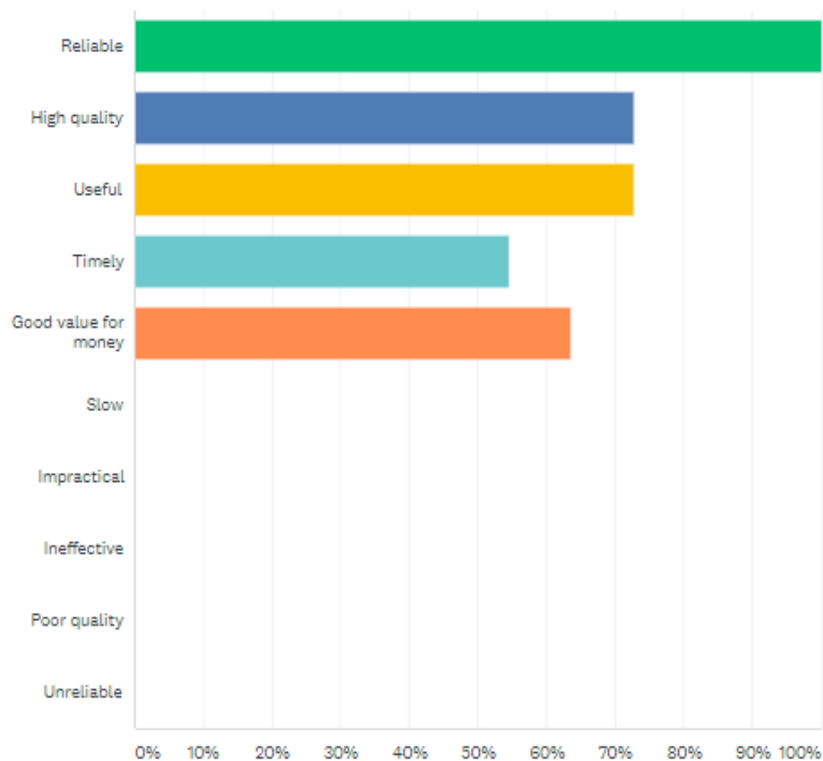


## Customer satisfaction

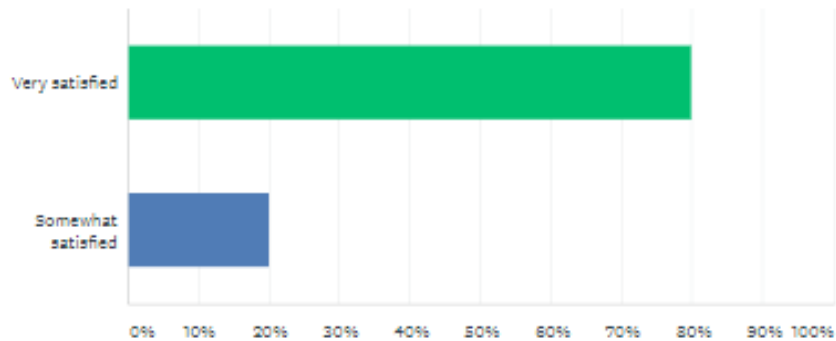
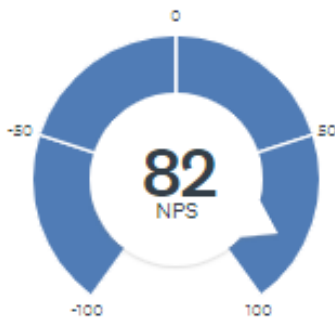
The results of the customer satisfaction survey definitely made us feel appreciated. Our customers described Cisd Marine as reliable, useful, high quality, timely, and good value for the money. We were pleased to see that negative descriptions were not selected.

Which of the following words would you use to describe our service? Select all that apply.

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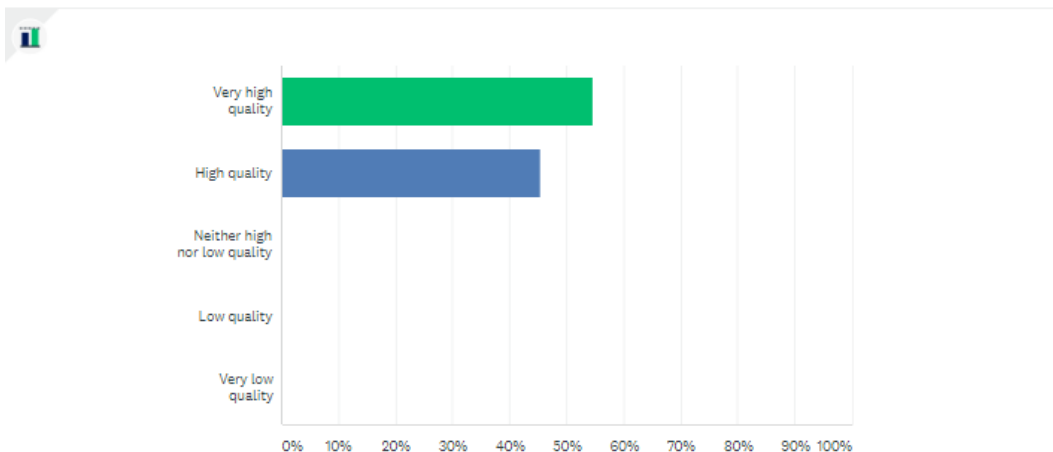


