



## **SHIPPING AND DAMAGE**

In the distribution of products from manufacturers to consumers, damage due to improper packaging and handling totals more than \$4 billion in unsaleable products per year. Studies show that nearly 50% of unsaleable goods resulted from products being crushed, dented, or collapsed. In the distribution of products between suppliers, manufacturers, and consumers, it is often difficult to determine how and when damage occurred, making it hard to recover and prevent losses.

Too often it is hard to determine culpability for damaged products especially if product is off loaded and inspected for damage at a later date. Nearly always claims of concealed damage come back to the shipper even if obvious damage is present to the shipping container.

### **Our shipping terms are FOB Point of Shipment**

**(Literally, 'Free On Board' commonly known as 'Freight On Board')**

This means ownership of the product and responsibility for freight damage claims transfers to the consignee once the shipment has been placed on the carrier. We are responsible for all costs and damages until the cargo has been loaded on the carrier. This applies to freight prepaid shipments, freight allowed shipments, third party billing shipments and collect shipments. It is the responsibility of the consignee to carefully inspect the shipment at time of arrival and file a damage claim with the carrier if the product is damaged.

We take particular pride in the packaging and labeling of our products to minimize the possibility of damage in transit.

We will be taking an additional step effective February 1, 2004. All Light Edge, Inc. shipments by Common Carrier will be protected by "Shock Watch" monitoring devices. These devices will record abnormal vibration or shock to the shipment whether it is in transit or after delivery. By use of these devices it can be readily determined when any damage occurred and if by the carrier or someone at the destination.

Another example of The Light Edge, Inc. 'service after the sale'.