



Darden Managed Freight Policy



Version	Title	Effective Date	Revision Date
2.0	Darden Managed Freight Policy		01/19/23

Order Lead Time & Rush Load Guidelines

Overview:

Effective order management and adequate order lead time allows all parties in the network to operate as efficiently as possible. These guidelines outline optimal order lead times for the inbound supply chain network and the necessary steps to be taken if rush or expedited transportation is required due to short order lead times.

Definitions:

- **Optimal transportation order lead time** is 7 business days from order placement to requested ship date
- **Rush shipments** include orders or order date changes with a requested ship date of 48 hours or less from order/order change placement.
- **Expedited loads** occur when the delivery date requires that a load be delivered outside of the normal shipping schedule. This can be due to any number of occurrences (shipper delays, weather delays, carrier error, etc.). Expediting an order should only be considered based on a certain stock out situation due to delayed order delivery.

Order Date Change Guidelines:

- In order to minimize order date changes, new orders should be placed in lieu of date changes on existing orders whenever possible. It is understood that many factors contribute to the changing of orders; demand fluctuations, space constraints, inventory turn management, etc., but order changes disrupt both the supplier and the transportation service provider. If order changes are necessary, make them at least 48 hours prior to the originally scheduled pickup.
- If the order is a “rush” order (needs to pick up in 48 hours or less), an e-mail or phone call will need to be made to Armada immediately.

Rush Shipments:

In some cases, Armada may be required to pay the transportation service provider additional charges in conjunction with a rush shipment request. Armada will provide the exact cost differential to the requestor so that the proper shipping decision can be made. The responsible party may be held accountable for the incremental cost of the rush load.

Expedited Loads:

By definition, these loads need to ship immediately and will require a mode of transportation that is faster and more expensive than normal truckload delivery, i.e. team, expedited ground or air freight service. Armada will work directly with the requestor to determine the minimum amount of inventory necessary to expedite to avoid an out-of-stock situation. Armada will work directly with the expedited service carrier to determine the shipment cost and obtain written approval for the shipment charges from the requesting party. The responsible party will be held accountable for all related charges for the expedited shipment.

Shipping Requirements

- All loads are shipped FOB Origin with the shipper providing the loading and accurate counts for all shipments: shipper load and count.
- Seal Policies
 - The shipping facility is responsible for application and documentation of all seals and related information. The preferred seal type is a 3.5 millimeter cable seal, although any single use and uniquely numbered seal is acceptable. Seals need to be tamper-evident.
 - A shipper provided seal must be applied to each trailer door reachable from the ground and the seal number must be recorded on the shipping manifest/bill of lading (BOL).
 - An authorized representative of the shipping location is responsible for applying the seal to the trailer and recording the seal number on the BOL.
 - Shipments of Less-than-Truckload (LTL) carriers are not required to be sealed. A lock applied to the trailer door (s) is suggested for security.
 - For multi-stop loads, each subsequent shipper is responsible for resealing the trailer with a new seal and documenting the seal number on the shipping BOL.
 - Intermodal loads require an additional cable seal be placed at the top of the door.
- When moving LTL shipments, supplier is required to place security tape on cases or “do not break” stickers on pallets.
- In the event of any in transit deviation, (accident, seal broken in transit, temperature) that could result in the DC refusing a load, Armada may request that the product be returned to the supplier for inspection/disposition. All charges (repackaging, returning to inventory, labor charges, destruction, etc.) associated with inspection/disposition can be forwarded to Armada to be paid as part of the freight claim.
- Shipper must confirm the product is at the correct temperature at time of shipping. This can be done via temperature probes, or any other reliable method as determined by shipper.
- Client and/or the carrier will not be held responsible for shortages if the supplier fails to seal the trailer and/or document the seal number on the BOL.
- Shipper to ensure product is available and issues carrier a pickup appointment prior to the requested pick up date.
 - Where possible, loads should be staged ahead of appointment times to ensure load accuracy and decrease loading dwell time.
- Shipper will treat carrier personnel professionally and make all reasonable attempts to minimize the carriers time at the facility when picking up a shipment.
- Shipper is expected to load the trailer within 1 hour or less from appointment time. If the Shipper demonstrates higher than normal detention incidents detention charges may apply.
 - After load delivery is complete the carrier will have 5 calendar days to request any detention charges.

