

**SOUTHWEST AIRLINES CO.**  
**CARGO CONTRACT OF CARRIAGE**

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EFFECTIVE DATE – May 23, 2008

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**CONTRACT OF CARRIAGE CONTAINING**

**RULES, REGULATIONS, AND CHARGES**

**APPLICABLE TO THE**

**CARRIAGE OF CARGO**

**BY SOUTHWEST AIRLINES CO.**

Revised May 23, 2008

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**APPLICATION OF CONTRACT OF CARRIAGE**

The rules, regulations, and charges published in this Contract of Carriage apply only to the carriage of Shipments (as defined below) by carrier, as defined below. In the event Shipments are carried by another air carrier or surface carrier, such other air carrier or surface carrier's Contract of Carriage shall govern the carriage of such Shipments.

Except as otherwise expressly provided in this Contract of Carriage, all Shipments are acceptable for carriage only when Shipper and Consignee comply in all respects with any applicable rules and regulations of this Contract of Carriage, and all laws, ordinances, and other governmental rules and regulations governing the carriage of such shipments.

No agent, servant, or representative of Carrier has authority to alter, modify, or waive any provision of this Contract of Carriage unless authorized by a corporate officer of Carrier.

In the event any provision of this Contract of Carriage or the application thereof to any person or circumstance is held invalid, all remaining provisions and their applicability to any person or circumstance shall not be affected thereby.

**1. DEFINITIONS**

Unless otherwise specifically indicated, the following definitions shall apply:

**Advance Arrangement** - Advance Arrangement shall mean that Shipper shall contact Carrier prior to tender of a Shipment in order to determine the acceptability of the Shipment, to enable Shipper and Carrier to establish the time and place of tender, and to enable Shipper and/or Carrier to make special arrangements for the Shipment, if necessary.

**Airbill** - Airbill shall mean the non-negotiable shipping document issued by Carrier upon tender of Shipment to Carrier.

**FREIGHT** - FREIGHT shall mean cargo service provided on a space available basis, airport-to-airport. Although Carrier will attempt to carry Shipments on the next available flight, FREIGHT is not a flight-specific cargo service.

**Articles of Extraordinary Value** - Articles of Extraordinary Value shall mean any of the following articles or commodities: antiques, art works, exceedingly fragile items, bonds, deeds, evidences of debt, negotiable securities, promissory notes, stamps (postage or revenue), stock certificates, or any other similar valuables that reasonably appears to Carrier to be such articles.

**Carrier** - Carrier shall mean Southwest Airlines Co., its officers, directors, employees, agents, representatives, and servants acting within the scope of their employment.

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**Computation of Days** -in computing time in days, full calendar days shall be used, including Sundays and Legal Holidays except when in the computation of days, the last day falls on a Sunday or Legal Holiday, in which event the next following calendar day (other than a Sunday or Legal Holiday) shall be included.

**Consignee** - Consignee shall mean that entity (including but not limited to individuals and corporations) whose name appears on the Airbill as the entity to whom the Shipment is to be delivered by Carrier.

**Legal Holiday** - Legal Holiday shall mean any U.S. national, state, provincial, or local legal holiday.

**NFG (Next Flight Guaranteed)** – NFG (Next Flight Guaranteed) shall mean cargo service which guarantees the carriage by Carrier of a Shipment on a specific nonstop or direct flight, airport-to-airport.

**Perishable Shipments** -Perishable Shipments shall mean those Shipments that are subject to decay and/or deterioration while in Carrier's custody. Perishable Shipments shall include, but not be limited to, meat, fowl, game, live fish, flowers, diagnostic specimens, plants, small lizards, or hermit crabs.

**Seafood Shipments** – Seafood Shipments shall mean those Shipments that contain seafood which is subject to decay and/or deterioration while in Carrier's custody.

**Shipment** -Shipment shall mean a single consignment of one or more pieces, from one Shipper at one time at one address, receipted for in one lot and moving on one Airbill, to one Consignee at one destination airport.

**RUSH Priority Freight** - RUSH Priority Freight shall mean cargo service which guarantees the carriage by Carrier of Shipments from airport-to-airport within twenty-four (24) hours, commencing from the time the Shipment is tendered to Carrier (such time being indicated on the Airbill). Although Carrier will attempt to carry Shipments on the next available flight, RUSH Priority Freight is not a flight-specific cargo service.

