

STANDARD OPERATING PROCEDURE (SOP) – HANDLING OF BREAK BULK INQUIRIES

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Version 1.0



DOCUMENT CONTROL

Document Owner: Chartering Desk (CD), FLS Project & Chartering Limited

Applicability: All FLS Group entities handling Break Bulk (BB) shipments

This SOP is mandatory and deviations are not permitted without written approval from the Chartering Desk and Group Legal.

1. PURPOSE

This Standard Operating Procedure (“SOP”) document sets out the mandatory step-by-step procedure governing the handling of all breakbulk (BB) ocean-freight inquiries involving FLS Sales & Commercial teams and the Chartering Desk (“CD”).

The objectives of this SOP are to ensure:

- Centralized commercial leverage and optimal freight solutions.
- Clear allocation of roles, responsibilities, and escalation authority
- Minimization and strict control of contractual, financial and operational risks; and
- Full alignment between client-facing and carrier-facing contractual arrangements.

Compliance with this SOP is mandatory for all FLS Group offices.

2. CD VALUE PROPOSITION

The CD provides competitive edge and risk control in the BB sector. By centralizing our volume and expertise, the CD provides the following benefits:

Centralized Buying Power: CD leverages the FLS Group’s total volume to secure the best ocean freight rates, achieve superior commercial terms & conditions, and ultimately increase the group’s profit margins.



Risk Mitigation: CD limits commercial risks for local offices by identifying, managing and limiting contractual loopholes in carrier contracts (Booking Notes).

Specialized Expertise: CD provides technical input and solutions, including the use of in-house engineering for tasks like intake studies, and the design of shipping cradles, lifting/packing frames to make cargo stackable.

Comprehensive Network: CD extend and deepen relationships with a wide network of reliable break bulk carriers and suppliers.

The CD acts strictly as a centralized sourcing, advisory, and risk-control function and does not assume any commercial or contractual liability toward clients.

3. KEY CONTACTS AND COMMUNICATION MATRIX

For all new BB inquiries, please send an email to:

vi.nguyen@fls-group.com
linh.nguyen@fls-group.com

Cc:
sven.hoehle@fls-group.com
chartering@fls-projects.com

Who	Scope	Email Address
1 <u>Vi Nguyen</u>	• Main point of contact for day-to-day business	vi.nguyen@fls-group.com
2 <u>Linh Nguyen</u>	• Main point of contact for day-to-day business	linh.nguyen@fls-group.com
3 <u>Khuong Nguyen</u>	• On-demand team support	khuong.nguyen@fls-group.com

4	<u>Sven Hoehle</u>	<ul style="list-style-type: none"> • Secondary point of contact for day-to-day business and 1st escalation 	<u>sven.hoehle@fls-group.com</u>
5	<u>Christopher Schnieders</u>	<ul style="list-style-type: none"> • 2nd escalation 	<u>christopher.schnieders@fls-group.com</u>

4. INQUIRY PROCEDURE: THE FIVE STAGES

This procedure covers all firm and budgetary BB inquiries.

4.1. STAGE 1: INITIATION AND QUOTATION REQUEST

The Local Sales Office initiates the process by sending all necessary inquiry details to the CD.

Action	Responsible Party	Details
1.1 Receive inquiry from client	FLS Local Office	<ul style="list-style-type: none"> - The Local Office must review the client's inquiry details in full and clarify all ambiguous/missing information prior to submission. - Collect all mandatory and additional information for a breakbulk inquiry, including cargo details, dimensions, weight, TOS, and terms. <i>*please refer to part 5</i>
1.2 Required Information	FLS Local Office	<ul style="list-style-type: none"> - The inquiry must include all mandatory information: cargo details, dimensions, weight, TOS, terms. <i>*please refer details in part 6</i>
1.3 Contact Protocol	FLS Local Office	Please refer to the contact list of CD team in part 3.
1.4 Send Inquiry	FLS Local Office	<ul style="list-style-type: none"> - Send all complete BB inquiries (firm or budgetary) via email to the CD's team as clarified above. - Suggest sending email as per template. <i>*please refer to part 6</i>

4.2. STAGE 2: OCEAN FREIGHT AND SOLUTION SOURCING

The CD has to take over the lead and is responsible of finding the optimal solution with carriers.

Action	Responsible party	Details
2.1 Receiving inquiry	CD	- Receiving inquiry from FLS Local office - Review / check / clarify the inquiry with FLS Local Office if needed.
2.2 Carrier Sourcing	CD	- Work directly with carriers/suppliers to obtain best ocean freight and technical solutions.
2.3 Solution Provision	CD	- Provide the local office with an overview including: <ul style="list-style-type: none"> • ocean freight rates / options • terms and conditions • technical / commercial input if needed - Closely follow up with FLS Local Office on inquiry status.

4.3. STAGE 3: OFFERING FOR THE SHIPMENT

The FLS Local Office retains full commercial, contractual and operational responsibility for the shipment, including full profit and loss accountability. The Chartering Desk shall not be entitled to any commission, profit share, or commercial upside and shall bear no contractual liability toward the client.

Action	Party Responsible	Details
3.1 Quotation	FLS Local Office	- Receiving rates / options / terms + conditions from CD - Preparation of quotation and according submission. - Following up with client and ensuring constant exchange with the CD.