- Shipper will be given an additional 5 calendar days to review any detention requests prior to approval. Failure to respond in that time will result in automatic approval of the request.
- To streamline the detention verification process, it is required that the shipping facility utilizes a date/time stamp or in an out time with a signature on the bill of lading to capture the carrier appointment, arrival and departure times.
 - If necessary, Armada will provide a date/time stamp to the shipping facility
- Shipper is responsible for checking the condition of the inside of the trailer before loading it.
 - Trailers in poor condition/with structural damage and not suitable for loading will not be loaded and should be reported to Armada.
 - Trailer walls must be smooth and clean (no nails, metal, mold or wood should be sticking out or visible).
 - Trailer floors should be clean and free of any debris (no food products, wood, glass, powder, insects, pests etc.).
 - Trailer should be odor free (no chemical or foul odor).
 - Trailer walls and ceilings need to be free of holes and cracks.
 - In the event that a trailer is rejected Armada will work with carrier to get suitable equipment back to the shipper in a timely manner. No charges to the shipper will result from this carrier failure.
- The shipper is responsible for securing the load within the trailer to ensure the load does not shift during transit.
 - *Shipper should apply dunnage or airbags if necessary.*
 - *Shipper should apply load locks if required.*
- The shipper is responsible to make sure the trailer is loaded at a legal weight and that the product is properly distributed on the axles according to DOT regulations. If it is determined that the load is not legal, the carrier will return to the shipper to have the weight properly distributed.
- Shipper to ensure they have internal systems/processes to protect from loading on-hold and/or quarantined product.
- Temperature Controlled Loading Policy
 - Documenting specific temperature settings on the BOL for all loads requiring temperature control.
 - Shipper is responsible for confirming the reefer unit is set at the correct temperature before loading and that the unit is maintaining proper set temperature prior to driver's departure.
 - If temperature-controlled product, shipper will ensure that trailer is pre-cooled to temperature specified on the BOL.
 - Any discrepancies between BOL documentation and verbal instructions for temperature settings must be addressed with Armada operations to confirm the correct temperature setting prior to trailer departure. The correct temperature requirement must be documented on the BOL.

Carrier Requirements

- The carrier is required to schedule a loading appointment with the shipping facility (or to call and verify pickup information for first-come first-serve facilities) and a delivery appointment with the receiving facility in advance of pickup/delivery.
- Driver must, upon request, provide photo identification at pickup or delivery location.
- Driver, consistent with shipper procedures, checks in with the shipping office and provides PO number, appointment number or pickup number, if required and destination of the load.
- Driver is responsible to ensure the trailer is clean and that the refrigeration unit has adequate fuel. Improper cleaning of the trailer will result in the trailer being rejected without compensation.
- Driver is responsible to pre-cool trailer if picking up a temperature-controlled product prior to putting the trailer in the dock.
- Late arrivals will be a work-in at the next available time.
- Driver needs to comply with all shipper and receiving dock and facility grounds guidelines (i.e. stay in designated areas, compliance with smoking and pet friendly areas).
- Driver must not apply seal at pickup or break seal at delivery.
- In the event of a DOT inspection, customs inspection, mechanical failure, accident, overweight load or when otherwise directed by a government agent in authority that requires the seal to be broken, carrier must immediately contact Armada for guidance. In such cases, a new seal should be applied to the shipment and noted on the BOL along with a notation as to the reason for the change in the seal number.
- In addition to the trailer seal, adding a padlock to the trailer door is recommended.
- Armada will expect the carrier to document the details on a chain of custody for any loads in which a seal is broken in transit. This information must be reviewed by Armada before the load can be delivered.
- After load delivery is complete the carrier will have 5 calendar days to request any detention charges. Detention requests must have supporting documentation on the BOL including in and out times with a signature.
 - Failure to provide necessary documentation will result in denial of detention request.

