

## CARGO CLAIMS – APOLLO POLICY & PROCEDURES

APOLLO FREIGHT, INC. (hereinafter “APOLLO”) is committed to the business growth of its customers. We assure our customers that every effort and attention will be given to the processing of their cargo claims. APOLLO views ourselves as your logistic partner and will make every effort to see that your freight claim is settled to your satisfaction. However, the claim process tends to be lengthy and our customers should not expect a final ruling from date of filing for at least 120 days.

APOLLO acts only as an agent of the carrier and shall assist in facilitating and expediting the processing for an early resolution of any and all claims. However, the outcome to any claim rests solely with the carriers. Therefore, APOLLO may not be held liable for any damage, shortage and/or loss incurred arising from mishandling and/or delay of the cargo due to carrier negligence. Due to the nature of the airfreight business, APOLLO does not guarantee delivery by a stipulated date or a stipulated time, nor shall APOLLO be liable for the consequences of failure to make timely delivery. Although APOLLO, its agents or the carrier will make every effort to secure and board your preferred flights or vessels, we are not responsible for loss of market value due to delays in transit, enhanced security protocols, failure to board scheduled flights or sailings, delays due to mechanical failure or lack of appropriate equipment necessary to properly tender the freight for transportation.

APOLLO hereby clarifies that carriers consider freight payments and claim settlements to be separate and independent from one another. Carriers must be paid in full for transportation in the agreed-to term even if a particular shipment has a pending claim. We must therefore abide by the carrier’s policy and request that our customers pay all their invoiced freight charges with absolutely no setoff for claims settlements.

APOLLO highly recommends each shipper and consignee to request from suppliers, a grading inspection by the US Department of Agriculture certifying the quality of the product meeting US Export or US No. 1 standards, and thereby precludes any possibility of the product being damaged due to “inherent nature”.

Claims lodged based on the sole reasoning that damage or product deterioration was a result of delay in transit of less than 48 hours will not be considered a valid basis to file a claim and cannot be submitted to the carriers at any time.

To insure that both APOLLO and our customers do everything possible to collect on all valid claims, please read the following carefully. All claims must be completed in the following manner. Upon acceptance of goods at the carrier your staff or designated agent should follow the following guidelines to minimize the possibilities of a claim denial:

### **PROCEDURES FOR FILING A CLAIM**

- A) IF A PROBLEM IS EVIDENT, ADVISE APOLLO WITHIN 24 HOURS OF CARGO ARRIVAL AND ACCEPTANCE OF SHIPMENT. ANY VERBAL NOTIFICATION MUST BE FOLLOWED UP WITH A FAX (WRITTEN) NOTIFICATION IN ORDER FOR A CLAIM TO BE VALID. ***CUSTOMER must file the Intent to File Claim within 48 hours of arrival with the carrier(s) that transported the shipment. Failure to file the intent within the 48 hour grace period provides the carrier with a legal basis to deny the claim regardless of its merits.***

The following checklist may help in determining if a problem is evident:

- 1) Check and verify the seal numbers on the container with those listed on the air waybill.
  - 2) Check for any noticeable external physical damage to the container.
  - 3) Check the cargo for any noticeable damage, shortage and/or pilferage while still loaded inside the container.
  - 4) Check for any extreme external and internal temperatures of the container.  
\*\* Take pictures BEFORE you unload the container if any of the above is evident at the time of receipt or beginning of unloading any container whenever possible.
- B) DOCUMENT ALL DAMAGES OR DISCREPANCIES BY WRITING IT DOWN ON THE DELIVERY RECEIPT, IN THE PRESENCE OF A CARGO SUPERVISOR. Any and all damage or discrepancies listed above that are visually present at the time of acceptance of either the cargo or container must be noted on the delivery/acceptance receipt. Release of the goods to the consignee by the carrier against a "clean receipt" becomes the proof of good delivery. Therefore, consignees should always have their agents ensure that the shipment is in good order before signing a "clean receipt". Whenever possible request an Airline Inspection to be done at the time of receipt if noticeable damage is present. If the request is made and not completed request a Denial of Inspection to be given in writing. If a Denial of Inspection letter is refused take note of the agent's name, date & time.
- C) CONTACT A THIRD PARTY INDEPENDENT SURVEYOR (EXPORT) OR A STATE/FEDERAL GOVERNMENT INSPECTOR (DOMESTIC) TO PERFORM A SURVEY OR INSPECTION OF THE CARGO WITHIN 24 HOURS AFTER UNLOADING. The survey must contain the following:
- 1) Complete description of the type of damage or problem.
  - 2) Percentage of damage per item, condition of the damaged product, pulp temperature of the product at the time of inspection, and the quantity of the inspected and damaged products.
- D) REQUEST AN AIRLINE SUPERVISOR OR REPRESENTATIVE TO ATTEND THE THIRD PARTY INSPECTION. ASK THEM IN WRITING, AND REQUEST A WRITTEN DENIAL TO ATTEND IF THEY DO NOT FEEL THEY NEED TO ATTEND THE INSPECTION.
- E) SEND CLAIM DETAIL BY FAX TO APOLLO WITHIN 48 HOURS OF COMPLETION OF SURVEY/INSPECTION.

**The full claim report should contain all of the following documents (as available and applicable) and be provided to APOLLO in order to make a formal claim with the carrier(s):**

- 1) Consignee copy or delivery receipt (copy 2 or 4) of the air waybill showing the notations of the damage and/or discrepancies observed.
- 2) Copy of the original commercial invoice for the entire shipment.
- 3) Copy of the survey report or inspection certificate.
- 4) Certificate of condemnation as issued by the Health Authority (export) or the state/federal government (dump certificate) in the case of cargo being "unfit for human consumption".
- 5) Formal statement of the claim showing breakdown of the cost(s) in US dollars including any residual or salvage value.
- 6) Copy of the USDA inspection certificate of grading showing product(s) meeting US Export or US No.1 standards prior to shipment from the original supplier or packing house.
- 7) Letter from Consignee authorizing APOLLO to settle the claim on their behalf.
- 8) Other documents as requested by the carrier.

F) REMIT FULL INVOICE PAYMENTS TO APOLLO WITHIN THE TERMS OF YOUR CREDIT AGREEMENTS.

All remittance must be done within the terms specified and without any discount for pending claim settlements.

Per the regulations outlined in the tariffs issued by the various carriers, a "48-Hour Transit" for domestic shipments and a "72-Hour Transit" for international shipments is considered to be reasonable dispatch. Therefore cargo that moves within this pattern is not subject to claim for delay. Moreover, severe weather conditions at the airport of departure or destination relieve a carrier from any liability for damage resulting from delays or mishandling.

Carriers maintain that cold storage facilities are offered on a limited-basis, as their primary responsibility is to move cargo from point of departure to point of destination. Claims for damage or decays arising from the cargo not being stowed in cold storage rooms are not entertained as a valid claim. Shippers are advised to package the cargo in such a manner that it will withstand a delay that falls within the reasonable dispatch.

**APOLLO** is committed to a full service philosophy and will make every effort to pursue claims aggressively on behalf of its customers. However, the claim process can be very lengthy, and normally takes a minimum of three (3) months from the date of filing.