**Shipper** - Shipper shall mean the entity (including but not limited to individuals and corporations) whose name appears on the Airbill as the entity contracting with Carrier for the carriage of the Shipment.

**Tender** - Tender shall occur when Shipper presents a properly labeled and packaged Shipment to Carrier for acceptance after the Airbill has been completed and all shipping charges have been paid.

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**2. SHIPMENT DESCRIPTION**

On the Airbill, Shippers must ensure that:

- (A) The contents of Shipments are accurately and specifically described.
- (B) The exact number of pieces included in the Shipment (including weight) are specified.

**3. MAXIMUM WEIGHT**

The maximum weight of any single piece contained in any Shipment (excluding Seafood Shipments) shall not exceed 200 pounds. The maximum weight of any single piece contained in a Seafood Shipment shall not exceed 175 pounds.

**4. MAXIMUM DIMENSIONS**

- (A) Shipments of which the sum of the greatest outside length plus the greatest outside height plus the greatest outside width exceeds 90 inches will be accommodated as bin space permits.
- (B) In computing overall dimensions, fractions of less than one-half inch shall be dropped and fractions of one-half inch or more shall be considered as one (1) inch.

**5. PACKING AND MARKING REQUIREMENTS**

- (A) Shipments must be prepared or packed by the Shipper so as to insure safe carriage with ordinary care in handling.
- (B) Any piece of any Shipment susceptible to damage with ordinary care in handling must be adequately protected by proper packing and must be marked or labeled appropriately.
- (C) Any piece of any Shipment susceptible to damage as a result of any condition which may be encountered in air carriage, such as high or low temperatures, high or low atmospheric pressure, or sudden changes in temperature or pressure must be adequately protected by proper packing and any other necessary protective measures.
- (D) Each piece of any Shipment must be legibly and durably marked with the name and address of Shipper and Consignee.

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**6. SHIPMENTS SUBJECT TO ADVANCE ARRANGEMENTS**

The following shipments shall be acceptable for carriage by Carrier only upon Advance Arrangements:

- (A) Shipments requiring special attention, protection, or care enroute.
- (B) Shipments or pieces of shipments of unusual shape or size.
- (C) Shipments containing any other unusual characteristics.
- (D) Shipments containing liquids.
- (E) Shipments (other than Seafood Shipments) containing any single piece weighing in excess of 200 pounds.
- (F) Seafood Shipments containing any single piece weighing in excess of 175 pounds.
- (G) Shipments or any part thereof whose overall dimensions (L + W + H) exceed a total of 90 inches.
- (H) Shipments of cremated human remains. \*
- (I) Shipments tendered with instructions to collect on delivery (C.O.D.) and/or advance charges. \*

**\*NOTE: Please refer to the Cargo website [swacargo.com](http://swacargo.com) or call the Cargo Customer Care Center (1-800-533-1222) for more information.**

**7. UNACCEPTABLE SHIPMENTS**

Shipments unacceptable for carriage shall include but not be limited to the following:

- (A) Shipments likely to damage Carrier's equipment or other Shipments.
- (B) Shipments of bills of exchange, bullion, currency, furs, fur clothing, fur-trimmed clothing, gems (cut or uncut), gold bullion (coined or uncoined), jewelry (other than costume jewelry), money, platinum, precious metals, silver bullion (coined or uncoined), and similar articles or commodities; provided that shipments of United States currency by or on behalf of the Federal Reserve Bank are allowed so long as the shipper has entered into a written release and indemnity agreement acceptable to Carrier in its sole discretion, and approved by Carrier's Risk Management and General Counsel Departments.
- (C) Shipments of live warm-blooded animals.

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- (D) Shipments of uncremated human remains.
- (E) Shipments regulated by 49 C.F.R. pertaining to the carriage of hazardous materials.
- (F) Shipments not expressly covered by the provisions of this Contract of Carriage.
- (G) Shipments which, in Carrier's judgment, are not suitable for carriage.
- (H) NFG (Next Flight Guaranteed) Shipments having a declared value in excess of \$25,000.00.
- (I) RUSH Priority Freight and FREIGHT Shipments having a declared value in excess of \$25,000.00.
- (J) Seafood Shipments and Perishable Shipments having a declared value in excess of \$15,000.00.
- (K) Firearms.