Receiving Requirements

- All full truckload deliveries must be received in a properly sealed trailer or container.
- The receiving office or security guard will validate the seal number and paperwork upon arrival as per facility procedures.
- Receiver personnel will break seal prior to driver backing in to the door. ***Under no circumstances should the driver break the seal.***
- In the event that there is a seal issue (numbers do not match BOL or seal not intact/missing), or there are visual signs of tampering, **receiver is responsible for notifying Armada Quality Systems via phone at 844-249-5136 immediately and following up with an email to QA@Armada.net .**
- In order to determine if there are any signs of tampering, Armada will request that the DC visually inspect the product, provide pictures, and report back the findings.
- Do not refuse any product to the driver. Any damaged freight will be unloaded and set aside. Please refer to the OS&D section for further details.
- Seals are not required on LTL shipments due to the inherent nature (multiple stops, customers and terminals) of LTL shipments.
- LTL shipments should be inspected by the receiving location for obvious signs of tampering. Transportation security and OS&D guidelines outlined in this document should be followed if packaging has been compromised.
- In the case of damage products please store product in an approved damage product storage area until disposition is communicated. If no such area exists in the DC and product may provide a food safety hazard, immediate disposal in a dumpster will be considered by the appropriate Client personnel.
- Receiver will unload the product within 1 hour if the carrier arrived on time for the appointment.
 - To streamline the detention verification process, it is required that the receiving facility utilizes a date/time stamp on the bill of lading to capture the carrier appointment, arrival and departure times.
 - If necessary, Armada will provide a date/time stamp to the receiving facility
- Receiver will count load during unloading or mark the BOL as “load subject to count” if counting product will delay unloading beyond the one hour allowed.
- Late arrivals should be a work-in at the next available time.
- Dunnage is to be removed and should not be returned to the driver.
- Pallets will not be exchanged or given to the driver without prior notification and approval.
- Receiving facility **must** notify Armada of any product damages and accompany that information with pictures and other supporting information. Please refer to the OS&D section located in the manual.
- Load locks will be returned to the driver if any were applied to the load.
- Receiving facility will issue Driver a signed BOL prior to departure.

- **Temperature Controlled Receiving Policy**
 - Utilize DC documentation to capture the following information on all inbound temperature controlled loads. Once completed, form must be attached to the BOL and maintained on file at the DC.
 - Arrival time of load
 - Document when trailer was backed into receiving door.
 - Document when the receiving process began.
 - Seal verification
 - Seal number must match what is noted on the BOL.
 - Receiver is responsible for removing the seal. **The driver should never remove the seal.**
 - BOL temperature specification
 - Verify temperature specification on the BOL was noted properly.
 - Document specified temperature noted on the BOL.
 - Trailer temperature
 - Document the setting of the refrigeration unit.
 - Document the trailer temperature reading and confirm that it matches the BOL and documented product temperature specifications.
 - Load condition
 - **Receiver is responsible to inspect & notify Armada QS if there are any signs of product tampering, temperature abuse, pest infestation or any other issues affecting the integrity of the product or its intended use via phone at 844-249-5136 and followed up with an email to QA@Armada.net .**
 - Visual inspection to determine if there are any signs of product shifting resulting in product damage. If yes, please refer to OS&D section of this manual.

Temperature Controlled Loads Not Conforming to Product Specification

Receiver Requirements:

In the event that a load is not conforming to product specification, the DC is responsible for notifying Armada via phone at 844-249-5136 to contact the Quality Systems team and followed up with an email to QA@Armada.net .

NOTE: Action must be taken immediately on temperature related incidents to avoid any or further temperature abuse. E-mail should only be used to send documentation of incident; phone call should always be used for initial notification.

- Provide incident details and supporting documentation to Armada immediately.
- DC must notify the driver to contact his or her dispatcher immediately upon receipt of a non-conforming load.
- Product temperature
 - Document temperature measurements.
 - Product temperature should be taken from various cases throughout the load (tail, middle and nose).
 - The procedure involves non-destructive product probing to avoid potential cross contamination.
- Product temperatures should be taken by placing a sanitized probe tightly between inner packs for approximately 3 minutes. This will ensure the probe reading has stabilized.
- Visual Inspection (done while temping product)
 - Inspect the product for discoloration.
 - Inspect for signs of thawing and re-freezing.

Armada Requirements:

Armada to obtain the following information from the carrier:

- Arrival time of load
 - Details around when load arrived to the DC, was backed into a receiving door and when receiving process began.
- Temperature specification that was noted on the BOL.
- Did the driver follow the instructions properly (set the refrigeration unit per the BOL)?
- Was the refrigeration unit working properly?
 - Obtain a temperature download for the entire length of the trip.
 - This will likely determine whether the product was out of temp prior to loading or whether the refrigeration unit did not maintain temperature during transit.
- Armada will retain the Chain of Custody, pictures, temperature downloads and all other appropriate documentation/corrective action, which are available upon request.

