



## Receipt Discrepancies & Liability Guidelines

Lowe's Companies, Inc. realizes the importance of liability properly being applied during the collection of receipt discrepancies (shortages, damages & overages). All Lowe's locations are instructed to verify at the point of receipt, the amount tendered to Lowe's by the delivering carrier (i.e. pieces, pallets, or sealed trailer) and note any discrepancies to the quantity. With this in mind, the following guidelines have been developed to document Lowe's position and commitment to our vendor/carrier partners on how the liability of receipt discrepancies is applied.

- Receipt discrepancies found on trailers sealed prior to leaving a vendor's location (both prepaid and collect) and arrive at Lowe's with the seal intact will be the liability of the shipping vendor.
- Receipt discrepancies found on wrap intact pallets will be the liability of the shipping vendor.
- Receipt discrepancies found on collect shipments tendered as a piece count will be the liability of the delivering carrier, unless the carrier can prove that liability was passed in some other manner (i.e. shipper load and count and said to contain).
- Receipt discrepancies found within a master carton after the initial point of receipt will be the liability of the shipping vendor.
- Visible damages discovered at the point of receipt for prepaid shipments will be the liability of the shipping vendor.
- Visible damages discovered at the point of receipt for collect shipments will be the liability of the delivering carrier, with the exception of sealed trailers.
- Concealed damages discovered and reported within 15 days of the initial date of receipt (except appliances) will be communicated to the delivering carrier and/or shipping vendor. These damages will be the liability of the shipping vendor for prepaid shipment or the delivering carrier for collect shipments, with the exception of sealed trailers and intact pallets. Concealed damages discovered on sealed trailers and/or intact pallets will be the liability of the shipping vendor.
- Discrepancies discovered on collect shipments that were not routed through a Lowe's preferred carrier will be the liability of the shipping vendor.
- Vendor must provide proof-of-pick up when requested on collect shipments.

Please remember that all chargebacks must include a copy of the Lowe's debit memo, a carton breakdown with Lowe's item numbers and the proof-of-delivery on prepaid shipments or the proof-of-pickup on collect shipments. Lowe's reserves the right to impose cost recovery penalties for the actions of vendors and carriers that contribute to excessive administrative cost.