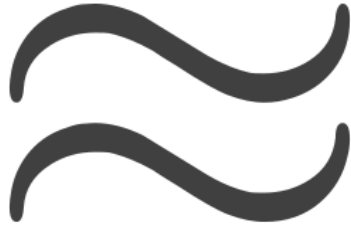


Another Way to Make Contracts “Stick”



Chocolate milk has more in common with shipping contracts that people may realize...





Both have two essential ingredients that make them work

*Fresh
Chocolate*



Fresh Milk



*Delicious &
Nutritious
Beverage*



*Aligned
Incentives*



*Aligned
Processes*



*Shipping
Contracts
that "Stick"*





Some insights on both essential ingredients for a contract



Aligned Incentives

- **~17%*** contracts not fulfilled because shipper didn't book or carrier rejected
- A lot more than just financial incentives
- Much innovation on incentives
- Carriers don't want standard incentives



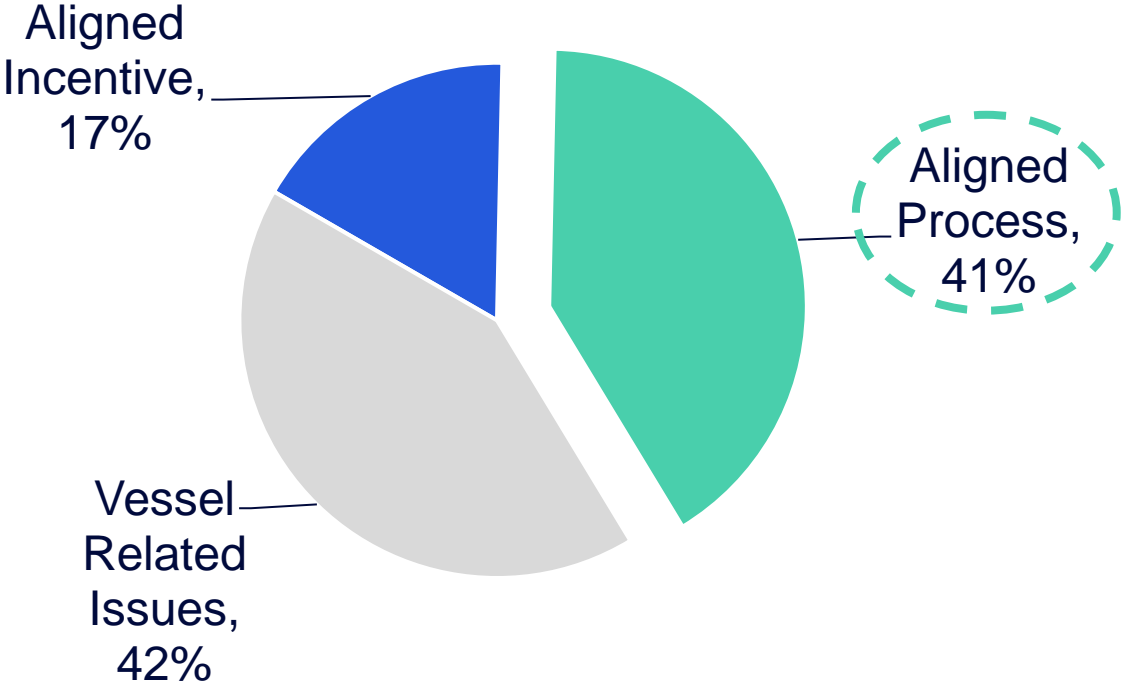
Aligned Processes

- **~41%*** of contracts not fulfilled due to a breakdown in process
- Multiple parties in chain add complexity
- Data is often not shared
- Opportunity with more timely information



Biggest opportunity for us to improve contract performance is by using our technology and shared data to align processes

Basic* attribution of reasons why contracts aren't fulfilled



How NYSHEX is helping

- Digitizes all contract types and tracks performance of each milestone vs vessel schedules, bookings and container moves
- As soon as anything goes off track, real time alerts and workflows are triggered
- Shipper and carrier have access to the same data, workflows, statements and reports
- Shipper now get to decide which of their contracts will run on NYSHEX... and shipper pays for the cost of service (\$3/TEU)



Thank you



Features of each NYSHEX evolution	Forward market	NYSHEX Select Contract	Shared Digital infrastructure
1. Digital market place where carriers publish offers and shippers requests which are digitally matched	✓	✗	✗
2. Conversion of contract terms into specific performance obligations that are digital and machine readable	✓	✓	✓
3. Contract boiler plate and incorporated rules to address edge cases (e.g. what if port congestion?)	NYSHEX Standard	NYSHEX Standard	Fully Configurable
4. Tracking of each booking and shipment to identify performance gaps in near real time	✓	✓	✓
5. Independent application of rules to determine which party was responsible for each performance gap	✓	✓	✓
6. Configurable notifications to let the designated responsible person know if there is a gap	✗	✗	✓
7. Facilitate the dispute resolution if carrier or shipper does not agree with the initial determination of default	✓	✓	✓
8. Liquidated damages for non-performance along with security deposit to guarantee performance	NYSHEX Standard	NYSHEX Standard	Optional
9. Reports and insights on performance issues, including root cause and resolutions	✗	✗	✓



TEU contracted with each NYSHEX evolution

- Forward market
- NYSHEX Select contract
- Shared Digital infrastructure