Client QA Requirements:

- Review all information with Armada QA to determine any further actions and/or disposition of product, while adhering to all legal requirements to mitigate any damages or loss (including, but not limited to, the Carmack Agreement and Food Safety Modernization Act).

OS&D Policy

Overview:

This Over, Short and Damage (OS&D) Management Policy is designed to cover the visibility and real-time reporting of all OS&D activity among shippers, receivers, customers and Armada.

NOTE: Armada must be notified of all OS&D incidents in order to document, track and trend issues. See documentation and reporting requirements below.

Policy applies to all Armada arranged transportation.

- **Shipper** assumes responsibility for:
 - Proper loading and counting of product (shipper load and count).
 - Documenting temperature requirements on the BOL and confirming the trailer is pre-cooled prior to loading.
 - Incidental damage of in-transit product.
 - Overages and/or shortages.
 - Hidden damage, crushed or torn cases, loading of products on unsanitary trailers and other incidents that are clearly the result of shipper action(s).
 - Load shifts, unless there is clear evidence of carrier negligence.
 - Adherence to transportation security and seal requirements, as provided in this document.

- **Receiver** assumes responsibility for:
 - Proper documentation of OS&D reporting.
 - Providing digital photos for all damaged products.
 - Pictures should include Lot/Code/Best-by/Expiration Date.
 - Pictures where applicable should be taken while product is on the trailer.
 - Pictures should be taken before breaking down the pallets and again to show product when removed from the pallet.
 - Adherence to transportation security and seal requirements, as provided in this document.
 - Proper unloading procedures including use of appropriate unloading equipment.

- **Armada** assumes responsibility for:
 - Managing the overall claims process.
 - Filing freight claims on behalf of the shipper when there is clear evidence of carrier damage including:
 - Temperature abuse
 - Water damage
 - Load shift damage resulting from carrier negligence

- **Client** assumes responsibility for:
 - Darden reserves the right to make the final product disposition decision

Documentation and Notification Requirements:

- **Receiver assumes responsibility for:** documentation and notification of all OS&D incidents on Armada managed loads.

In the event there is an OS&D incident, the receiver is instructed to enter the claim through the 24TRACC Claims Management System within 48 hours of the incident.

Damage Types and Resolution:

- **Shipper Loading Damage:** Hidden damage, crushed or torn cases, load shifts due to improper blocking/bracing/pallet wrapping, loading of products on unsanitary trailers, and other incidents that are clearly the result of shipper action(s).
 - Receiving location and carrier must document OS&D incidents on the BOL.
 - Damaged cases cannot be released to carrier (left on trailer).
 - Receiving location to receive the product and contact Armada to log incident as described above.
 - Armada notifies shipper of OS&D incident as described above.
 - Shipper to provide further disposition.
- **Carrier Damage:** Temperature abuse, water damage, load shift or other damage due to carrier negligence.
 - Damaged cases cannot be released to carrier (do not leave on trailer.).
 - On all carrier damage incidents, receiving location must contact shipper to determine method of loss recovery (i.e. off invoice deduction, future credit, etc. and product disposition). Loss recovery amount may include product cost and any associated cost for product disposal, labor, etc.
 - Provide digital photos of product while still in the trailer in its original position when found.
 - If loss recovery amount exceeds \$500 and there is evidence that the carrier is culpable for product damage:
 - Armada will process and file carrier freight claim.
 - If claim is not settled within 120 days of incident date, Armada will initiate discussion between customer and carrier to determine reimbursement timing.
 - Armada and shipper will review as needed on any carrier caused damage that is less than \$500. Armada will not file claims with carriers for less than \$500, unless there is clear evidence of carrier culpability. Shipper will be responsible for the cost of all such claims of less than \$500.
 - Receiver/shipper will call Armada if there are any questions regarding a carrier freight claim incident.

- **Overages and Shortages**
 - Receiver files a claim in 24T for over and/or short product within 48 hours of product receipt. (shipper load & count).
 - Receiver must document overage or shortage incidents on BOL and communicate to supplier and Armada as described above.
 - Product cannot be refused to the carrier.

- **Disposition**
 - In any incident where there is disagreement on the disposition of product Client QA will make the final decision using the information acquired.
 - All parties are required to observe all legal requirements to mitigate loss including, but not limited to, the Carmack Agreement and Food Safety Modernization Act.
 - Armada will advise Client QA on potential legal and financial impacts of final disposition decision.

