

VYBOND FREIGHT CLAIM POLICY

Purpose

Vybond is committed to providing quality products and exceptional service to our customers. This Freight Claim Policy establishes the responsibilities, documentation requirements, and timelines necessary to facilitate efficient resolution of freight-related shortages, losses, and damages.

The purpose of this policy is to:

- Maximize recovery from transportation providers.
- Expedite customer claim resolution.
- Support timely customer credits when appropriate.
- Improve root cause analysis and corrective actions.
- Establish clear expectations between Vybond and our customers.

Freight Terms and Claim Responsibility

Responsibility for freight claims is determined by the freight terms associated with the shipment.

In general, the party responsible for paying the freight charges is responsible for filing the freight claim with the carrier. However, if any conflict exists between this policy and the applicable sales order freight terms, the sales order freight terms shall govern.

Customers are encouraged to contact their Vybond Customer Service Representative if there are questions regarding shipment terms or claim responsibility.

Visible Damage, Shortages, and Losses

Visual Evidence Requirements

Photographs are the fastest and most effective means of validating a freight claim. When visible damage is discovered upon delivery, customers should:

Before Unloading

- Take photographs of the product while it remains on the trailer or delivery vehicle.
- Damaged pallets.
- Damaged cartons, rolls, or packaging.
- Any evident load shift or transportation-related damage.

After Unloading

- Take photographs of each damaged pallet.
- Each damaged product unit.
- Product damage visible after packaging is opened.
- A shipping label from each affected container.

Photographs and supporting information should be submitted to Vybond on the day of delivery when possible.

Delivery Receipt Requirements

For Small Parcel and LTL shipments, review the Delivery Receipt (DR) prior to signing.

For Truckload (TL) shipments, review the Bill of Lading (BOL) prior to signing.

Customers must:

- Verify piece counts before the driver departs.
- Inspect shipping containers for visible transportation damage.
- Note any shortages or damaged product directly on the DR or BOL.
- Retain a copy of the signed document.

Only refuse products that have been physically damaged, contaminated, or rendered unusable.

Immediate Notification

Customers must notify their Vybond Customer Service Representative immediately when any shortage, damage, or loss is identified.

Concealed Damage

Concealed damage refers to damage that is not visible at the time of delivery and is discovered after the carrier has departed.

- Inspect shipments within 48 hours of receipt.
- Break down pallets and review product quantities promptly.
- Notify Vybond within 48 business hours of discovering concealed damage.

Product Shipment Errors

The following issues are considered order fulfillment or shipping errors and are not treated as freight claims:

- Incorrect item shipped
- Incorrect quantity shipped
- Incorrect labeling
- Mixed products
- Product packed incorrectly prior to shipment

Retention of Damaged Freight

Do not dispose of damaged product, packaging, pallets, or shipping materials unless instructed by Vybond.

Product Destruction

If Vybond authorizes product destruction, customers must provide photographs of the damaged product, proof of destruction, and a completed Certificate of Destruction (see below).

Customer Credit Eligibility

Credits May Be Approved When:

- Damage, loss, or shortage is reported within required timelines.
- Supporting photographs are provided.
- Damage or shortages are properly noted on the DR or BOL when visible at delivery.
- Product is retained pending inspection or disposition.
- All requested documentation is provided.

Credits May Be Denied When:

- Product is discarded without authorization.
- Required documentation is not provided.
- Damage cannot be substantiated.
- Reporting deadlines are missed.
- Freight claim procedures are not followed.
- Customer deducts freight claim amounts from invoices without prior approval.

Filing the Freight Claim

Customer-Paid Freight: Customer files claim with carrier and pays Vybond invoice in full. Do not short pay Vybond for the product lost or damaged, as this money will be covered by the freight claim with the carrier.

Vybond-Paid Freight: Vybond files the carrier claim when required documentation is provided.

Freight Claim Filing Deadlines

- Small Parcel: Within 60 days of delivery
- Truckload (TL): Within 6 months of shipment
- Less-Than-Truckload (LTL): Within 9 months of shipment

Summary of Customer Responsibilities

- Inspect shipments upon delivery.
- Verify counts before signing documents.
- Note visible damage and shortages.
- Take photographs.
- Report freight damage promptly.
- Retain damaged material pending disposition instructions.
- Provide requested documentation.
- Pay invoices according to payment terms.

We appreciate your continued support, communication and partnership.

Sincerely,
Taylor Kermicle
Director of Supply Chain



[Example]

CERTIFICATE OF DESTRUCTION

The party responsible for filing the freight claim should keep the materials unless otherwise approved to dump and/or destroy. If direction is given to destroy, dump or recycle. Please complete below.

Never discard the damaged freight until disposition has been provided by VyBond.

Carriers have the right to inspect the damaged freight upon request. The carrier has the right to take ownership of and salvage freight if full claim value is awarded. Getting rid of damaged freight may result in the claim not getting fully paid or denied altogether.

CUSTOMER:	
PO NUMBER:	
CARRIER NAME:	
CUSTOMER COMPLAINT #:	
DATE ISSUED:	

Please contact your Customer Service Representative with product information and complete the Certificate of Destruction below by noting quantity destroyed, contact name and phone, sign and date.

Item# and Description	Quantity Approved for Destruction	Quantity Destroyed
Contact Name:	Phone:	
Authorized Signature:	Date:	

The completed Certificate of Destruction must be returned to **Vybond** for confirmation to receive credit.