

# Terms and Conditions for Clutch Supply Chain Management, LLC

Welcome to Clutch Supply Chain Management, LLC ("Clutch"). By using our warehousing, distribution, and logistics services, you agree to the following terms and conditions.

Please note: These Terms of Service are subject to change at any time with or without notice. Any updates may be posted on our website at <https://clutch3pl.com/terms-and-conditions>.

## Services Provided

Clutch offers comprehensive warehousing, order fulfillment, and inventory management services. Our services are available on an annual basis (rolling 12 months from the date of agreement) and may be customized based on specific client needs.

## Receiving and Quality Control

**Shipping Notices:** Purchase Orders (POs) must be submitted through our Clutch dashboard at [clutch3pl.com](https://clutch3pl.com) prior to any incoming shipments. If a PO is unavailable, please provide notification via email with shipment and estimated delivery date.

With each PO on any receiving shipment, clients must provide pictures and a detailed description of exactly what is on each pallet. This must include:

- Applicable MSDS/Safety Data Sheets
- Lot and batch numbers
- Expiration dates
- Specific hazardous rating information
- Any required SOPs that the client is performing and any that Clutch will need to perform
- Special storage instructions, if any
- SKU number, quantity, and description
- Any other pertinent information required for any and all products

The Clutch dashboard can be connected to many other WMS systems through an API, EDI or Flat File CSV. Connections are not guaranteed, we may not be able to support some WMS systems. All connections will need to be coordinated with your account manager to ensure it's functioning correctly.

**Receiving Documentation:** Advance Shipping Notices (ASNs) and packing slips are required for all incoming shipments and must include the client's name, product, and quantity count. Receiving documents will be scanned and emailed to the client within 24 hours of receipt and quality control completion.

**Labeling:** Each pallet must be labeled with a pallet tag and SKU. Mixed pallets must be clearly identified, or additional hourly fees may apply.

**Damage Notification:** If inbound shipments are damaged, Clutch will contact the client with photographic documentation, allowing the client to decide on a partial or full refusal of the shipment. If the client cannot be reached within the first 10 minutes of notifying them of the issue, Clutch will default to refusing the shipment to prevent further complications.

## Order Processing

**Scheduling:** Clients are responsible for scheduling all inbound shipments in coordination with Clutch and for providing inbound transportation unless otherwise specified.

**Order Placement:** All orders must be placed through our dashboard at <https://clutch3pl.shipsfor.us/>.

**Fulfillment Timeline:** Order requests will be shipped within 48 hours unless specified otherwise.

Rush orders may be accommodated for an additional fee.

**Documentation:** Bill of Lading (BOL) copies will be sent by the next business day. BOLs must include the client's carrier account number or specify third-party billing.

## Return Processing

**Damage Documentation:** Items damaged prior to receipt will be documented by photograph and notated on the BOL when applicable. Damaged goods will be segregated to prevent distribution.

**Removal of Damaged Goods:** Damaged items must be removed from Clutch's warehouse within 30 days, or the client will incur a fee of 10x the monthly storage rate or \$500, whichever is greater. Hazardous materials may incur an additional charge of \$100 per day per inventory unit after 30 days.

## Liability and Warehouseman's Responsibility

### Duty of Care and Negligence

Clutch Supply Chain Management, LLC ("Clutch") operates as a warehouseman under Utah law and Article 7 of the Uniform Commercial Code (UCC). Clutch shall exercise reasonable care and diligence regarding the storage, handling, and processing of all goods. However, Clutch shall not be liable for loss or damage to stored goods unless such loss or damage is directly caused by Clutch's own negligence.

### Burden of Proof

In the event of loss or damage, the client must demonstrate that such loss or damage was due to Clutch's negligence. If the client cannot establish that the damage was caused by Clutch's negligence, the client assumes responsibility for the loss or damage.

### **Limitations on Liability**

Clutch's maximum liability for loss or damage to goods stored or processed is limited to \$0.50 per pound or the landed cost of the goods, whichever is lower. This limitation explicitly excludes coverage for incidental, consequential, indirect, or special damages, including but not limited to loss of sales, potential profits, market value, or opportunity cost.

### **Client Insurance Obligation**

Clients must maintain insurance coverage for goods stored at Clutch facilities or in transit. Upon request, the client must provide proof of adequate insurance coverage. Lack of proper insurance may result in the total loss of value for damaged or lost items being solely the client's responsibility.

### **Warehouse Receipts and Documentation**

Upon acceptance of goods, Clutch shall issue electronic warehouse receipts through the Clutch dashboard. Warehouse receipts confirm the possession, custody, and control of goods but do not confer any ownership or title to Clutch. Clients must immediately notify Clutch of discrepancies found on receipts; otherwise, the information is deemed correct.

### **Warehouseman's Lien and Sale Rights**

Under Utah Code Annotated (U.C.A. §70A-7-209) and the Uniform Commercial Code (UCC), Clutch retains a general warehouseman's lien on all stored goods, securing payment of storage fees, service charges, and related expenses. Should outstanding balances remain unpaid 60 days past due, Clutch reserves the right to issue written notice to the client and subsequently sell or dispose of the goods through public or private sale to recover the amount due. Any proceeds from the sale will be applied first to cover outstanding charges, with any surplus returned to the client. Clients remain responsible for any deficiency.

