



Sunil Sequeira
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By email to: Sunil.Sequeira@marsh.com

cc: Ravindran.Kurumala@gig-gulf.com Paolo.Ogno@gig-gulf.com Izharbader@matdan.com

15 March 2023

Our reference: 230315L1004 01-00

Marsh reference: MENAC - 24651

Dear Sunil

Without Prejudice

Water Leakage at Warehouse - Harun al-Rashid Street, Sulay, Exit 16, 11361 Riyadh, Saudi Arabia

Claim for Alleged Damage - Incident Date 31 July 2022

Tony Sykes is instructed by GIG to assist with the above referenced claim.

I write further to the recent inspections carried out by Matthews Daniel Loss Adjusting & Survey Co. Ltd on 13 February, 16 February and 26 February (the “**MatDan Inspections**”).

I understand that the IT equipment and supplies (“the **Goods**”), reported by the Insured to be water damaged, were removed from their original location in Riyadh and were relocated. The new location was provided as: Al-Sulay - Intersection of Ibn Majah Street with Ibn Al-Ameed Street (In front of Aujan Beverages Company from the north side), Riyadh. The MatDan Inspections took place at the new location. Please note that I am not aware of the security arrangements or the extent to which the condition of the Goods was preserved at the new location, ahead of the MatDan Inspections. Please confirm that, at the new location, the Goods are being stored in a dry, temperature-controlled environment, which is rodent free and that the storage specifications as detailed on the packaging of the Goods have been followed. Please also confirm that these storage conditions have been followed and maintained since the incident itself.

The purpose of the MatDan Inspections was to carry out a detailed review of a sample of the Goods alleged to be water damaged. I identified 5 pallets, 20, 21, 4, 17 and 27 which contained a selection of laptops and some ink cartridges for the MatDan Inspections. MatDan have since reported to me on the condition of the Goods on each pallet inspected.

I set out below a summary of the condition of the Goods on each pallet;

1. Pallet 20: Inspected 13 February 2023.

- a. This pallet contained 80 laptops. None of the 80 laptops presented any evidence of water damage to the hardware.
- b. MatDan advises that the laptops were adequately packed with plastic wrap and foam sleeves on sides. The laptops were not packed in airtight sealed bags. The laptops were kept in a plastic bag and the open side of the bag was folded and secured with a small tape.
- c. All 80 laptops appeared in good condition without any visible damage, dents, scratches, or stains.

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- d. There was no evidence to suggest any penetration of water to the laptops.
2. Pallet 21: Inspected 13 February 2023.
 - a. This pallet contained 73 laptops.
 - b. All 73 laptops appeared in good condition without any visible damage, dents, scratches, or stains.
 - c. There was no evidence to suggest any penetration of water to the laptops.
3. Pallet 4: Inspected 16 February.
 - a. This pallet contained 109 laptops.
 - b. 108 laptops appeared in good condition without any visible damage, dents, scratches, or stains. There was no evidence to suggest any penetration of water to the laptops.
 - c. 1 laptop was however visibly damaged presenting signs of water ingress and corrosion.
4. Pallet 17 - Inspected 16 February 2023.
 - a. This pallet contained 74 laptops and printer supplies (Toner and Ink Cartridges).
 - b. All 74 laptops appeared in good condition without any visible damage, dents, scratches, or stains. There was no evidence to suggest any penetration of water to the laptops.
 - c. With regard to the toner and ink cartridges, there were 80 boxes which contained toners (HP Laser jet 205A). Each box contained 1 toner. There were no traces of water inside the box and the toner visually appeared without any apparent damage or traces of water. There was no apparent visible damage to the Cartridges.
5. Pallet 27 - Inspected 16 and 26 February 2023.
 - a. This pallet contained 41 laptops.
 - b. All 41 laptops appeared in good condition without any visible damage, dents, scratches, or stains. There was no evidence to suggest any penetration of water to the laptops.

The above 5 pallets were chosen for the MatDan Inspections for two reasons:

1. Together they represent 63% of the total value of the claim as presented (\$323K); and
2. They are largely single items in large quantities enabling economies of scale when carrying out the inspection.

As you will see from the above, my analysis shows that, of the 377 laptops inspected, only one showed any signs of physical damage (on Pallet 4). I understand that the cost of replacement of that laptop would be \$660. With regard to the toner and ink cartridges, there is no evidence of physical damage.

There is therefore in my view no compelling evidence to support a claim for damage at the levels presented to date.

GIG and I would be more than happy to arrange a call with Marsh so that we can agree a way forward and to discuss the findings of the MatDan Inspections, which will no doubt be disappointing for the Insured.

We look forward to hearing from you with your availability.



Yours sincerely

A handwritten signature in blue ink, appearing to be 'D. Sykes', is shown on a light yellow background. The signature is fluid and cursive, with a large loop at the end.

David Anthony Sykes (Tony Sykes) BSc, MIET, CEng, CITP, FAE, MBCS