3.2 Negotiation with client	FLS Local Office	<ul style="list-style-type: none"> - Negotiation with client - Provide CD with shipment update, client's targets or additional requests. CD to swiftly discuss/negotiate with suppliers and feed back.
3.3 Shipment award	FLS Local office	<ul style="list-style-type: none"> - Client accepts and awards job to FLS - Inform CD about the award - Provide CD recap of quotation respectively desired terms (selling + target rate, detention rate, free time, other remarks/ requests, etc.) - In case FLS might not win the job, local office to inform CD (ideally including explanation)
3.4 Booking Note with Client	FLS Local Office	<ul style="list-style-type: none"> - The Local Office shall issue the Booking Note to the client strictly based on the approved FLS Standard Booking Note template and applicable Bills of Lading terms. and the CD shall ensure that the Booking Note in FLS Library is up to date. Any deviation from the FLS standard template, including the use of a client-provided contract, needs to be discussed with superior and/or Legal. - The Local Office may seek input from the CD; however legal responsibility remains solely with the Local Office. - Have the Booking Note signed + stamped by client. - The Local Office holds full contractual responsibility for Booking Note with the client. - In cases involving increased risk exposure, liability carve-outs, liquidated damages, or non-standard clauses, escalation to senior management and Group Legal is mandatory.

4.4. STAGE 4: BOOKING AND CONTRACT FINALIZATION

Action	Party Responsible	Details
4.1 Carrier booking	CD	<ul style="list-style-type: none"> - The negotiation + booking often goes hand in hand with 3.2 + 3.3 so close communication is key - Once the confirmation from Local Office has been received, CD to communicate with carriers and start final negotiation for best rates, terms & conditions. - Book the vessel/space with the selected carrier
4.2 Booking Note with Carriers	CD	<ul style="list-style-type: none"> - Working on Fixture Note with the carrier, ensuring it aligns with all agreed terms. - Provide the Fixture Note to FLS Local Office for their review and re-confirmation. FLS Local Office to sign/stamp the Booking Note. - Ensure the Booking Note to be counter signed by Carriers as well.
4.3 Review & Alignment	FLS Local Office	<ul style="list-style-type: none"> - The Local Office shall ensure that both booking notes (with carriers and with clients) are fully aligned with each other or commercially favorable to FLS. - The Local offices to hold the full responsibility for both booking notes (carrier + client). - Both executed contracts shall be forwarded to Group Legal for record-keeping and risk monitoring purposes.

4.5. STAGE 5: OPERATIONAL EXECUTION HANDOVER

Upon execution of the booking note with the carrier, all operational responsibility shifts entirely to the FLS Local Office.

Action	Party Responsible	Details
5.1 Operational Takeover	FLS Local Office (Operations/Logistics)	- Take over all execution from the Chartering Desk until completion.

5.2 Direct Carrier Communication	FLS Local Office (Operations/Logistics)	- From this stage forward, all communication with the carrier regarding operational matters (loading/discharging, documentation, schedules, payment, disputes etc.) must be handled directly by the Local Office.
5.3 Client Relationship	FLS Local Office (Sales/Commercial)	- Maintain the client/partner relationship. - The CD will only take over negotiations/communication at the specific request of the local office. Initial discussions to always be held by FLS offices and CD serves a) advisor in the background and b) escalation level.

5. INFORMATION TO BE PROVIDED FOR EACH INQUIRY

5.1. MANDATORY INFORMATION

1. POL + POD.
2. Cargo description and packing list (preferably excel file).
3. Drawings/lifting instructions (especially for heavy lifts and/or bulky cargo).
4. Time of shipment/laycan.
5. Basic shipping terms:
 - Liner terms hook/hook, or FIOS with xx hours free time etc.
 - Deck or under deck stowage (or partly).
 - Stackable or not stackable (or partly).
 - Other terms specifically requested by the client (e.g., last in first out, latest date of arrival, additional free time, draft restrictions, etc.).
6. Timeline/deadline if any. Otherwise, CD's replies will be provided "in due course".



5.2. ADDITIONAL INFORMATION

1. History with the client (previous projects/shipments, recent meetings, etc.)
2. History of the inquiry itself (e.g., when did we start working on it?)
3. Any competitors involved?
4. Budget of the client/target rate.
5. Additional info such as pictures, drawings, etc.

6. EMAIL TEMPLATE FOR BREAK BULK INQUIRY

Please check the ocean freight for following firm/budgetary business:

POL: xx (any specific terminal, any restriction, etc. Please advise.)

POD: xx (any specific terminal, any restriction, etc. Please advise.)

Cargo: Commodity name (machinery/ transformers/ crane/ pipes...)/ xx pkgs/ about xx MT / about xx cbm/ max unit weight xx MT
(Please attach proper packing list in EXCEL file)

Time of Shipment (TOS) or cargo readiness: dd/mm/yyyy

Remarks:

- lthh or FIOS or free in/liner out or something else?
- As part cargo
- On deck / or under deck / or as per remarks on packing list
- Stackable (fully stackable or stackable max 2, 3, 4, etc. tiers)/ or not stackable/ or stackability as per remarks on packing list
- If there are any other requirements, please specify.
- Subject to further terms and conditions.

Note: It is recommended to share with Chartering Desk: who the client is, shipment is firm or at budgetary, target rate, etc. for better understanding and coordination.