

Freight Damage Policy

Original Date: 9/26/18 Revision Date: 9/26/18

Revision: A

Purpose

This document defines the Freight Damage Policy and provides the procedures to follow for administering a freight damage claim. The purpose of this policy is to give our Customers instruction on how to handle shipping damage in the event that it has occurred.

Whenever you, or the end customer in receipt of the shipment, receive an LTL, parcel or freight delivery, it is <u>imperative</u> the recipient take time to inspect the shipment thoroughly <u>before</u> signing the delivery bill. Inspect the box/crate and its contents for any signs of damage to parts or machines. You must unpack the order and remove each item from the box to check for signs of <u>concealed damage</u>.

Terminology Referenced in this Policy

INCOTERM	DESCRIPTION	DEFINITION	RISK TRANSFER
Incoterm	Incoterm	Shipping term used to identify who pays for freight and who is responsible for the risk	
ADD	Prepaid & Add	GD pays freight and adds freight charges to Customer's invoice	Risk, including insurance cost, passes to buyer when goods are delivered to the first carrier by the seller
PPD	Prepaid	GD covers freight charges to named destination	Risk, including insurance cost, passes to buyer when goods are delivered to the first carrier by the seller
СРТ	Carriage Paid To	GD pays frieght and adds freight charges to Customer's invoice	Risk, including insurance cost, passes to buyer when goods are delivered to the first carrier by the seller
COL	Collect	Freight is shipped via Customer's designated carrier utilizing Customer's account	Risk passes to buyer, including payment of all transportation and insurance cost, from the seller's door
EXW	Ex Works	Freight is shipped via Customer's designated carrier utilizing Customer's account	Risk passes to buyer, including payment of all transportation and insurance cost, from the seller's door
3RD	Third Party	Freight is charged to a third party, usually designated by the Customer	Risk passes to buyer, including payment of all transportation and insurance cost, from the seller's door

TERM	DESCRIPTION	DEFINITION
LTL	Less Than Load	Less than truck load
TL	Truck Load	Truck Load
Parcel	Parcel	Small package, less than 100 lbs.

Instructions for PPD and ADD / CPT Shipping Incoterms

If any of the parts or machines are damaged, please proceed as follows (Note: If we are shipping to a Freight Forwarder, they are responsible for following the instructions below on behalf of the customer):

- 1. Immediately, write "Damaged" on the bill of lading.
- 2. Depending on the extent of the damage, you may choose to accept the shipment as is, but must notify Gardner Denver immediately of your decision. If the damage is minor, and the shipment is salvageable and/or repairable, and you do decide to accept it as damaged, we will require digital pictures (including crating, pallet and dunnage) to verify the damage. These will be necessary for processing a freight claim on your behalf with the shipping company.



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PLEASE NOTE: For damaged-in-transit shipments that you accept and receive, we will be able to assist you with freight claim filing ONLY if the shipment is inspected immediately upon arrival, AND the word "Damaged" is clearly written on the bill of lading when signing for, and accepting the shipment. If the product is damaged in transit, but the shipment is not inspected upon delivery, or it is inspected, but "Damaged" is not noted on the bill of lading, we will be unable to assist you beyond this point. Once you sign the bill of lading without noting damages, the shipping company will not allow us to submit a claim on your behalf.

- 3. If the extent of the damage is major, the best practice is to take photos of the damages (including crating, pallet and dunnage) reject the shipment as damaged, so it is returned immediately to the shipper.
- 4. <u>The material should be shipped back on the same carrier, free astray. Material should not be shipped back on another truck line</u>.
- 5. IF product has been shipped to a Freight Forwarder and the shipment is damaged, product should remain at the first point of delivery. The shipment <u>cannot</u> be moved to a different location (ie: proceed with the exportation to the final destination).

PLEASE NOTE: For damaged-in-transit shipments that you refuse upon delivery, no freight claim filing on your behalf is necessary, as the shipment will be returned to Gardner Denver, and you will be issued a credit.

Additionally, we will only be able to file claims on your behalf if Gardner Denver arranges the LTL, parcel or freight transport.

Instructions for COL / EXW Shipping Incoterms

If any of the parts or machines are damaged, please proceed as follows (Note: If we are shipping to a Freight Forwarder, they are responsible for following the instructions below on behalf of the customer):

- 1. Thoroughly inspecting the shipment immediately upon arrival.
- 2. If damaged, writing "damaged" on the bill of lading, so there is a record of damages with the transport company.
- 3. If necessary, notifying Gardner Denver, so a replacement part or machine can be shipped to replace the damaged goods. ** Note: Customer is responsible for the invoice on the replacement part or machine.



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The responsibility for filing a freight claim for ExWorks/Collect shipments lies with you, the customer. Despite the extent of the damage, these shipments cannot be refused and returned to Gardner Denver, as we are not responsible for damages that occur in transit, when our customer utilizes their carrier of choice. Gardner Denver is not involved with the freight claims process but will still recommend that you follow some of the steps above to assist you with your claim filing process.