**8. CONDITIONAL ACCEPTANCE OF SHIPMENTS**

Carrier reserves the right to reject or revoke acceptance of any Shipment prior to carriage from the origination airport, and to remove such Shipment at any point enroute between origin and destination, when it reasonably appears to Carrier that such Shipment:

- (A) Is improperly packed or packaged;
- (B) Is subject to damage if exposed to high or low temperatures or high or low atmospheric pressure;
- (C) Is inherently defective such that the Shipment cannot be carried without risk of loss, damage, or injury to the Shipment, to other Shipments, to Carrier's equipment, or to Carrier;
- (D) Is not accompanied by proper documentation as required by any convention, statute, or tariff applicable to such Shipments;
- (E) Is subject to Advance Arrangements, unless such Advance Arrangements have been undertaken;
- (F) Is tendered by a Shipper who refuses to provide personal identification upon request by Carrier;
- (G) Requires Carrier to obtain a federal, state, or local licenses (in which case such Shipments shall be accepted at Carrier's sole discretion);

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(H) Requires special devices for safe handling ( in which case such Shipments shall be accepted at Carrier's sole discretion, and if accepted, the special devices required shall be provided and operated by Shipper or Consignee at their own risk);

(I) Is a Seafood Shipment, unless the following guidelines are followed to the Carrier's reasonable satisfaction:

- Seafood Shipments must be suitably packed in leak-proof containers. Polyethylene bags of four (4) mil thickness or two (2) polyethylene bags of two (2) mil thickness are required for packing such Perishable Shipments. The polyethylene bags must be securely sealed to prevent leakage, except when utilized for Shipments of live seafood. Styrofoam inserts or protective absorbent materials should be placed between the polyethylene bag and the inner wall of the shipping carton. If the Shipment requires refrigeration, it should be packed with a self-contained refrigerant to ensure that satisfactory storage temperatures are maintained for a period of not less than 48 hours. Chemical coolants (frozen gels) or dry ice (carbon dioxide) are recommended. If dry ice is utilized, the maximum amount of dry ice per container is five (5) lbs., and the container should be visibly, legibly, and durably marked with the words "DRY ICE" and the weight of the refrigerant (1-5#). The Airbill must legibly indicate the words "DANGEROUS GOODS - SHIPPERS DECLARATION NOT REQUIRED" under the "Handling Information" section of the Airbill. Whenever possible, such Perishable Shipments should be stored in order to minimize exposure to extreme temperatures. Dry ice cannot be utilized in an airtight container. Outer cartons should be constructed of corrugated paper board or solid fiberboard. External resistance to punctures is critical to ensure that the carton will remain leak proof. Cartons should be secured with two (2) nylon bands around the width of each carton.

(J) **OR** is a Perishable Shipment, unless the following guidelines are followed to the Carrier's reasonable satisfaction:

- (i) Perishable Shipments must be suitably packed in leak-proof containers. If the Shipment requires refrigeration, it should be packed with a self-contained refrigerant to ensure that satisfactory storage temperatures are maintained for a period of not less than 48 hours. Perishable Shipments of live fish shall be enclosed in a flexible plastic inner container of sufficient strength (at least 3 mil) to prevent puncture, and adequately sealed to prevent leakage. Absorbent materials must be utilized between the sealed polyethylene container and the inner wall of the outer packaging unless the packaging design ensures the containment of liquid. The outer packaging should be constructed of corrugated or solid fiberboard, preferably with a water-resistant coating. Some type of insulation material should be utilized to protect live fish from changes in temperature. Heat-packs should be utilized whenever live fish may be exposed to sub-freezing temperatures for extended periods of time. Each carton must be visibly, legibly, and durably marked with the words "LIVE FISH" on the top and at least on one (1) side.

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(ii) Perishable Shipments of flowers/plants must be packed in a sturdy cardboard container providing protection from ordinary handling and inclement weather while in transit. Containers should be visibly, legibly, and durably marked with the description of the contents and indicate if the contents are of a fragile nature. Whenever possible, Perishable Shipments should be stored in order to minimize exposure to extreme temperatures.

**NOTE: Carrier does not provide refrigeration at all cargo facilities, nor does Carrier warrant the suitability of enroute temperatures or pressure levels for any Perishable Shipment. Therefore, Shipper assumes all risks associated with the carriage by Carrier of all Perishable Shipments.**

**9. INSPECTION OF SHIPMENTS**

(A) Shipments shall be subject to inspection by Carrier to determine acceptability and suitability for carriage by Carrier, and to assess proper charges therefor.

