

Dear Valued Customer,

Please be notified the SOLAS/VGM policy recently updated by terminal as below for more details and make arrangements as necessary.

****VGM Policy in USA and Canada terminals:**

1. Canada terminals require NO VGM NO LOAD. Shippers have to submit VGM on or before ITN/VGM cut-off date.

2. USA terminals

VGM could be collected from following two sources in almost all YM load ports, therefore, our customers don't have to submit any VGM.

1) In-Gate Scales – We will use weights produced by scaling the unit at the US port terminal as VGM submissions by the shipper.

2) ISCTA Weights – These are the certified Gross Cargo Weights required today under the Intermodal Safe Container Transportation Act (ISCTA) which are passed from the shipper's loading facility to the trucker and then to YM (for inland rail units only) for safe rail transport and terminal handling. YM will add container tare weight and submit VGM to the loading ports. This will cover the on-dock rail exports which are not scaled as they in-gate the port terminal. Shippers have to submit certified actual gross cargo weight complying with the requirements of ISCTA for determining and reporting gross cargo weights.

If shippers still want to submit their own VGM instead of using terminal scaled weight as VGM, shippers has to submit it via YM Web or EDI. Shippers' VGM will suppress terminals VGM and to be used for the rest of the terminal applications.

The mechanics for being able to use these weights in a way which complies with the SOLAS regulation are still being finalized, but will include tariff language where the shipper authorizes YM to use these weights as VGM submissions on its behalf. We expect to implement this process by July 1st for Exports loading via a US port terminal.

****Two ways to Submit VGM to YM:**

1. Via YM Web Application

- a. Customers simply input Booking number and container number, YM Web will pop up container TARE weight and calculate the total VGM. Customers simply submit it after all verified. System will send VGM to terminal anytime 24x7.
- b. There is EXCEL upload function in YM Web. Customers can download the template and upload from web.
- c. YM is processing huge volume of global customers applying user id/Password at this moment, therefore, there are some delay of user id/password confirmation. YM existed account who has user/id in the past, please update the "VGM" usage into account profile and don't need to apply the new one.

2. Via EDI format as below. Once EDI received, system will send VGM to terminal anytime 24x7.

- a. VERMAS
- b. EDI 304
- c. IFTMIN

****VGM Cut Off Time:**

Intermodal Cargo and Port cargo container: VGM has to be received before ITN/VGM cut- off date.

Note:

(1) Cargo will not be loaded on vessel when missing VGM after VGM cut-off date. And, all associated costs with shut out/ re-nomination / weighing / return of cargo, etc will be for Shipper's account.

(2) YM will show VGM Cut Off time related information on booking confirmation by different loading port.

****Important Notes from YM:**

1. Since some EDI between terminals and YM are still under testing stage, and according to IMO's suggestion to have flexible implementation schedule, YM will continue receiving cargo and load on vessel without delay on July/1 with or without VGM. YM will give out the notice of the implementation starting voyages in advance.
2. YM suggest customers understand the new terminal process stated above and take the most efficient and suitable ways for your VGM process. At the same time, start sending VGM to YM for practicing and getting ready.
3. YM Direct EDI (VERMAS,EDI304) set up procedure:
 - a. Contact YM IT person in charge: carollee@yangming.com
 - b. Estimated EDI set up time: 2-3 weeks
4. New York Global terminal for South America trade and Miami terminals for MINA service announced to collect fees if shipper's VGM couldn't be received before in-gate, but they still allow container in-gate. YM will work with these two terminals and update later.

We thank you for your business and continued support. If you have any questions regarding this information, please contact your Yang Ming sales representative.

Thank you,
Yang Ming (America) Corp