



TRANSPORTATION AND LOGISTICS

EFFECTIVE DATE: 01/01/12

***MERIT FREIGHT SYSTEMS'***  
**RULES AND REGULATIONS**

**RULE NO. 1 CHARGEABLE WEIGHT**

Chargeable weight will be determined by a shipment's actual weight, dimensional weight, or cubic capacity, whichever is greater.

**RULE NO. 2 PICK UP AND DELIVERY SERVICE**

Normal service will be considered as being Monday through Friday between 08:00 and 17:00 unless the shipper or consignee requests expedited pick up or delivery and such service is performed prior to the time that pick up or delivery would be made in the course of the regularly scheduled trip.

A special pick up or delivery will be defined as a pick up or delivery performed on Saturday, Sunday, Holiday, or Monday through Friday between the hours of 17:01 and 07:59.

**RULE NO. 3 WAITING TIME**

Waiting time will be assessed at a minimum rate of \$50.00 per hour, with the first half hour free of charge.

**RULE NO. 4 ATTEMPTED PICKUP/DELIVERY**

For shipments in which a pickup/delivery was attempted but could not be completed through no fault of Merit Freight Systems, an additional charge may apply.

## **RULE NO. 5 ACCESSORIAL CHARGES**

Accessorial charges will apply to, but not be limited to, the following:

- 1) Residential pickup/delivery
- 2) Shipments requiring a liftgate or other special equipment required to facilitate pickup/delivery
- 3) Inside pickup/delivery
- 4) Shipments to/from prisons and correctional facilities
- 5) Shipments to/from military bases and other governmental facilities
- 6) Shipments to/from schools and universities
- 7) Shipments to/from construction sites
- 8) Shipments to/from a guarded, gated or otherwise secured area
- 9) Any material loaded by shipper, such as skids, floor liners, dunnage, and so on must be removed by consignee when the truck is unloaded or an accessorial charge for debris removal will be applied, and is payable by the bill-to party as indicated on the BOL.

## **RULE NO. 6 BILL OF LADING**

A Bill of Lading, to be viewed as the legal contract between Merit Freight Systems and the shipper or the shippers designated agent, must be provided with every shipment. The Bill of Lading must clearly indicate the shipper and consignee, as well as any third party indicated as the "bill to" party. Shipment particulars, such as number of skids/shipping containers, weight, dimensions, freight class, complete origin address, complete destination address, and any special shipment instruction, must be included on the Bill of Lading. At our discretion, Merit Freight Systems may provide the shipper a Bill of Lading to be tendered to the carrier at the time of pickup.

## **RULE NO. 7 SPOT QUOTES**

Merit Freight Systems will provide a quote number with all spot-quoted shipments. In order to guarantee billing accuracy, this quote number must be provided to Merit Freight Systems at the time the shipment is being scheduled for pickup. Spot quoted shipments are valid for a minimum of seven (7) days unless otherwise indicated by Merit Freight Systems at the time of the spot quote.

## **RULE NO. 8 APPLICABLE CHARGES AND SHIPMENT INSPECTION**

All shipments are subject to inspection. Variations discovered upon inspection on weight, whether dimensional or actual, in cubic capacity, in freight class, or in any other characteristic used to determine applicable charges, will result in revised charges to coincide with the actual billable characteristics of the shipment. Inspection may be completed at shipment origin or shipment destination. Revised shipment charges will be invoiced by Merit Freight Systems on the original shipment invoice, or on an additional shipment invoice. Merit Freight Systems will invoice additional shipments charges within 90 days from delivery of said shipment. For spot quoted shipments, should the actual characteristics of the tendered shipment be different than the characteristics provided to Merit Freight Systems at the time of the spot quote, the spot quoted rate will be adjusted to reflect the actual characteristics of the tendered shipment and the rate provided at the time of the spot quote will become invalid and non-binding.

## **RULE NO. 9 CREDIT**

Merit Freight Systems must approve credit for any new customer before shipments can be accepted. For customers who do not meet Merit Freight Systems minimum credit scores, freight can be accepted on a cash or credit card basis at the time of tender. An additional fee may apply to credit card shipments.

