Advisory - Freight Receiving

Hydro Engineering Inc. (Hydro) makes every effort to package and ship products in ways that promote safe, economical, undamaged delivery to customers. We regularly evaluate carrier performance and packaging processes. We also maintain a photographic record of all truck shipments to document the product and packaging.

When the freight company arrives at Hydro their driver inspects and accepts the freight by signing the bill of lading (BOL). It is the driver's responsibility to protect the trucking company by insuring that all packaging is acceptable. Title to the freight passes to the freight company when the driver signs the BOL.

Accidents happen and products can be damaged and lost in shipment.

It is the customer's responsibility to inspect the freight before accepting it. By signing the BOL without any damage noted on the document, the customer certifies that the shipment is free of damage. Title to the freight passes from the freight company to the customer when the customer signs the BOL.

Freight receiving should follow these steps:

- 1. Before signing the BOL, inspect the freight for any signs of physical damage or loss of product.
- If damage is excessive deny delivery of the freight. If the product is off the truck, put it back on and <u>don't sign the BOL</u>. The freight company is responsible for all damage and transportation costs to effect repairs or replacement. Please call Hydro if you refuse delivery so we can begin the damage claim process.
- If you decide to accept delivery and any item is missing or appears to show even the slightest
 physical damage, note the problem on the BOL and have the freight company driver <u>legibly</u>
 counter sign the BOL acknowledging the damage before you accept the shipment by signing
 the BOL.
- 4. If no loss or damage is apparent, accept title of the product by signing the BOL.
- 5. It is highly recommended that the packaging be opened and inspected in the presence of the delivery driver. If hidden damage is found it should be noted on the BOL so the freight company can't deny the claim.
- 6. If damage is discovered after delivery, you have a very limited amount of time to notify the freight company. If the damage is not visible on the exterior of the packaging a claim will typically be denied. The NMFCH (National Motor Freight Classifications Handbook) guidelines state that you have 15 days to file a freight claim for hidden damage, but every hour you delay will strengthen the carrier's ability to deny the claim on the basis that the damage happened after delivery.

Three import things to remember after the BOL is signed:

- 1. You are solely responsible for the product and the resolution of any freight related problems.
- 2. Hydro will help you through every step of the resolution process.
- 3. Call Hydro if you require any help.

We appreciate your business and look forward to a long lasting relationship with you!

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