Pallet Specifications

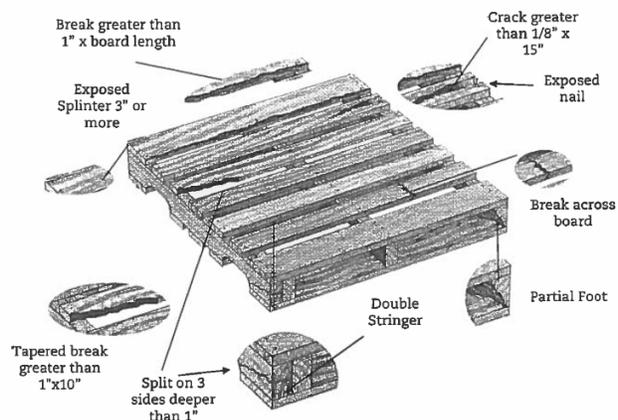
- Pallets used to ship product intended for Darden must meet GMA (Grocery Manufacturers Association) Grade A or B pallet specifications:

- GMA Class 1 wood pallet
- 48" x 40" notched stringer four-way entry for fork tines and two-way entry for pallet jacks; flush non-reversible, multiple-use pallet
- Clean, free of debris, odor, stains pest infestation and brand marks
- Constructed of mixed density hardwoods (no pine, spruce hemlock)
- Decking is minimum 5/8 (.625) in.
- Stringers are minimum 1-1/4 (1.25) in.
- Configuration
 - Top - minimum 7 boards nominal 4-inch boards or 6 nominal 6-inch boards
 - Bottom - minimum 5 boards nominal 4-inch
- Metal plates are acceptable using NWPCA guidelines for pallet plating



- Reconditioned pallets must be Grade A or B
- No broken stringers or broken/splintered top or bottom deck boards are permitted
- No moldy or odorous pallets are acceptable
- No protruding nails or screws are permitted
- CHEP and PECO pallets are acceptable if meeting the condition requirements of a GMA Grade A or B
- Other pallet configurations will be evaluated based upon need and handling capabilities within the DC

Unacceptable Pallet – Examples of Non-conformances



Drop Trailer Guidelines

This document is intended to provide drop trailer/container guidelines for Client's Suppliers, Distributors, and Armada. Contact your Armada Field Services Regional Manager for assistance with the establishment of drop and hook operations.

General Facility Guidelines:

- Provide clear instructions to driver regarding placement and pick up of empty or loaded trailers/containers.
- Arrange to capture Carrier Name, Driver Name, Tractor, Trailer and Seal Number recorded on log (electronic is preferred) record for check in and checkout activity.
- Provide secure yard with 24/7 carrier access.
- Reefer Unit Fuel Management and Replenishment:
 - Require that refrigerated units be dropped with minimum of ¾ tank of fuel.
 - Arrange for a 4 hour check around the clock to validate reefer unit is operational, check fuel level and refuel if necessary.
 - Establish a procedure for notification of carrier or Armada if unit fails.
- Spot trailers using facility power equipment or compensate carrier for trailer spotting.
- Provide timely communication of equipment or seal issues to carrier and Armada.

Supplier – Shipping Facility Guidelines:

- Properly pre-cool refrigerated trailers prior to loading.
- Seal trailer according to security policy. Ensure seal integrity is maintained while trailer is in facility's custody.
- Validate paper work, trailer number and seal integrity prior to trailer departure DC.

Receiving Facility Guidelines:

- Validate seal and paper work upon arrival.
- Sign for trailer contents upon delivery (assumes shipper load and count).
- Unload trailer/container within 24 hours of drop appointment.
- Turn off refrigerated units after unloading.
- Close trailer doors after unloading and padlock or re-seal unloaded/empty trailers once original seal is broken.
- Develop protocols to ensure drop trailers/containers are completely unloaded prior to release of empty trailers/containers.
- Have an empty trailer available for each inbound load that is dropped.