## **RULE NO. 10 PAYMENT OF CHARGES**

Payment is due for all shipments within the terms indicated on the shipment invoice. Merit Freight Systems will invoice the party that has been indicated (Shipper, Consignee or Third Party) on the shipper Bill of Lading at the time of tender as long as the paying party indicated has an active account, in good standing, with Merit Freight Systems. Customer agrees that in addition to payment of all sums due Merit Freight Systems for services rendered, in the event of non-payment Customer shall pay to or reimburse Merit Freight Systems for all costs, expenses and reasonable attorney's fees incurred by Merit Freight Systems in seeking to collect payment from Customer. All such costs, expenses and attorney's fees shall become additional amounts owed to Merit Freight Systems by Customer, and shall be immediately due and payable when paid or incurred by Merit Freight Systems, regardless of whether suit is actually filed. "Customer" is the party responsible for payment per the Bill of Lading provided at tender. The Shipper, Consignee and/or Third Party listed on the shipper Bill of Lading shall become liable, jointly and severally, for all unpaid charges due on account of shipment if a reasonable amount of time has elapsed and payment has not been received.

## **RULE NO. 11 CLAIMS**

All claims must be reported in writing (Letter of intent to file a claim) to Merit Freight Systems, Inc. within 10 days of delivery of the shipment, or in the case of non-delivery, within 10 days of date the goods were to be delivered. Actual freight claim must be submitted, in writing, within six (6) months of date of shipment.

With all claims, the shipment, its container(s), and all packing material must be made available for inspection by Merit Freight Systems (or designated agent) at the delivery location. Failure to comply may result in denial of claim. Under no circumstances shall Merit Freight Systems be liable for loss and/or damage to external shipping containers.

When filing cargo claims, a copy of the original bill of lading, the original sales invoice, and a replacement invoice indicating replacement costs must be made available to Merit Freight Systems. In addition, the original shipment freight invoice must be paid in full before Merit Freight Systems can approve payment on any claim. Non-payment of freight invoice(s) is not permitted in lieu of claim disposition.

## **RULE NO.12 EXCESS VALUE SHIPMENTS**

Merit Freight Systems must be notified of any shipment that has a replacement value of \$25,000.00 or greater prior to shipment tender.

### **RULE NO. 13 LIMITS OF LIABILITY**

Basic coverage per shipment is limited to \$0.50 per pound. If no shipment value is stated at the time of shipment tender and/or no additional coverage is requested, coverage can be limited to this amount.

For Common Carrier LTL shipments, Merit Freight Systems liability (per shipment) shall be no greater than the freight class value limit of liability or per pound limit of liability of the carrier the freight was tendered to.

For airfreight shipments, Merit Freight Systems liability (per shipment) shall be no greater than \$0.50 per pound.

For shipments moved through Merit Freight Systems brokerage division, Merit Freight Systems liability (per shipment) shall be no greater than the limit of liability of the carrier the freight was tendered to.

Additional coverage may be purchased for \$0.65 per \$100.00 of shipment value.

### **RULE NO. 14 CONSEQUENTIAL DAMAGES**

Merit Freight Systems will not be held liable for consequential damages on any shipment unless prior agreement of liability has been acknowledged, in writing, by Merit Freight Systems. Consequential damages consist of, but are not limited to, the following:

- 1) Penalty incurred by the Shipper/Consignee/Third Party as the result of a damaged/late/lost shipment.
- 2) Shipment charges incurred to reship any item due to a damaged/late/lost shipment.
- 3) Loss of sale or opportunity of sale due to a damaged/late/lost shipment
- 4) Overtime hours incurred as the result of a damaged/late/lost shipment.
- 5) Costs associated to any operational or manufacturing “down-time” that is the result of a damaged/late/lost shipment.
- 6) Layover charges for company employee/contractor incurred as the result of a damaged/late/lost shipment; eg: travel expenses, hotel accommodations, meal reimbursement, or other associated expenses.

### **RULE NO. 15 ACTS OF GOD AND MECHANICAL BREAKDOWNS**

Merit Freight Systems will not be held liable for any consequences that are deemed to be the result of an Act of God or from a mechanical/equipment breakdown. All shipment charges apply once freight has delivered.

### **RULE NO. 16 DELAYED DELIVERY – APPOINTMENT FREIGHT**

Merit Freight Systems shall not be held responsible for a late delivery on any shipment in which a delivery appointment is required but is not granted within the timeframe requested. It is understood that the shipper or

the shippers designated agent is responsible for providing a contact name, telephone number and/or email address of consignee in order to help facilitate the timely delivery of shipments requiring an appointment.