(B) Carrier shall not allow inspection of a Shipment by Consignee until all carriage charges have been paid, Consignee has signed the Airbill, and Consignee has taken possession of the Shipment.

**10. AIRBILL AND SHIPPING DOCUMENTS**

(A) Shipper is required to prepare and present an Airbill with each Shipment tendered for carriage. Carrier shall not be responsible for improperly completed Airbills. Each Shipment shall be subject to Carrier's Contract of Carriage in effect on the date of acceptance of such Shipment by Carrier.

(B) The Airbill and the Contract of Carriage applicable to the Shipment tendered shall inure to the benefit of, and be binding upon, Shipper and Consignee, and Carrier by whom carriage is undertaken between the origin and destination, including destination on reconsignment or return of the Shipment.

(C) A Shipment carried for the U. S. government (excluding Shipments paid for by "Government Transportation Request - G.T.R.") must be accompanied by, in addition to the Airbill, a "Government Bill of Lading" with the proper number of copies properly executed.

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**11. DECLARED VALUE OF SHIPMENTS**

(A) Shipments shall be deemed to have a declared value of not more than \$.50 per lb. unless excess value is declared on the Airbill at the time the Shipment is tendered to Carrier. However, no Shipment or part thereof shall be deemed to have a declared value of less than \$50.00.

(B) Shipper may declare excess value for any Shipment, in which case an additional charge of \$.55 per \$100.00 of excess value declared must be paid for to obtain the excess declared value coverage. The maximum excess value which may be declared for any NFG (Next Flight Guaranteed) Shipment (except for Seafood Shipments, Perishable Shipments, and Articles of Extraordinary Value) is \$25,000.00. The maximum excess value which may be declared for any RUSH Priority Freight or FREIGHT Shipment (except for Seafood Shipments, Perishable Shipments, and Articles of Extraordinary Value) is \$25,000.00. The maximum excess value which may be declared for any Articles of Extraordinary Value is \$500.00. The maximum excess value which may be declared for any Seafood Shipment or Perishable Shipment is \$15,000.00. When any Shipment consists of two (2) or more pieces, the declared value for each piece shall be determined by dividing the value declared on the Airbill by the number of pieces in the Shipment.

(C) If the collect on delivery (C.O.D.) amount is represented to also serve as the declared value of the shipment, it must also be placed in the "Declared Value for Carriage" box on the Airbill and appropriate charges paid.

**12. ROUTING**

(A) Carrier, in its sole discretion, shall determine the routing of Shipments.

(B) Carrier, in its sole discretion, reserves the right to deviate from any route indicated on an Airbill, and to forward, and expedite or deliver any Shipment, via any air carrier or other transportation mode at the rate prescribed by such carrier; provided, however, that when either of the foregoing rights are exercised, carriage rates and charges shall be no greater than the rates and charges from origin to destination via the route indicated on the Airbill.

**13. PAYMENT/CALCULATION OF RATES AND CHARGES**

(A) Carriage charges for NFG (Next Flight Guaranteed), RUSH Priority Freight and FREIGHT Shipments may either be prepaid by Shipper or collected by Carrier from Consignee.

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(B) Charges for carriage of any Shipment shall be assessed on the gross weight of the Shipment based on the greater of:

- (i) The actual weight of the Shipment, or
- (ii) The cubic dimensional weight of the Shipment derived from the total cubic measurement ( $H \times W \times L \div 194$ ). Dimensions of  $\frac{1}{2}$ " or greater are rounded up to the next whole number; dimensions of less than  $\frac{1}{2}$ " are rounded down. Multiply the Height (H) times the Width (W) times the Length (L) (all measurements in inches), divide by 194. The final calculation is rounded up to the whole pound.

**SINGLE-PIECE SHIPMENT EXAMPLE: A package actually weighs 5 pounds, with dimensions of: 10  $\frac{1}{2}$ " high (H) by 12  $\frac{1}{4}$ " wide (W) by 32  $\frac{3}{4}$ " in length (L). Multiply the rounded dimensions:  $11 \times 12 \times 33 = 4,356$ . Divide 4,356 by 194 = 22.46 and round up to the next whole number (pound), 23. The cubic dimensional weight for this piece is 23-lbs. Since the actual weight is only 5 lbs., the 23-lb. number will be used to calculate the carriage charge.**

