

## 1.0 INTRODUCTION

This claims policy covers sheet, coils and slab products invoiced by Outokumpu Americas. This policy details the requirements when processing a claim and the steps Outokumpu Americas takes when dispositioning a claim. Outokumpu Americas will process each claim individually based upon the circumstances as outlined in the claim.

## 2.0 RESPONSIBILITIES

This policy indicates that Outokumpu Americas commits that:

- All claims and complaints must be considered as a chance to improve,
- All claims and complaints must be treated with diligence,
- Claims and complaints and their handling processes are tracked and reported transparently,
- Claims and compliant handling must be carried out from the perspective of customer service,
- Claim and complaint handling can contribute to improve customer relationship.

## 3.0 CUSTOMER REQUIREMENTS

Outokumpu Americas classifies that standard material orders are complete when  $\pm 10\%$  of order's quantity is delivered by net weight. Non-standard material orders are considered complete if more than 70% of the order's quantity is delivered by net weight.

In general, 10% of the delivered net weight should be processed before the entire package is rejected by the customer. If the material is rejected, the customer could be asked to provide a representative sample and evidence showing the defect for which the material is being rejected. When 10% has been processed and the observed defect is still present, notify Outokumpu Americas prior to processing more material.

### 3.1 COILS AND SLIT COILS

Outokumpu Americas warrants 97% of the coil, whereas a coil may present defects in up to 3% of the delivered net weight. These defects that are not warranted by Outokumpu Americas within the 3% may include (but are not limited to):

- Surface defects
- Transportation / handling damage
- Heads and tails

Outokumpu Americas only guarantee prime quality on the top side of the material, unless otherwise accepted and acknowledged in writing at the time of ordering.

### 3.2 SHEET

Outokumpu Americas warrants 100% of the delivered net weight. This warranty does not constitute a guarantee by Outokumpu Americas that all material delivered in cut to length form will be defect free. The only guaranteed prime quality is on the top side of the material, unless otherwise accepted and acknowledged in writing at the time of ordering.

### 3.3 SLABS

Outokumpu Americas warrants 97% of the delivered weight. This warranty does not constitute a guarantee by Outokumpu Americas that all material delivered in will be defect free.

### 3.4 COATING WARRANTY

Due to the special characteristics of coating films currently used in industry to protect stainless steel surfaces, Outokumpu Americas will guarantee the film quality, when applied per film manufacturer's instructions, for a period of 6 months, from the time the material is delivered.

Outokumpu Americas recommends that the customer reference the film manufacturer's technical data sheets and test the suitability of the film chosen with the applicable material based upon their individual storage conditions. This is due to variations of performance of films with substrates roughness's influenced by time and environmental conditions.

### 3.5 NON-PRIME ORDERS

Excess Prime - Technical claims for top surface, dimensions, mechanical composition and chemical composition are accepted for review based upon ASTM standards.

Secondary Choice Material – Technical claims are accepted for review to ASTM standards except for:

- Surface quality
- Shape
- Edge Damage
- Oscillated side wall

## 4.0 CLAIMS AND COMPLAINTS

### 4.1 Product Quality Claim and Complaint Procedure

For Outokumpu Americas to process a claim or complaint an email should be sent to:

- [DL.Claims.sl-usa@outokumpu.com](mailto:DL.Claims.sl-usa@outokumpu.com) for Outokumpu Stainless USA
- Individual Customer Solution team member's email for Outokumpu Mexinox SA de CV

Required by the customer, to establish a Claim Entry Date (first business day after the claim has been received), the customer is required to submit at least:

- Mill Package Number(s)
- Total Weight Rejected
- Reason for Rejection
- Photos of defects with location and repeating distance
  - Pictures need to include location of the defect and repeating distance, if applicable.
- Samples (required if above 5,000 lbs.)
  - Our Customer Solutions Specialist will provide mailing instructions
- Customer Claim Number (Company Claim #)
- Current Condition of the material (e.g. coil, sheet, slit size, formed parts)
- Current physical location of material
- Customer Contact (Claim Contact Name)
- Package number of all claimed material. How to Identify the Package Number:
  - Calvert = 7 numeric digits
  - Mexinox = 1-Alpha digit (B=coil, H=sheet, F=strips, D=Disks) & 7-9 numeric digits.
  - Nirosta = 7 numeric digits
  - Avesta = Coil number starts with 1 or 3
  - Nyby = Coil number starts with 1 or 3.

- Tornio = Coil number starts with Y or Q
- To facilitate the claims process, it is recommended to use [Outokumpu Americas Customer Claim Form](#) when submitting a claim.

#### 4.2 Product Quality Claim Resolution

Outokumpu Americas seeks to provide disposition for all filed claims within 30 calendar days of Claim Entry Date, granted that all information requested by Outokumpu Americas is provided by the customer. However, Outokumpu Americas disposition may be delayed in those cases where there is:

- missing claim information,
- awaiting material inspection,
- pending lab analysis testing.

#### 4.3 Transportation

At time of material receipt, the customer is responsible for recording on the bill of lading, or on the proof of delivery, any visible damage and/or wet condition on the package. It is recommended that the customer provides visual evidence of the material on or within the mode of transport with the submitted claim.

### 5.0 Other matters

#### 5.1 Environmental damage

Conditions such as stains, rust, paper-sticking and discoloration are inherent hazards when water, typically in the form of moisture or condensation, accumulate between laps of coils and sheets. This can occur during transportation and/or storage. If these conditions are present after unpacking, a claim must be submitted immediately for investigation. Outokumpu will not accept claims on material exhibiting these conditions, caused by environmental factors, after 60 days from the date of invoice.

#### 5.2 Weight discrepancies

A variation between Outokumpu's and customer's scale weight up to 1% shall be permissible. If weights are outside of the 1% variation, a claim can be submitted, and the customer is responsible to add pictures of scale weight indicating the weight difference and pictures of all labels on the packaging.

#### 5.3 Flatness

Outokumpu Americas follows ASTM A480 standards on flatness deviation on products. Material must be measured utilizing a certified flatness table and follow ASTM guidelines. Deviation to ASTM standards on flatness must be agreeable to both parties prior to obtaining the purchase order.

#### 5.4 Scrap

Outokumpu Americas expects to be reimbursed scrap credit by the customer for all material scrapped as part of a claim resolution where Outokumpu Americas is found responsible for the scrap.

### 6.0 Limitations

Outokumpu Americas will not accept technical claims concerning:

- Damage considered visible to the customer at the time of material receipt but was not reported on the bill of lading,
- Material submitted in contradiction with Section 6.2 Buyer Notice of the Outokumpu Americas Conditions of Sale,

- Defects caused by the customer or by third party processors,
- Customer applied chemicals or corrosives, non-favorable to stainless steels, in the intent to clean the material or packaging,
- Consequential damages, handling or processing charges,
- Material claimed under 3% of the products net weight in coil or slab form,
- Claims disposition proposals to the customer, of which, the customer fails to respond for more than 30 days,
- Material scrapped by customer without Outokumpu Americas' approval,
- Material processed beyond the 10% mentioned in Section 3.0 Customer Requirements, without notifying and receiving acceptance from Outokumpu Americas,
- Defects caused by the film selected by the customer, after investigation shows Outokumpu Americas applied the film per the film manufacturer's specifications.