DC Backhaul Requirements

Client DCs will continue to have the opportunity to access backhaul opportunities within or outside their service territory with Client. Distributors that decide to backhaul for Client will be asked to comply with the following guidelines;

- DCs need to commit to backhaul 100% of volume if in the Client service territory. If the volume is outside of the Client service territory, the distributor will be placed in the same selection process as other common carriers.
- DC may elect to return to a delivered program and must provide 45 days' notice to Armada to effect such change. Distributor may subsequently elect to return to backhaul participation but must resubmit their request through the backhaul approval process established in this document.
- DCs need to participate in the Armada carrier on-boarding process to become part of the Client carrier network. This process includes execution of a carrier agreement and the use of a TMS software program (training on TMS will be provided by Armada).
- If the DC has accepted a load and can no longer commit to the shipment, Armada must be notified immediately. If notification is less than 5 days prior to pick up any premium freight charges may be billed back to the DC.
- DC will follow all Client and Armada carrier SOPs in managing backhaul transactions and will be considered a for-hire carrier servicing the Client network.
- DC trucks that arrive late will be loaded on an as available basis subject to facility capacity. Facilities will make a "best effort" to load late arrivals in a timely manner; however, individual facility policies will apply and may vary from facility to facility.
- DCs will maintain product and financial responsibility in accordance with all applicable Client system policies including but not limited to over, short and damage events.
- DC is responsible for maintaining a Department of Transportation safety rating of Satisfactory and complying with all federal and state regulations associated with operating a motor carrier operation.
- DC is responsible for the cleanliness of their trailers and should not allow use of trailer used for raw animal products and/or other hazardous materials prior to use for Client products.
- DC will be responsible for any transportation cost premium that results from its inability to perform the agreed to transportation service.
- DC will assist Armada in taking appropriate action to maintain assured supply in a safe and secure transportation environment.

If a DC is underperforming and not adhering to Client or Armada's requirements the backhaul carrier may be removed from the lane.

Cash Application:

Armada pays DC the agreed upon freight rate as outlined in their *Armada Carrier Agreement* and *Schedule "A" Rate & Volume Agreement*. Armada utilizes a paperless process, so the distributor does not need to submit invoices.

Armada TMS Requirement:

- Carriers will be trained and set up with appropriate log-ins prior to their first tender.
- Carriers have 3 hours to accept or decline a load tender. The clock on all tenders is based on business days/hours (Monday – Friday, 8am-5pm). After 5pm on weekdays and during the weekend, the tender clock is suspended and resumes the next business day at 8am.
 - Example: A load is tendered at 4pm and the tender is not accepted in the first hour. The tender suspends at 5pm until the next business day at 8am. The next day when the tender clock resumes, 2 hours will be left to accept.
- Appointments should be made with the shipper/receiver and entered into Armada's TMS as quickly as possible.
- In the event that the DC has accepted a load and can no longer commit to the shipment, Armada must be notified ASAP.

Loads must be closed in the TMS in order to receive payment. It is required for each center to close their loads within 24 hours of arrival.

Backhaul Performance Standards:

- 95% On-time pick-up and delivery
- 98% Tender/accept ratio
- 95% Load Closed (within 24 hours of arrival)

General For-Hire Carrier Responsibilities:

If a backhaul carrier is also acting as a for-hire carrier, they must refer to their Armada Carrier Contract.

Addendum A

Darden Managed Freight - Claims Mitigation Guidelines

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Purpose:

Implementation of product cargo loss mitigation guidelines that clearly identify network stakeholder responsibilities and processes to ensure brand protection while minimizing additional costs to the network through responsible validation of product integrity across the managed freight supply chain.

Scope:

These guidelines for all Armada managed freight address proper load disposition for inbound supply chain incidents including, but not limited to, temperature abuse, unsanitary and/or infested trailers, trailer seal issues and vehicle accidents that may result in branded or non-branded product integrity issues.

Terms and Definitions:

- **Food Safety Modernization Act (FSMA)**

The Food Safety Modernization Act (the primary law governing food safety in the U.S.) aims to ensure the U.S. food supply is safe by shifting the focus from responding to contamination to preventing it. The FDA has issued seven core rules that implement the FSMA including the Sanitary Transportation of Human and Animal Food rule.

- Product deemed to be adulterated under FSMA is a potential reason to reject product under FSMA. There must be a preponderance of evidence that there is a possibility that the food may be injurious to health.
- Product identified as adulterated food is defined as if there is a reasonable probability that the use of or exposure to an article of food will cause serious adverse health consequences or death to humans or animals. Adulterated food is unsellable by law.
- FSMA does not relieve parties of the responsibility to inspect product and go through the necessary steps to identify evidence necessary to determine if and what product is deemed adulterated as prescribed by law.

