



B. NETWORK SERVICES SPECIAL TERMS AND CONDITIONS

1. All shipments tendered for transportation shall be contained in securely fastened and properly addressed packages, containers or mail bags conforming to all rules, regulations, and statutes applicable to private express shipments. In no event, will Diligent be liable for shipper's acts or omissions, including but not limited to, inadequate packing, securing, marking, or addressing, or for acts or omissions of the recipient or any other party having an interest in the shipment. Packages shall not contain contraband or other illegal material. Diligent will not be liable if shipper or the recipient violates any of the terms and conditions of this Schedule or the Agreement.
2. The responsibility of Diligent shall commence upon delivery of a shipment to Diligent, or its agent or contractor, and shall end upon delivery to addressee, consignee, or the United States Postal Service, whichever occurs first.
3. Diligent shall not be in breach of this Agreement or liable for any loss, damage or delay caused by the act, default or omission of the shipper, addressee or any other party with an interest in the shipment of any person, including, without limitation, government officials and United States Postal Service employees, other than Diligent or its agents.
4. Unless shipper has a signed written agreement with Diligent to the contrary, Diligent's liability for damaged Goods, for any reason, to a shipment shall not exceed, the **manufacturer's cost** (excluding taxes, freight charges and restocking fees) or \$200.00, whichever is less. Shipper shall have the option to purchase additional insurance at time of order to increase this limit up to \$5,000. The term "shipment" shall mean each order entered in the Diligent order entry system to be delivered to or picked up by Diligent. At no time and under no circumstance will Diligent's liability exceed \$5,000.00 per occurrence on any damage claim. Approved loss claims will be paid at Client's cost.
5. DILIGENT, ITS OFFICERS, DIRECTORS MEMBERS, AGENT AND AFFILIATES (collectively the "DILIGENT PARTIES") SHALL NOT BE LIABLE IN ANY CASE FOR DELAY IN DELIVERY OR FOR CONCEALED, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST DATA, OR LOSS OF INCOME, INTEREST, PROFITS OR BUSINESS OPPORTUNITY, GOODWILL OR BANK COLLECTION OR SIMILAR FEES, WHETHER OR NOT THE Diligent PARTIES KNEW, OR SHOULD HAVE KNOWN, THAT SUCH DAMAGES MIGHT BE INCURRED, WHETHER ARISING OUT OF THIS AGREEMENT OR THE PERFORMANCE OF SERVICES RELATING THERETO.
6. All claims for loss of or damage to any shipment shall be subject to terms and conditions of the Agreement and this Schedule. Diligent shall not accept any claim unless Client's account is in good standing as per the terms and conditions of the Agreement and this Schedule. Shipper waives all rights to offset or short pay Diligent invoices for denied loss or damage claims. Diligent shall not be liable for any damage claim on "Clear POD's" (as defined in Section C.4.a. of this Schedule), where no damage has been noted on the shipment proof of delivery.
7. Diligent will not accept any shipment which requires special or unusual handling by Diligent. By way of example, unacceptable shipments include cash, cash equivalents, coins, currency, items having unusual or idiosyncratic value, such as works of art, jewelry, precious metals/stones, furs, photographs or the like, human remains, animals, placard able hazardous materials, hazardous waste, biohazard materials, medical waste, infectious substances, alcohol, shipments requiring special governmental authorization, accompanying personnel, or special handling devices, shipments moving "in bond" consigned "to order of" or "to order notify," and shipment unaccompanied by proper documentation.
8. The parties to this Schedule and the Agreement shall comply with all applicable laws, statutes, ordinances, administrative or executive orders, rules and regulations of the originating and destination jurisdictions and countries as they relate to this Agreement and the services provided hereunder, including, but not limited to, any services related to handling or transporting Goods, by way of example, but not limitation, foreign corrupt practices act (FCPA), applicable environmental, hazardous materials, disposal and transportation laws and regulations. Shipper shall provide Diligent in writing, within 24 hours in advance of any shipment of hazardous materials (HAZMAT) to a Diligent location and shall indemnify, defend and hold harmless Diligent for any and all fines, penalties, suits, obligations or liabilities arising from same except those arising out of the negligence or intentional misconduct of Diligent. For purposes of this Agreement the term "hazardous materials" (HAZMAT) shall mean any substance, material or product the storage, handling, shipment or distribution of which is regulated by or prohibited except in compliance with the laws of the jurisdiction and country of origination or destination.
9. Diligent may, at its option, open and inspect any packages tendered for shipment. Diligent reserves the right to reject a shipment after acceptance and prior to the performance of any transportation services, if such shipment would be likely to cause damage or delay to other shipments, equipment or personnel, or if the transportation of which is prohibited by law or is in violation of any rules contained in the terms and conditions of this Schedule or the Agreement.