**MULTIPLE-PIECE SHIPMENT EXAMPLE: The total actual weight of a 3 piece shipment is 50 pounds, with dimensions of: 18  $\frac{1}{2}$ " high (H) by 12  $\frac{1}{4}$ " wide (W) by 34  $\frac{3}{4}$ " in length (L). Multiply the rounded dimensions:  $19 \times 12 \times 35 = 7,980$ . Divide 7,980 by 194 = 41.13. Multiply 41.13 times the number of pieces (3) = 123.39, rounding up to the next whole number (pound), 124. The cubic dimensional weight for this shipment is 124 lbs. Since the actual weight is only 50 lbs., the 124-lb. number will be used to calculate the carriage charge.**

(C) Payment of Charges

- (i) Rates and charges published in this Contract of Carriage are in U.S. Dollars.
- (ii) Carrier reserves the right to change its rates and rate agreements from time to time as necessary, in its sole discretion.
- (iii) At the time Shipment is tendered to Carrier by Shipper, or upon receipt of the Shipment by Consignee, all charges are payable in the following forms: cash, check, American Express, MasterCard, Visa, Carte Blanche, Diners Club, Discover Card, Optima, Access, Eurocard, UATP credit card, Carrier's credit account or U.S. Government Bill of Lading or Government Transportation Request.
- (iv) Proper identification is required for all transactions.

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(v) No Shipment shall be released by Carrier to Consignee until all carriage charges for such Shipment have been paid.

(D) C.O.D. (Cash on Delivery) Shipments

- (i) Credit will not be extended on the C.O.D. amount.
- (ii) Carrier will not accept checks made payable to Carrier for the C.O.D. amount.
- (iii) No partial payment of the C.O.D. amount will be accepted.
- (iv) The Consignee will not be allowed to examine the Shipment prior to payment of the C.O.D.
- (v) No partial delivery of a C.O.D. Shipment will be made, unless the full amount of the C.O.D. has been collected.
- (vi) Carrier's sole responsibility shall be to secure the C.O.D. amount and to exercise due diligence in forwarding it to the Shipper. Under no circumstance will the Carrier be responsible if a form of payment for a C.O.D. amount proves to be counterfeit, is forged or is dishonored for any reason.
- (vii) The C.O.D. service charge may not be included in the Consignee's C.O.D. check, money order, cashier's check, or other form of payment. The C.O.D. service charge must be paid by the Consignee unless otherwise stated on the Airbill.
- (viii) A minimum charge of \$20.00 will be assessed for each C.O.D. Shipment. An additional service charge of \$2.00 will be assessed for every \$100.00 of declared value.
- (ix) Refused or unclaimed C.O.D. shipments will be disposed of pursuant to Section 21 below.

**14. FLIGHT SCHEDULES**

Carrier shall attempt to carry Shipments with due diligence, but flight schedules are subject to change without prior notice, and the times shown in Carrier's flight schedules, tickets, and advertising are not guaranteed. Carrier may substitute aircraft, and may change, add, or omit intermediate stops, and delay or cancel flights without prior notice.

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**15. AVAILABILITY OF EQUIPMENT AND SPACE**

(A) Carrier undertakes to transport, consistent with its capacity to carry all Shipments accepted for carriage. All Shipments are subject to availability of suitable equipment. Carrier shall determine the priority of carriage as between Shipments, which Shipments shall not be carried on a particular flight, which Shipments shall be removed at any time or place, and when a flight shall proceed without all or any part of any Shipment.

(B) Any Shipment shall be subject to refusal, delay, or embargo by Carrier, if such Shipment cannot be carried with reasonable dispatch by reason of any governmental rules, regulations, or orders, or because of unavailability of suitable equipment, or because of other conditions beyond Carrier's control.

**16. LIMITATION OF LIABILITY**

(A) The liability, if any, of Carrier, its contractors or subcontractors for loss, damage, or delay of any Shipment or part thereof, in addition to the guarantees as set forth in Sections 28 & 29 below, is limited to the reasonable amount of actual damages, but in no event shall be greater than the declared value of the Shipment determined in accordance with Section 11, provided Shipper has exercised reasonable effort to mitigate damages. **IN NO EVENT SHALL CARRIER, ITS CONTRACTORS OR SUBCONTRACTORS BE LIABLE FOR CONSEQUENTIAL OR SPECIAL DAMAGES.** Reimbursement for lost or damaged Shipments shall be determined by the documented original purchase price of the Shipment, less any applicable depreciation for prior usage or age of the contents of the Shipment.