The positive nature of the words used to describe CISD Marine our indicative of your satisfaction with our company. All respondents indicated they would recommend CISD Marine to colleagues, and we earned a Net Promoter Score (NPS) of eighty-two percent (82%). Furthermore, eighty percent (80%) of respondents stated they were very satisfied with our company, and one hundred percent (100%) of respondents stated our quality was above average.



### How would you rate the quality of the service?

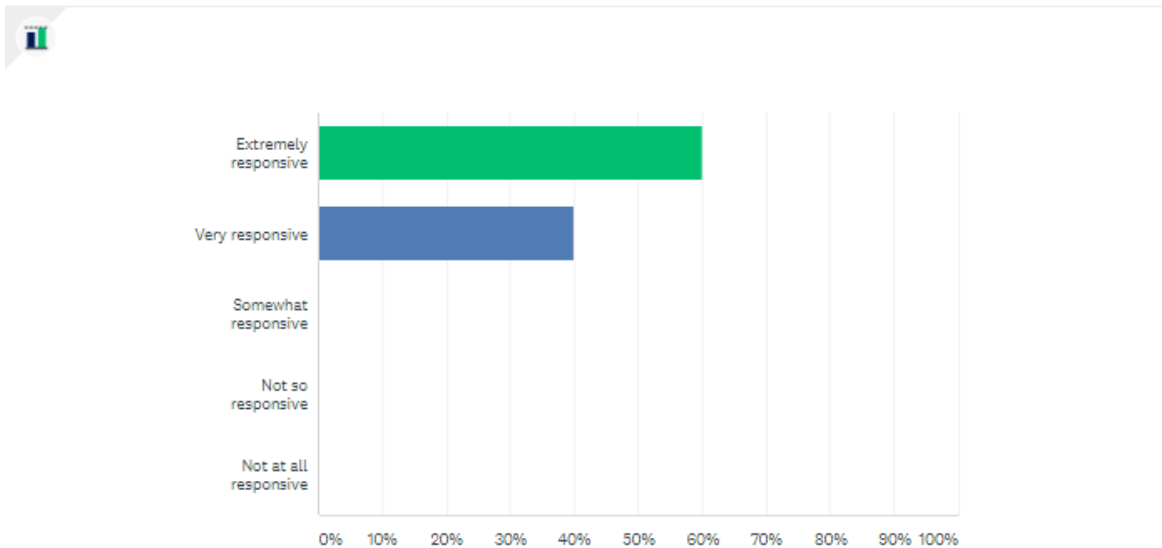
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CISD Marine fosters a culture of transparency and openness in all aspects of our service. After all, a reputation of being honest, fair, and unbiased is critical to being a marine surveyor. We encourage our customers to reach out when there are concerns about our service. We always try to provide thoughtful, detailed responses to concerns, as we feel that mutual understanding can make us the best partners. We would rather have a customer tell us our service didn't meet their expectation, because this will help us understand and meet their expectation. While much of our service is uniform, we do have customers that have unique needs, and we need to understand these to better assist. Our customer satisfaction survey indicated our culture is apparent, as all respondents that had concerns stated that we were very or extremely responsive.

## How responsive have we been to your questions or concerns about our service?

Answered: 11 Skipped: 0







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# 2019

year in review

Our commitment to our existing customers is very important to us. This is evident from the results of our customer satisfaction survey, showing that the majority of our customers have been with us for over ten (10) years.

During our customer satisfaction survey, we also solicited feedback about what we could do better, and what makes us great. We learned that the narrative structure and detailed photographs made our reports easy to understand, and very helpful when a claim arises. This method was preferred over “checklist” reports issued by other surveyors. CISD Marine was also complimented on their ability to adapt to each shipment, and maintain communication throughout the process.

We appreciate the opportunity to develop a business relationship, and look forward to discussing your business needs and our capabilities. We look forward to a prosperous year in 2020 and beyond.

Sincerely,

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