



Issuer: Materials Manager	Issue Date: 1 Nov 2008	Document No.: CS-005
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Freight Policy

1.0 GENERAL FREIGHT TERMS

- All equipment is shipped F.O.B. shipping point unless otherwise stated.
 - Details for **Specific Date and Time** deliveries must be provided at time of order.
 - The Customer must request **Flatbed Trailer** shipments when required.
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2.0 FREIGHT EXTRA FREIGHT TERMS

National Refrigeration will ship equipment **Freight Extra** via the most economical common carrier (as determined by National Refrigeration) when shipments **DO NOT Exceed** the minimum dollar value requirements outlined on the current list price books. **Freight Extra** shipments will be sent out prepay and charge unless the customer specifies a specific carrier. If a specific carrier is required, the shipment will be sent out freight collect.

3.0 FREIGHT ALLOWED FREIGHT TERMS

National Refrigeration will ship equipment **Freight Allowed** via the most economical common carrier (as determined by National Refrigeration) when shipments **Exceed** the minimum dollar value requirements outlined on the current list price books.

If Special Shipping instructions are required, including **Specific Date and Time** delivery and the shipment qualifies for the freight allowed exemption, the Customer will be charged the **difference** between the cost for special shipping and the cost of the common carrier.

National Refrigeration will not combine orders on a truck to exceed the minimum dollar amount to achieve the freight allowance, unless both orders are going to the same destination, they are scheduled to ship within a 1 week window of each other, they will be shipped by the furthest date, and shipping personnel is able to coordinate the shipment.

4.0 FLATBED TRAILER FREIGHT TERMS

When a Flatbed Trailer delivery is required and it qualifies for the freight allowed exemption, the Customer will be charged the difference between the cost of the flatbed trailer and the cost of the common carrier.

When a load is shipped to a destination in a closed trailer, and it is transferred to a flatbed for customer unloading, the customer is responsible for the cost of the flatbed.



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5.0 GOODS DAMAGED IN TRANSIT AND FREIGHT CLAIMS

National Refrigeration takes special care to design and build products and package them to arrive at their destination undamaged under the normal rigours of transportation and handling. When the freight carrier picks up goods to be delivered from our plant, he signs our Bill of Lading, which becomes a contract on which the carrier agrees to deliver the goods in the same condition as he received them. If the carrier receives them in damaged condition, then it is the carrier's responsibility to note this on the Bill of Lading before signing the Bill of Lading. If the goods are sold F.O.B. the point of shipment and received by the carrier in good order, National Refrigeration's liability terminates when the goods are signed for by the carrier.

Should any goods arrive in a damaged condition, they should be accepted by the consignee and the damage noted on the Pro Bill that is signed by the consignee at the time the goods are received. He should then contact the carrier and request that he make out an official written damage report. A re-order of the damaged goods should be placed immediately with the National Refrigeration Sales Representative so that the customer is not penalized in the terms of unit down time. The consignee and the carrier should then determine the disposition of the goods.

If the damage is repairable, then the consignee should submit the repair invoice and all pertinent details to the carrier as a formal freight claim.

A claim for damages must be submitted to the carrier within 90 days of delivery of the goods. In the case on non-delivery, a claim for loss must be filed with the carrier within 90 days of what might be ascertained as a reasonable delivery date.

Notice of concealed damage must be reported to the carrier within 30 days of receipt of the shipment. The carrier then has 48 hours to make an inspection. After this time the consignee may file a claim.

NOTE: REMEMBER, IN ALL CASES OF DAMAGE IN TRANSIT OR LOSS, IT IS THE CONSIGNEE'S RESPONSIBILITY TO SO NOTE ANY DAMAGE ON THE DELIVERY RECEIPT OR PRO BILL REGARDLESS OF THE TERMS OF SALE.

If damages occur in transit, the consignee should accept the shipment. Once he receives the shipment and the damage noted on the Pro Bill, immediate action could be taken by the consignee and the carrier to inspect same, arrive at a disposition and make arrangements for repairs. On the other hand, if the consignee refuses the shipment, the carrier may not return the goods promptly to the shipper, hence, no action may be taken by anyone. This creates confusion and delay and National Refrigeration's customer cannot be properly served.