New Shipping Signage

To minimize the bottom-line impact of damaged shipments, the plants continue working with our logistics partners, as well as individual transportation companies, every time an opportunity is identified. Gardner Denver is installing signage on all of our outbound shipments, as well as created flatbed loading instructions to assist the truckers with best practices for loading and securing Gardner Denver equipment.

Image 1: Receiving Signage

ATTENTION RECEIVING



DO NOT SIGN FOR THIS SHIPMENT UNTIL YOU HAVE THOROUGHLY INSPECTED FOR ANY DAMAGE. SHIPPER IS NOT RESPONSIBLE FOR SHIPMENTS THAT ARE NOT SIGNED FOR AS DAMAGED UPON ARRIVAL!

ITL/Freight deliveries <u>require</u> on-site inspection upon delivery before you sign the delivery bill. When the shipment arrives, please be sure to thoroughly inspect the box/crate and its contents for any major damage to the parts. You must unpack the order and remove each item from the box to check for <u>concealed</u> damage. If you do find damage to any of the items, please physically write "Damaged" on the delivery bill. Depending on the extent of the damage, you may choose to then accept the shipment as is, and must notify us immediately. We will request digital pictures to verify that damage occurred as it will be needed for processing a freight claim. In the instance major damage has occurred, best practice is to 'reject the shipment as damaged' and ship back to shipper. Please note that if a product is damaged in transit and it was not inspected at delivery and not noted so on the delivery bill, the shipper will be unable to assist beyond that point. Once the customer signs the bill of laden the shipping company will not allow us to submit a daim on your behalf.



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Image 2: Shipping Signage used when a shipment cannot be stacked



Image 3: Flatbed Loading Instructions





Failure to follow these shipping requirements will cause serious damage to this cargo which will be charged to the carrier. All Cargo must be properly secured in compliance with D.O.T. regulations



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General Shipping Guidelines by Product Line – How We Do Ship

The below outlines for you, examples of how Gardner Denver ships product out to our Customer.

Small to Mid-Size Compressor Packages:

These are bolted or lag screwed to the skid in 4 places, bagged, and skeleton crated around the skid.

Products included but are not limited to:

L23-29B	ST40-60G2A
L30-45B	VS25-40
L30-45C	VS45-70
L55-75B	EBM -Legacy Packages
L90-110B	EBP - Legacy Packages
LRS23-29B	Apex15-25A - Base Mount
LRS30-45B	Apex25-30A - Base Mount
LRS30-45C	Apex15-25A - Tank Mount
LRS55-75B	Apex25-30A - Tank Mount
LRS90-110B	

Images: Small to Mid-Size Compressor Packages





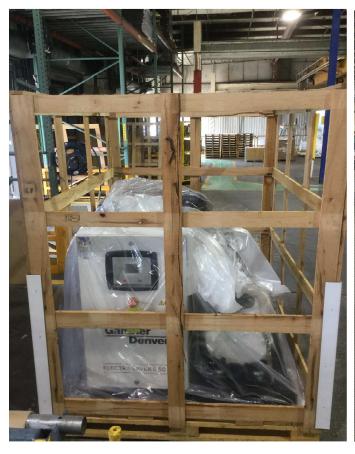
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Large Compressor Packages

These are bolted or lag screwed to a rough cut oak skid in 4 places and bagged.

Products included but are not limited to:

EBQ - Legacy Packacges EnviroAir

EAU - Legacy Packages Frame 6 L series
Large VS Packages Large VST Packages

Image: Large Compressor Packages







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Small Bare Compressors & Small Positive Displacement Legend Blowers:

These are foam packed in cardboard boxes and banded (two bands on each box) to a rough cut oak skid.

Image: Small Bare Compressors & Small Positive Displacement Legend Blowers





Large Bare Compressors, Large Industrial Blowers, HeliFlows, and Large Blowers:

These are lag screwed through the feet to a rough cut oak pallet.

Image: Large Bare Compressors, Large Industrial Blowers, HeliFlows, and Large Blowers







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Mobile Transport Blowers:

These are lag screwed to a rough cut oak pallet with custom metal brackets.

Image: Mobile Transport Blowers





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Small DuroFlow Industrial Blowers:

These are lag screwed through the mounting feet to a rough cut oak pallet.

Image: Small DuroFlow Industrial Blowers



Mid-Range Blower - 6", 7", 8":

These are lag screwed through the mounting feet to a rough cut oak pallet.

Image: Mid-Range Blower – 6", 7", 8"





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General Practices for Crating:

Image: Skid & Lag Screws





Image: Crate & Corner Supports and Cross Members







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General Shipping Guidelines by Product Line - How We Do Not Ship

The below outlines for you, examples of how Gardner Denver does not ship product out to our Customer.

Image of Missing Crating



Image: Gardner Denver DOES NOT utilize black plastic wrap on any of its packaging





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Image: Skid damage at the time of unloading due to crate/skid being wedged in a tightly loaded truck





Image: 48x40 Pallets – we do not use for machines! Not enough support for our product





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Image: Straps / Ratchet / Friction Straps – We do not use! (Exception: We use inside HSU shipping crates, but that is it)

