

# ALLEN

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## **Explanation Of Freight Terms For Drop Shipments**

On all merchandise shipped direct from the factory to our customer, the customer is the consignee. All of the manufacturers in our industry ship FOB point of shipment. This means that the moment the merchandise leaves the manufacturer's dock ownership transfers to you. The carrier who delivers the merchandise to you is responsible for its safe delivery. If there is any damage, do not return the material to us. Follow the procedures stated below. Claims for loss or damage must not be deducted from our invoice and payment may not be withheld because of such claims.

The following procedures should be followed when receiving material from a carrier:

1. Check every shipment for visible damage, concealed damage, and shortages. The number of skids and containers received must agree with the quantities shown on the freight bill.
2. Any detected damage, shortage or other discrepancy must be noted on the freight bill and the bill of lading and signed and dated by the truck driver.
3. As soon as possible, and within 10 days from date of receipt of the damaged freight, call the carrier's office and request an inspection of the merchandise.
4. Immediately file a claim for damage or shortage with the carrier. To settle a claim, the carrier may wish to make a cash adjustment, to arrange for repairs to the merchandise or to replace the merchandise.
5. If damage is unnoticed until the merchandise is unpacked, immediately notify the carrier's office and ask for an inspection.
6. Do not destroy any packing material until the shipment is inspected and the claim is settled.

In the event any merchandise is lost or damaged in transit and we are so notified, we will work with our vendors, on our customer's behalf, to secure replacement merchandise in an equitable, speedy fashion. However, invoice deductions or withheld payments because of such damage or loss will not be allowed. Such damage or loss is your claim as consignee and owner of the merchandise, against the carrier and not against us as vendor.