(B) By tendering a Shipment to Carrier, its contractors or subcontractors for carriage, Shipper, for itself, and on behalf of all other parties having an interest in the Shipment, waives all claims for damages beyond the limitations set forth in this Contract of Carriage, and affirms that the description of the Shipment as set forth on the Airbill is complete, true, and correct, and that the Shipment is not of a nature unsuitable for carriage by air or hazardous to the Shipment itself, to other Shipments, to Carrier's equipment, or to Carrier.

(C) In no event will Carrier, its contractors or subcontractors be liable for damages arising from Shipper's failure to receive or delay in receiving C.O.D. amounts collected by Carrier, its contractors or subcontractors. Under no circumstances will the Carrier, its contractors or subcontractors be liable, if a form of payment for a C.O.D. amount proves to be counterfeit, be forged, or is dishonored for any reason.

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**17. EXCLUSION FROM LIABILITY**

(A) Carrier shall not be liable for any loss, damage, or delay in delivery of any Shipment or portion thereof caused by:

(i) Acts of God, public enemies, public authorities acting with actual or apparent authority, perils of the air, authority of law, quarantine, riots, strikes, civil commotion or hazards, acts of terrorism, or dangers incident to a state of war;

(ii) Acts or omissions of Shipper or Consignee;

(iii) The nature of the Shipment, or any defect, characteristic or inherent vice thereof;

(iv) Violation by Shipper, Consignee, or any party claiming an interest in the Shipment of any of the provisions contained in this Contract of Carriage, including, but not limited to, improper or insufficient packing, securing, marking, or addressing, and failure to observe any of the provisions relating to Shipments which are not acceptable or Shipments which are conditionally accepted;

(v) Acts or omissions of warehousemen, customs, or quarantine officials, or persons other than Carrier gaining lawful or unlawful possession of the Shipment;

(vi) Compliance with delivery instructions of Shipper or Consignee, or non-compliance with special instructions of Shipper or Consignee not authorized by Contracts of Carriage; **OR**.

(vii) Failure to provide notification upon arrival of Shipment.

(B) Carrier shall not be liable for any loss, damage, deterioration, destruction, theft, pilferage, delay, default, misdelivery, non-delivery, or any other result not caused by the actual negligence of Carrier. For purposes of this paragraph, any agent, employee, or representative of any other airline or service organization shall not be construed to be the agent, employee, or representative of Carrier.

(C) Carrier shall not be liable for any loss, damage, or delay in delivery of Shipments of bills of exchange, bullion, currency, furs, fur clothing, fur-trimmed clothing, gems (cut or uncut), gold bullion (coined or uncoined), jewelry (other than costume jewelry), money, platinum, precious metals, silver bullion (coined or uncoined), and similar articles or commodities enclosed in or shipped and described on the Airbill as baggage, luggage, or personal effects or with any other term not reasonably calculated to disclose the unique nature and/or special value of the Shipment involved.

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(D) **CARRIER SHALL NOT BE LIABLE IN ANY EVENT FOR ANY CONSEQUENTIAL OR SPECIAL DAMAGE ARISING FROM CARRIAGE OF SHIPMENTS SUBJECT TO THIS CONTRACT OF CARRIAGE, WHETHER OR NOT CARRIER HAD KNOWLEDGE THAT SUCH DAMAGE MIGHT RESULT AND WHETHER OR NOT SUCH DAMAGE MAY HAVE BEEN FORESEEABLE.**

(E) Carrier shall not be liable for any loss, damage, or delay to any shipment which is inadequately described or mis-described on the Airbill.

(F) Carrier shall not be liable for any loss, damage, or delay in delivery of any Shipment whose contents are not specifically described on the Airbill or which are otherwise shipped without the actual knowledge and consent of Carrier; provided however, that Carrier shall not have any liability with respect to any Shipment listed in Section 7 as not acceptable, whether or not such Shipment is described on the Airbill or otherwise shipped with Carrier's knowledge and consent.

(G) Carrier shall not be liable for any loss, damage, or delay in delivery of any Shipment, which is covered by any valid and collectible policy of insurance.

**18. INDEMNIFICATION**

Shipper and Consignee shall be jointly and severally liable to indemnify and hold harmless Carrier for and against all claims, fines, penalties, damages, cost, expenses, attorney's fees, or other costs incurred, suffered, or paid by Carrier as a result of any violation by Shipper or Consignee of any of the provisions contained in this Contract of Carriage or any other default of Shipper or Consignee with respect to any Shipment.

