



Flat Rolled Steel Claims Policy

General

The Severstal Columbus Flat Rolled Steel Claim Policy will describe the general expectations required to mutually resolved claims on defect material. This is a general policy may not cover all claims situations that may arise during the course of business. Severstal Columbus reserves the right to handle each claim individually, based on the circumstances surrounding the claim.

All claims will be subject to the Severstal Columbus terms and conditions of sale.

Field claim investigation and claim disposition should be completed within 30 days of notification.

After a claim is reviewed and determined to have merit by Severstal Columbus, a claim acceptance form will be sent to the customer outlining material disposition and request for debit memo.

Customer Responsibilities

Material that is deemed unusable should be set aside after a minimum of 10% of the coil has been processed and exhibits the defect. This includes coils, sheets, slit mults blanks, or formed parts.

Material shall not be scrapped or removed without prior permission from Severstal Columbus.

Submit claim documentation with supporting evidence to the appropriate Severstal Columbus representative. Evidence should accompany the original claim document at the time it is submitted.

Claim documentation should provide the following minimum information: Severstal Columbus coil number, claim reference number, inspection report, claim reason, quantity & weight, and condition of the material.

Claim evidence may include paperwork documents, samples, digital photos, or video depending on the defect or claim reason.

Unauthorized deductions, non payment for material, or sale of material prior to claim settlement may result in shipping hold, or credit hold, or claim denial.

Claim Investigation

A field visit by a Severstal Columbus representative to the customer site may be necessary to investigate the defect or observe the processing of the material.

Warranty Period

Material over one year old is not subject to claim. The shipment date will be the beginning of the one year time period.

Product Expectations

Severstal Columbus will adhere to ASTM restrictive thickness tolerances and full ASTM width tolerances per the applicable standard unless otherwise specified.

Customers can expect 98% of satisfactory product in finished steel shipments. This will include hot rolled pickled, cold rolled and coated products.

Severstal Columbus

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A 97% shipment of satisfactory product can be expected on hot rolled band product. This does not include pickling, side trim or slit losses incurred by the customer during normal processing.

Unless otherwise specified on the customer order, the top surface is considered the exposed prime surface.

Items ordered surface critical should be free of imperfections such as roll marks, sliver, rolled in scale, scratches, pickle stain and other minor defects.

Claims will not be honored for coil OD and ID wraps.

Shape claims should include evidence of the pre-processed coil. This evidence will be as received before levelling or slitting of the material.

Severstal Columbus will not honor claims for visible defects found at an end user on material that has been processed and inspected at a downstream operation. These defects might include dimensions, roll marks, scale or other surface issues.

Coil Breaks / Cross Breaks

Severstal Columbus will not accept coil breaks or cross breaks on unprocessed hot rolled coils.

Weight Policy

Any billed weight within 1% of the customer's scale weight will not be subject to a claim credit.

Rust and Stain

Severstal Columbus will not accept rust or stain claims if any of the following conditions apply:

- Transit rust or stain related to improper storage or handling at a customer facility
- Material stored outdoor or not protected against moisture or sudden temperature changes
- Rust or stain for material shipped beyond the original ship to destination
- Hot rolled, hot rolled pickled or cold roll fully processed material ordered dry not oiled
- Galvanized or Galvannealed material ordered without oil or passivation

Warranty Period for Rust and Stain on Oiled or Passivated Products

- 90 days from shipment - Hot Rolled Pickle & Oil, Cold Roll Full Process, Galvanize, Galvanneal
- 60 days from shipment – Cold Roll Full Hard

Consequential Charges

Severstal Columbus will not be responsible for any costs other than the cost of the delivered material. These prohibited costs may include processing, sorting or refinishing, storage, administrative, or replacement costs, or equipment damages. Customer consequential charges may be honored if pre-approved by Severstal Columbus to mitigate losses to both the parties.

Fitness for Use

Severstal Columbus will not consider "fit for use" claims that were not agreed upon at the time of order entry.

Secondary Product

Secondary steel is sold without any warranty. The coil will be represented prior to sale with defects but this may not be all inclusive of the defects in the product.

Scrap Credit

Severstal Columbus will expect a scrap credit on all material that is scrapped. This will be determined by the scrap market conditions.

Material Retains

A retain offer may be extended on claimed material. This offer will include all freight, processing and material costs. This will be a settlement in full offer.

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