- **Carmack Amendment**

The Carmack Amendment (the primary law governing cargo liability) spells out rights, duties and liabilities of shippers and carriers when it comes to cargo loss. The law requires a reasonableness standard to be applied by a shipper in determining product disposition in the event of freight claim incidents that could result in product loss.

- It is the responsibility of the client to engage with the shipper or agent of the client to inspect the product to determine if the product has been adulterated or tampered with.
- It is not considered reasonable to destroy a full load when only a small portion of the product is damaged or missing unless there is evidence that the incident contaminated the entire load
- Destroying a load without fully inspecting the product violates the reasonableness standard established by the amendment and may lead to the shipper or client being held responsible for all or part of the cost of the product loss

Primary Incident Types:

- **Transportation Security**

- Arriving at the DC without a seal intact
- The original seal is broken in transit or not by the receiver
- The load shows apparent signs of tampering and/or theft (missing cases)
- Seal number does not match paperwork
- Product has been trans-loaded from the original trailer in transit

- **Temperature Abuse**

- Trailer not set or maintained at the correct temperature or reefer unit not functioning properly
- Product temperatures outside the acceptable range for the product type
- Signs of temperature abuse including, but not limited to, thawing, ice crystal formation, water damaged cases

- **Product Quality/Contamination**

- Foreign material, infestation or other unsanitary conditions

- **Vehicle Accidents**

- Any incident in which the product and/or the trailer is damaged in transit

Mitigation Guidelines:

Unbranded Product- When a load has been rejected at the DC level or has an issue during transit, the goal is to protect product integrity and make every effort to reduce the loss to the Darden network. Regardless of where the fault lies, the supplier or other agent of Darden may be asked to complete a comprehensive product inspection (and provide documentation of the inspection results) to confirm if the product shows any evidence of product tampering or adulteration. This product inspection will determine if all or some portion of the product meets Darden's quality standards. Based upon inspection results, Darden QA will determine product disposition including whether or not product can be returned into inventory, sold to a secondary market, released to the carrier, donated to a 3rd party in order to limit preventable network financial loss or if disposal of all or some portion of the product is required. The product inspection is to be completed at the expense of the appropriate party and will be included in the claim.

Branded Product- Product must follow the same mitigation guidelines, but the product is generally not eligible for secondary market, release to the carrier or donation to a 3rd party.

Temperature/Product Quality Issue:

Armada Responsibilities:

- Gather load and incident details:
 - Carrier Chain of Custody report
 - Bill of lading
 - Temperature Details (if applicable)
 - Reefer unit reading and setting
 - Temperature download and evaluation
 - Product temperature specifications and pre-shipment temperature (if available)
 - Product temperature probe results
 - Photos of product condition
 - Other relevant incident details
- Share summary of incident information with Darden quality lead and supplier
- Confirm inventory level with receiver and initiate action on a replacement load, transfer or rescheduling of an existing order if it is deemed necessary
- Recommend facility to conduct product inspection
 - If incident occurs in transit the carrier is directed to the nearest stakeholder location as directed by Darden to have the product inspected to validate integrity
 - If incident occurs at delivery the product should be off-loaded, receiving inspection performed, product staged and placed on hold until final disposition is determined
- Once product disposition is determined, review results and any potential cost impact with Darden Supply Chain Management
- If decision is made to destroy product, carrier insurer must be offered the opportunity to inspect product as required by Carmack Amendment
- If applicable, Armada will initiate the claims process with the carrier for product loss and any additional costs

Darden Responsibility:

- Review summary of incident information
- Determine, and if necessary, engage appropriate party to conduct product inspection
- Darden QA lead determines product disposition based upon inspection results

Inspection Facility (DC, Supplier or Darden authorized facility) Responsibility:

- Inspection guidelines
 - Temperature Issue
 - Each pallet shall be individually inspected for signs of temperature abuse.
 - Temperature probing must be completed on product from the front, middle and back of the trailer during unloading. Records must be available upon request to show when the refrigerated trailer backed up to the dock, when loading/unloading commenced, and when loading/unloading was completed.
 - Product must not be staged on the temperature-controlled dock for more than 30 minutes. If staged for more than 30 minutes, additional temperature probing must be completed every 60 minutes until product is loaded or put away in the correct temperature-controlled storage area.
 - Temperature probes shall be checked for calibration to +/- 1° F at a weekly frequency using a known standard (e.g ice bath method, Tel-Tru). Records shall be maintained and available for review upon request.
 - Facilities must have records available upon request to demonstrate that the temperature of temperature-controlled storage areas and docks have been maintained within the specified ranges during loading, storage and unloading.
 - Temperature data loggers placed onto loads at the shipper should be used as a tool in identifying potential temperature abuse and not as the absolute measure of product temperature compliance. Temperature probing and inspection for evidence of temperature abuse must also be performed and will be utilized by Darden QA in determining product disposition.
 - Product Quality Issue
 - Each pallet should be inspected for signs of unsanitary condition, foreign material or infestation
 - For incidents involving pest infestation, shippers and receivers must have records available upon request to demonstrate a fully implemented pest control program including:
 - Facility internal/external pest control inspections
 - Trailer inspections completed prior to loading and during unloading
 - Inspection facility to provide documentation of product inspection results to Darden QA and Armada Quality Systems

Transportation Security:

Armada Responsibilities:

- Initial communication with carrier or DC reporting incident
- Gather load and incident details:
 - Carrier Chain of Custody report
 - Bill of lading
 - Trailer seal number
 - Photos of product condition
 - GPS tracking data (if applicable)
 - Temperature download and evaluation (if applicable)
- Share summary of incident information with Darden quality lead and supplier
- Confirm inventory level with receiver and initiate action on a replacement load, transfer or rescheduling of an existing order if it is deemed necessary
- Recommend facility to conduct product inspection to validate product integrity based on the incident type and severity
 - If incident occurs in transit the carrier is directed to the nearest stakeholder location as directed by Darden to have the product inspected to validate integrity
 - If incident occurs or is discovered at delivery the product should be off-loaded, receiving inspections performed, product staged and placed on hold until final disposition is determined
- If there is evidence of missing cases or product tampering in the last row of pallets on trailer, Armada may recommend that only the last four pallets be destroyed if no other pallets/cases on trailer show any signs of product tampering or temperature abuse
- Once product disposition is determined, review results and any potential cost impact with Darden Supply Chain Management
- If decision is made to destroy product, carrier insurer must be offered the opportunity to inspect product as required by Carmack Amendment
- If applicable, Armada will initiate the claims process with the carrier for product loss and any additional costs

Darden Responsibility:

- Review summary of incident information
- Determine, and if necessary engage, appropriate party to conduct product inspection
- Darden QA lead determines product disposition based upon inspection results

Inspection Facility (DC, Supplier, Darden authorized facility) Responsibility

- Stakeholder is to complete a thorough inspection of the product to ensure that there are no signs of tampering and product still meets brand quality standards and/or still meets food safety standards for secondary sale (all reasonable costs associated with the inspection to be included in the claim)
- Inspection facility to provide documentation of product inspection results to Darden QA and Armada Quality Systems

Vehicle Accidents:

Depending on circumstances and severity of the accident Armada will work with Darden QA to determine if any of the products may be salvageable. If so, the guidelines outlined above will be followed.

Disposition Decision Review Request:

If a disposition decision has been made, but all parties are not aligned with the final ruling, the following appeal review process should be executed prior to product destruction

- Armada to notify the appropriate parties that the decision is under disposition decision review and that no action is to be taken with the involved product until a final decision is determined
 - Product to remain hold at the appropriate stakeholder facility
- Armada Quality Systems to submit a written request to Armada Account Management within one business day to schedule a disposition decision review with Darden QA and should include the following:
 - A detailed explanation of why the decision is being disputed
 - All of the relevant incident details and reports
 - Detail of the specific request being made of Darden QA
- Armada Account Management to schedule a conference call/meeting with Darden QA, Darden Supply Chain Management, Armada Quality Systems, Armada Transportation Management
 - Review of request and supporting details including potential financial impact
 - Final disposition made by Darden
 - Armada Quality Systems and appropriate parties to carry out final disposition decision

Document Revision History

Rev.	Date	Description of Change	Changed by <small>(NAME/INITIALS)</small>
1.0	09/18/19	Creation	JAZ
2.0	01/19/23	Added Addendum A – Freight Claims Mitigation Guidelines	CAR