**19. LIABILITY FOR RATES AND CHARGES**

Shipper and Consignee shall be liable, jointly and severally, for all unpaid charges, declared or undeclared, payable on account of any Shipment pursuant to this Contract of Carriage including, but not limited to, sums advanced or paid by Carrier on account of such Shipment.

**20. CARRIER'S LIEN**

Carrier shall have a lien against Shipments for all unpaid charges due and payable to Carrier for carriage of such Shipments pursuant to Section 19 above.

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**21. NOTICE AND DISPOSITION OF PROPERTY**

(A) When a Perishable Shipment is delayed in the possession of Carrier, or is unclaimed, refused, or threatened with deterioration, Carrier shall have the right to immediately take such action as it deems reasonably necessary for the protection of Carrier and other parties-in-interest, including the sale or other disposition of such Perishable Shipments, absent instructions of Shipper to the contrary.

(B) When a non-Perishable Shipment remains unclaimed or is refused, Carrier shall have the right to hold the Shipment subject to storage (as provided in Section 24) and to dispose of the Shipment or any part thereof at public or private sale at any time following the expiration of thirty (30) days following written notice to Shipper or Consignee at the address indicated on the Airbill.

(C) In the event of non-payment of any sums payable to Carrier pursuant to this Contract of Carriage, Carrier shall have the right to hold the Shipment subject to storage (as provided in Section 24) and to dispose of the Shipment or any part thereof, at public or private sale, without notice to Shipper or Consignee, paying itself out of the proceeds of such sale all sums due and payable, including any applicable storage charges.

(D) No sale or disposal pursuant to this Section 21 shall discharge any liability or lien to any greater extent than the proceeds thereof, less selling expenses, if any, and Shipper and Consignee shall remain jointly and severally liable for any deficiency.

**22. TENDER AND PICK-UP OF SHIPMENTS**

All Shipments shall be tendered by Shipper to Carrier at Carrier's cargo facility at the origination airport. All Shipments shall be available for pickup by Consignee at Carrier's cargo facility at the destination airport.

**23. CLAIM PROCEDURE**

(A) All claims, except for concealed loss or damage not discoverable upon reasonable inspection, must be given in writing to Carrier immediately upon receipt of the Shipment. In the case of failure to deliver, Claims must be given in writing to Carrier within 120 days following the date of acceptance by Carrier.

(B) Claims for concealed loss or damage not discoverable upon reasonable inspection must be reported in writing to Carrier at the destination airport within 14 days after delivery of the Shipment. In such case, Carrier reserves the right to inspect the Shipment prior to honoring the claim.

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(C) No claim for loss of or damage to any Shipment shall be honored until all carriage charges for such Shipment have been paid. The amount claimed may not be deducted from carriage charges.

(D) Carrier shall not be liable in any action brought to enforce any claim unless all provisions of this Contract of Carriage have been complied with by claimant in all respects, and unless such action is brought within one (1) year after the date written notice is given to claimant that Carrier has disallowed the claim in whole or in part.

(E) Failure to provide notice within the time limits specified herein shall not bar any claim if claimant can show good cause why the loss or damage was not discovered earlier and timely notice given.

**24. ACCESSORIAL SERVICES - STORAGE**

(A) Non-Perishable Shipments shall be stored by Carrier without charge for 48 hours (excluding Sundays and Legal Holidays) after arrival. Such free time shall be computed from 8:00 a.m. the morning following the date Shipments arrive at the destination airport.

(B) After the expiration of such free time, Carrier shall, if practicable, continue to store such Shipment as agent for Shipper and Consignee, subject to a charge of \$10.00 per day, or fraction thereof, or if such continued storage is not practicable, Carrier as such agent, shall place the Shipment in a public warehouse subject to a lien for all carriage, storage, delivery, warehousing, and other charges, including handling charges of \$10.00; minimum charge of \$20.00 per Shipment. If a Shipment remains unclaimed for more than seven (7) days after arrival at the destination airport, Carrier may, at its option, return the Shipment to the origination airport, where the Shipment may be held or warehoused as described above.

(C) When a Shipment is held by Carrier, Carrier's liability shall be reduced to that of a warehouseman, and when the Shipment is placed in a public warehouse, Carrier's liability for such Shipment shall terminate.