### **Claims Procedure for Lost or Damaged Goods**

**Claims Submission:** Claims related to lost or damaged goods must be submitted in writing to Clutch within 10 business days following the discovery of the loss or damage. Claims not received within 30 days of the incident date, or without complete documentation and evidence, will be denied.

**Claim Compensation:** Approved claims will be compensated by credit against future invoices and are strictly limited to the lesser of the landed cost or \$0.50 per pound of the affected goods.

Clutch explicitly excludes liability for indirect, consequential, or special damages, including but not limited to lost profits, market value, or sales opportunities.

## Payment Terms and Methods

**Invoicing:** Service charges are invoiced at the time of performance unless otherwise specified in the Rate Agreement. Storage fees are calculated at the end of the month and are not prorated unless indicated. Order fulfillment and other value-added activities are calculated and billed weekly.

**Payment Due:** Payments are due within 30 days of the invoice date unless otherwise specified. Late payments will incur a 5% processing fee and a 10% penalty for balances 15 days past due.

**Service Hold:** Accounts more than 15 days overdue will face a service hold. Clutch reserves the right to place a lien on goods in possession to cover any outstanding balances.

**Accepted Payment Methods:** ACH, Check, Wire Transfer, Credit Card (Visa, Mastercard & Discover cards only) and Bitcoin. A deposit equal to the estimated first month of service is due upon contract execution.

## Termination and Notice to Discontinue Services

**Notice Period:** A minimum of 60-day written notice is required to discontinue services from either party. Clutch will continue to meet service obligations and facilitate a smooth transition.

**Regulatory Compliance:** If any product becomes non-compliant with local, state, or federal regulations, Clutch reserves the right to terminate this agreement with a 30-day notice. The client will have 60 days to remove the non-compliant product.

## Indemnification

Clients agree to indemnify and hold harmless Clutch, its officers, employees, and agents from any claims, damages, liabilities, or expenses arising from the client's negligence, breach of agreement, or failure to comply with applicable laws and regulations.

## Data Privacy

Clutch adheres to data privacy practices as outlined in its Privacy Policy, available at <https://clutch3pl.com/privacy-policy>. By using our services, websites, apps and other assets clients agree to the terms of the Privacy Policy.

## Force Majeure

Clutch shall not be held liable for delays or inability to perform services due to unforeseen events, including but not limited to natural disasters, war, pandemics, strikes, mass inflation or governmental actions.

## **Compliance with Applicable Laws**

Clients must comply with all applicable local, state (Utah), and federal laws regarding the storage, handling, and transportation of their goods. Clutch reserves the right to refuse, remove, or terminate storage of goods that violate regulatory requirements, including hazardous or unlawful items.

## **Dispute Resolution**

Any dispute arising from warehousing and related services provided by Clutch shall first undergo mediation in the State of Utah. If unresolved through mediation, disputes will proceed to binding arbitration conducted under the rules of the American Arbitration Association (AAA) in Utah. If arbitration is unsuccessful, litigation will be resolved exclusively by the courts of the State of Utah under Utah law.

## **Service Level Expectations**

Clutch is a 3PL facility specializing in:

- Order fulfillment
- Pallet in/pallet out
- Kitting
- Cross-docking
- Other warehousing-related services

Clutch will provide services with reasonable care and professionalism but does not guarantee specific outcomes unless explicitly stated in writing.

## **Fee Adjustments**

Service rates are subject to an annual increase of 4% to account for inflation and operational costs. Contracts that begin with promotional pricing may be subject to higher rates of adjustment.

## **Ownership of Goods**

Ownership of goods remains with the client at all times. Clutch holds no ownership claim over goods stored or processed within its facilities.

## **Termination for Cause**

Clutch reserves the right to terminate this agreement immediately for cause, including but not limited to:

- Non-payment
- Non-compliance
- Misuse of services

Terminated accounts remain responsible for all outstanding balances, accrued interest, and any third-party fines from governing bodies or other authorities.

## **Client Responsibilities**

Clients must ensure that:

All shipments are properly documented and entered into Clutch's system.

Shipping notices (POs/ASNs) are accurate and accompanied by required documentation, including but not limited to:

- Material Safety Data Sheets (MSDS)
- Safety Data Sheets (SDS)
- Standard Operating Procedures (SOP)
- Certificates of Analysis (COA)
- Bills of Lading (BOL)
- Shipment Lot Reports (SLR) for international clients

All compliance paperwork is accurate and up to date.

## **Non-Solicitation**

Clients agree not to solicit, hire, or otherwise engage any Clutch employees for a period of 12 months following the termination of this agreement without prior written consent from Clutch.

## **Precedence of Terms**

These Terms of Service take precedence over other agreements unless expressly waived in writing.

## **Acknowledgment of Terms**

By electronically or physically signing, or by clicking "I Agree" on any Clutch digital form, you confirm acceptance and acknowledgment of these terms. Such action is legally binding.

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**Last Updated:** May 9, 2025

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### **Acknowledgment and Agreement**

By signing below, the undersigned acknowledges that they have read, understood, and agree to be bound by the Terms and Conditions set forth in this agreement with Clutch Supply Chain Management, LLC (“Clutch”).

This agreement becomes effective as of the date signed below and shall remain in effect for a rolling 12-month term unless terminated in accordance with the terms herein.

### **Client Information**

Legal Entity Name: \_\_\_\_\_

Authorized Representative Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

### **Clutch Supply Chain Management, LLC**

Authorized Representative: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_