C. DILIGENT CLAIMS PROCEDURES TERMS AND CONDITIONS

1. Types of Freight Claims:

- a. **Lost Freight** – Occurs when cargo is “lost” in transit. This refers to an entire package (as opposed to a potentially missing piece within a package).
- b. **Damaged Freight** – Occurs when cargo is “damaged” in transit. Cargo must be properly packaged for safe handling and transportation and free from manufacturer defects in order to be reimbursed for damaged cargo.
- c. **Uncollected CODs** – Occurs when shipments are correctly entered as COD and are not properly collected and returned to the shipper.

2. Claim Filing Procedures:

- a. Notification of damaged freight must be received in writing within 24 hours of the actual delivery and notated on signed proof of delivery. All freight claims must be filed within **Seven (7) days** of the actual ship date in order to be considered valid. Any claims sent after the 7th day from ship date will not be considered.
- b. Complete the Diligent Claim Form in its entirety.
- c. Send original invoice (will need to include “Dealer Cost”), as well as any other supporting documentation relevant to the freight claim (i.e. Return Forms, signed Pickup manifest, etc.).
- d. Clear, colored photos of entire package, the damage on package, and the damage located on the item must be received with the claim. Diligent may also request the package to be sent to Diligent locations for additional inspection.
- e. Send claim form, pictures, and all required documentation to: claims@diligentusa.com.

3. Diligent Claims Processing Procedure:

- a. Once all required claim documentation is received each claim will be fully investigated, and results will be determined by the Diligent Claims Council (comprised of individuals in Operations, Sales and Corporate functions).
- b. All claim decisions will be based on the terms and conditions of this Schedule.
- c. Once all required documentation has been received, customer will receive written determination of investigation within thirty (30) days.

4. Limitation of Liability (Diligent shall not be liable for any costs or fees related to or arising out of the following):

- a. **Clear POD (Proof of Delivery)** – Occurs when a valid customer signature is taken at the time of delivery and no damage is notated. Valid signatures include those taken on the delivery scanner, as well as a signed delivery manifest.
- b. **Used/Salvaged Goods** – Diligent cannot accept liability for used/salvaged Goods, as we cannot properly determine its value or condition prior to the time the Goods are tendered.
- c. **Manufacturer Defect** – Damage caused during the manufacturing process
- d. **Concealed Damage** – Damage to the cargo that is inconsistent with correlating packaging damages.
- e. **Damaged Returns** – Diligent does not have an ability to inspect parts prior to picking up the cargo and therefore, cannot be liable for damages in this instance.
- f. **Unsecured Deliveries** – Diligent provides this value-add service for many customers but cannot be held liable for the cargo. This is due to an unclear chain of custody and the inability to validate the controlled access to such cargo. Claims may not be filed for unattended delivery locations.
- g. **Piece Count Discrepancies** – Diligent cannot be liable for cargo that is clearly not in our possession. The chain of custody transfers with either a scan or signed manifest at the time of pickup.
- h. **Improper Packaging** – Diligent will not be responsible for damages from improper packaging. Goods must be prepared with adequate packaging by Client to protect the Goods from general and common movement that includes the handling and transporting of Goods.