(D) Outbound Shipments delivered to Carrier's premises which are not acceptable for carriage shall be subject to storage charges as described herein (without any free time) from the first business day following delivery until such Shipment is rendered acceptable for carriage or removed from Carrier's premises.

(E) The provisions contained in Section 20 (Carrier's Lien) shall apply to all Shipments which are stored pursuant to this Section 24.

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**25. PROOF OF DELIVERY CHARGE**

When proof of delivery is requested by Shipper, Carrier shall furnish a photo copy of the Airbill signed by Consignee. A service charge of \$10.00 shall be assessed for each copy furnished by Carrier.

**Exception: No charge shall be assessed when proof of delivery cannot be provided by Carrier.**

**26. ASSIGNMENT OF CLAIM/SUBROGATION**

In the event Carrier is liable to Shipper for any claim, upon discharge of such liability, Carrier shall be subrogated to any rights Shipper, Consignee, or any other party with an interest in the Shipment may have to proceed against any other person or party who is, or may be, liable.

Shipper hereby expressly assigns such rights to Carrier, which rights shall include, but not be limited to, the right to make claim against any insurance policy which may have provided coverage for the liability to Shipper.

**27. APPLICABLE RATES AND CHARGES**

Rates and charges applicable to any cargo service provided by Carrier shall be determined with reference to Carrier's website ([www.swacargo.com](http://www.swacargo.com)), where rates and charges for Carrier's services are established according to geographic zones. Such rates and charges are subject to change at any time at Carrier's sole discretion, and all rates are subject to any applicable federal tax. Minimum charges may apply.

**28. NFG (NEXT FLIGHT GUARANTEED) - GUARANTEE**

With the NFG (Next Flight Guaranteed) guarantee service, Carrier guarantees (subject to the limitations set forth below) the carriage of Shipments from certain airports on a specific flight, provided that the Shipment is tendered to Carrier within a specified cutoff time period prior to the scheduled flight departure time (refer to Carrier's website ([www.swacargo.com](http://www.swacargo.com)) to obtain airport-specific cutoff times). The carriage of Shipments is subject to flight availability and capacity, and Carrier's current published flight schedule. While Carrier will make reasonable efforts to place Shipments on the next available flight, the NFG (Next Flight Guaranteed) guarantee service is void if Shipments are delayed as a result of a flight cancellation or flight delay which is beyond Carrier's control (including aircraft or equipment mechanical problems, adverse weather conditions, operational difficulties, Air Traffic Control difficulties, etc.).

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All RUSH Priority Freight claims must be made by Consignee to Carrier or its agent at the destination airport or:

In the event Carrier fails to carry Shipments on a specific flight for reasons within Carrier's reasonable control, Shipper, as its sole and exclusive remedy, is entitled to receive a full refund of carriage charges paid. All NFG (Next Flight Guaranteed) claims must be made by Consignee to Carrier or its agent at the destination airport or:

MANAGER OF CARGO CUSTOMER CARE HDQ/3CS  
SOUTHWEST AIRLINES CO.  
P.O. BOX 36611 DALLAS, TX 75235-1611

**29. RUSH PRIORITY FREIGHT - GUARANTEE**

With the RUSH Priority Freight guarantee service, Carrier guarantees the carriage of Shipments from airport-to-airport within twenty-four (24) hours, commencing from the time the Shipment is tendered to Carrier. If the Shipment does not arrive at the destination airport within such twenty-four (24) hour time period, the Shipper, as its sole and exclusive remedy, is entitled to receive a refund of 50% of shipping charges paid. Although Carrier will attempt to carry Shipments on the next available flight, RUSH Priority Freight is not a flight-specific cargo service. All Shipments are subject to flight availability and Carrier's current published flight schedule. The RUSH Priority Freight guarantee is void if the Shipment is delayed because of a flight cancellation or delay which is beyond Carrier's control. Causes which are beyond Carrier's control shall include, but are not limited to, aircraft or equipment mechanical problems, adverse weather conditions, operational difficulties, or Air Traffic Control difficulties.

MANAGER OF CARGO CUSTOMER CARE HDQ/3CS  
SOUTHWEST AIRLINES CO.  
P.O. BOX 36611 DALLAS, TX 75235-1611

**30. RIGHT TO CHANGE CONTRACT**

Carrier reserves the right, to the extent not prohibited by federal law, to change, delete, or add to any of the terms of this Contract of Carriage without prior notice. All changes must be in writing and approved by a corporate officer of Carrier.