



## NATIONAL GALVANIZING CLAIMS POLICY

It is the goal of National Galvanizing L.P. to provide our valued customers with exceptional quality and service. Although NGLP readily accepts the challenge of the potential processing liability, it is important that the customer understands our procedure regarding resolution of claims.

This claims policy is intended to expedite fair and equitable settlement of claims.

In accordance with accepted industry standards, NGLP acknowledges that coil processing, by its nature, may have occasional imperfections affecting surface, shape, or formability. Such imperfections are normal and inherent to steel processing.

As a result, NGLP reserves the right to impose minimum allowable claim levels of up to 2% by weight. In said cases, only that portion of the claim more than the established standard shall be considered valid.

ID and OD laps will be cropped if shape issues exist that could cause damage to our equipment. NGLP reserves the right to crop and scrap up to 2,000 pounds without issuing a scrap credit.

NGLP also reserves the right to charge the customer for any damage to our equipment, including line down time, due to customers' material.

- Each claim is handled separately and will *not* be considered precedent for any future claims.
- We require our customer to provide NGLP's coil numbers as unquestionable traceability on any type of claim.
- NGLP's galvanizing line is an "unexposed" line.
- NGLP reserves the right to request a copy of freight invoices for any customer who submits a claim for freight charges.
- NGLP may request a sample and/or picture of defects for potential claims.
- NGLP will not accept claims related to changes that are made to its "*normal process control plan and/or SOPs.*" These claims also include material processed outside of NGLP's listed "*capabilities/capacities and/or specifications.*" This includes pickling, galvanizing, and slitter lines.
- NGLP will *not* accept responsibility for bent or belled edges, free zinc, pot scale, chem stains, scratches, friction digs, bare spots, and grit, as a result of poor shape. (Heavy Edge wave, center buckle, and cambered edge).
- NGLP will *not* accept any claims for rust, stain, or discoloration on pickled material that has *not* been oiled.



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- NGLP will *not* accept a claim and/or re-work cost for rust on any HR/CR pickled material that has been in storage for over 30 days.
- NGLP will *not* accept claims for coil break.
- NGLP will *not* accept claims for reverse coil-set.
- NGLP will *not* accept claims for poor shape (center buckle, crossbow, edge wave). However, this mill defect will be considered on a case-by-case basis.
- If it is necessary to slow the pickle line down (< 100 FPM) to properly clean the strip, an additional charge may be added to the pickling price.
- No claim will be accepted 6 months from date of processing.
- Upon approval of a customer defect claim, the debit must be applied by the customer within six 6 months from the date of the claim approval. Failure to apply the approved debit within this timeframe will result in the expiration of the approved claim.
- Material with coating weights requirements greater than G-200 will be “best effort only”.
- NGLP adheres to *ASTM coating weight requirement* and will not accept claims for material coated to other designated coating weight specifications and/or processes.
- NGLP reserves the right to “stagger -wrap” material with the coating weight over G-200 or that has a “slit edge” prior to coating.
- Claims for “white rust” on galvanized material which has NOT been chem-treated will not be accepted.
- Claims for “white rust” on galvanized material which has been chem-treated but *not* oiled will be considered only if the claim is received within 30 days of processing.
- Claims for “white rust” on galvanized material which has been chem-treated and oiled will be considered only if claim is received with 60 days of processing.
- All tolerances and quality requirements must be clearly stated on the customer’s purchase order.
- Rockwell hardness exceeding process line(s) capabilities that result in related defects, i.e. belled edge, poorly slit edges, burred edge, or causes the weld to break on the galvanizing line is *not* claimable.
- Claims for material which is damaged during transportation will *not* be accepted.
- Claims for coating issues on material which was *not* pickled at NGLP will be considered on a case-by-case basis.



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