

Transport Quality Manual

Chapter 7. Damage Control

Issue 11 – August 2011



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7.1. General Terms

Vehicles released from plant are released as a finished standard. No additions, enhancements or deviations from this condition are to be undertaken without due authority and knowledge of Jaguar Land Rover (JLR).

At contract hand over the cars are to be checked for externally recognisable damages (scratches, dents, breakage, cracks, and contamination to interior etc.) as well as completeness of equipment supplied in accordance with delivery manifest in order to define the liability. This should occur before the delivery company has left the premises, unless a written agreement exists between parties detailing other arrangements. It should not extend, beyond one working day of delivery without prior approval of JLR. Faults/damages are to be reported immediately to the delivering Service Provider, at their agreed office. They are to be recorded in writing or, where agreed, email. The party liable for damage is responsible for all cost of transfer to a suitable repair location unless specified otherwise within contract.

Information required:

- Date
- Vehicle Identification Number
- Market Destination and specification
- Model and engine type
- Fault/damage type
- Fault/damage location
- Fault/damage extent
- Fault/damage cause, if known or presumed
- Liable party

The party responsible has to confirm the fault / damage by signature.

All damages/faults are to be reported immediately to Sevatas:
E-mail: jaguarlandrover@sevatas.com

For the damage recording the use of VLDR (Vehicle Loss and Damage Report, Reference TQM appendix 30 and 31) forms are utilised for major export routes. Where utilised existing systems tracking and delivery manifest, CMR document facilities and photos are suitable for evidence of condition.

Faults/damages which are found after contract hand over, and which are not already registered in writing during car receipt are to be charged to the expense of the Service Provider responsible at the date of the damage recognition.

If a carrier's insurance company requires a report from a surveyor prior notice is to be given and attendance must be made within two working days of notification to facilitate repair commencement.

Only surveyors, which are recognised by all parties, are to be utilised.

Own documentation can be employed if required by specific transportation partners and/or specific transportation fields. Jaguar / Land Rover codes are required in any correspondence or claim. The completed damage documents are to be sent immediately to the respective agents including JLR claims agent: Sevatas (e-mail: jaguarlandrover@sevatas.com) for the claim process provided that no separate arrangements exist between the partners.

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- TQM Appendices 1-4, where applicable, define handover procedures and claims process in detail

Any enquires for damages / faults which require returning to plant are to be directed to JLR Transport Quality.

E-mail contacts are as follows:

cmcloug1@jaguarlandrover.com

mlockha2@jaguarlandrover.com

mbond4@jaguarlandrover.com

7.2. Storage Time for Claims

Claims raised will be valid for a minimum period of 12 months from date of notification; extension beyond this timing will be justified and agreed via Sevatas. Damage files created by the transportation partners or their claims agencies are to be held available for inspection up to one year following the completed repair date. Records of claims must be retained for at least three years from date of incident notification.

7.3. Reporting of Serious Damage Incidents

- Transport accident
- Total or severe loss and damage
- Hail & storm damage
- Vandalism
- Extraordinary occurrences which lead to vehicle damage
- Any H&S incident
- Stolen vehicles
- Theft of vehicles / parts

Any of the above incidents are to be reported immediately by phone or e-mail to:

Sevatas

Email: jaguarlandrover@sevatas.com

Tel: 00 44 (0) 1473 216406

Or

JLR Transport Quality (Contact details above).

This will ensure correct control of incidents and ensure customer safety.

7.3.1. Product Concern Reporting on JLR Plants

Any serious incidents occurring before vehicle gate dispatch, operators should follow the Product Concern Reporting Procedures (Single point lesson – Product Concern Reporting Solihull /Gaydon/Halewood/Castle Bromwich see TQM Appendices 17-20).

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7.4. Claim Categorisation

Vehicles damaged will be handled as one of the optional categories as detailed below:

Cat 1. Damage of a lesser nature, capable after repair of being to a new standard.

Damage confined to easily replaceable/repared components that are not structural in nature. Doors/bonnets, tailgates, bumpers, wheel and tyres all fall into this area. Any unit with repair estimate below 20% of "JLR product valuation" will be managed as a cat 1 as per Company Policy.

Cat 2. Significant damage to main areas including structural or welded zones, which after specialist repair can be returned to a new standard must be classed as Cat 2 as per Company Policy. These are not available for public sale as a new product. All such damage must be declared to the selling authority. Any unit with repair estimate between 20% and 30% of "JLR product valuation" will also be deemed as Cat 2.

Cat 3. Highly sensitive product /engineering related/ commercial sensitive, engineering specification and test cars. Disposal can only be as a completely broken vehicle. JLR approval is required. Usually only operates for internal disposal of vehicles. A Cat 2 car can move to this level if engineering or internal departments complete budget and Take on Charge protocols.

Cat 4. Substantial damage to large areas/safety critical zones /high cost components or re-categorised Cat 2 units will be disposed of as salvage vehicles, not for sale as a new product under any circumstances. Dependent on disposal permissions vehicles will be sold as either KOP (KIT of Parts) components (Jaguar) - or, where authorized, controlled disposal (Land Rover Product). Any unit with estimate damage in excess of 30% of "JLR product valuation" will be deemed as none repairable. All damages of a Cat 4 level and sent for salvage must be declared to MIATFA via Fleet Claims.

All Jaguars categorised as Cat 4 will be sold as KOP.

Damage processing, claim processing and declarations are included in service agreements, contracts or special arrangements. Depreciation in saleable value will be deemed as part of the total loss experienced. Salvage allowances, less expenses will be deducted from total loss and credited to carrier's account following receipt of full insurable value less handling fee of 0.5% of JLR product valuation.

7.5. Stolen Vehicles

Vehicles stolen whilst in the care of the contracted parties are the cost liability of the contracted party. All support efforts will be made to mitigate this risk. All administration, recovery, repatriation, repair, valet or disposal will be to the main contractor cost subject to any recovery achieved. Vehicles stolen and recovered will normally be handled as cat 2 vehicles in the UK; other markets are dependent on approval. Stolen, none recovered, will be classed as total loss Cat 4 units at 3 months following incident. Damage and returned condition will be handled as a separate assessment.

7.6. Repair Valuations

In the event of estimates exceeding 30 % of JLR product valuation the unit will be considered as none repairable to a new standard. Vehicles in this category, irrespective of the area for repair, will be handled as cat 4 total losses. This limit is to protect the customer and the company from extensive repairs that could influence product liability concerns.

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7.7. Protective Markets

There are markets that may not accept damaged units categorised as CAT 2 standard. These include all vehicles for Switzerland, Japan, Russia, USA and China. These markets must be notified of all Cat 2 vehicles and give consent prior to repair.

7.8. Salvage

Under no circumstances can damaged vehicles be sold/ purchased or otherwise disposed of other than through Jaguar Land Rover procedures. Contracts accepted by carriers are on the basis of this understanding. All monies received from this activity will be credited, less standard administration fee of 0.5% of JLR product value, on an open basis with the liable party to offset the incurred loss.

Product involved in serious incidents, accidents, fire, inundation or similar will be totally scrapped to protect the companies from liability litigation should these units reach the market. This decision will be to the sole discretion of JLR and will override all and any assumption to a "right to salvage".

Where referenced above and below "JLR product valuation" is defined as follows as per company policy: Wholesale value (UK) and CIF value (non – UK markets).
