

Big River Steel LLC And Its Affiliates Claims Policy

In the spirit of partnership, Big River Steel is dedicated to supplying steel products suitable for the specified end use. Through early involvement in the development of customer requirements to achieve customer satisfaction, we intend to gain a full technical understanding of each customer's end use. It is the responsibility of the Purchaser to demonstrate why the subject material is unusable and/or does not meet the agreed-upon Industry Standards and Specifications as defined in the BRS Terms and Conditions. This claims policy covers flat rolled sheet products produced at Big River Steel but does not cover all circumstances that may arise. Big River Steel reserves the right to handle each claim individually, based on the circumstances surrounding the claim in question. This revision supersedes any prior versions or product guarantees previously provided by Big River Steel.

GENERAL GUIDELINES

- 1) All claims must be submitted within 6 months of the date of shipment. After 6 months from date of shipment, claims will be formally declined and rejected irrespective of the reported defect. Warranted Products will be the only exception to the afore mentioned time period for filing a claim:
 - a) Warranted GALVALUME® Products – Please refer to the specific product's Big River Steel GALVALUME® Sheet Product Limited Warranties for full details of the terms and conditions of the product's Limited Warranty, including, without limitation, the specified warranty period.
 - b) Warranted Paint Systems – Please refer to the Seller's Standard Terms and Conditions of Sale for details of the terms and conditions of the express warranty in connection with the Painted Goods and accompanying Paint System (Paint Manufacturer Warranty).
- 2) For Galvanized, 55% Aluminum-Zinc Alloy-Coated (GALVALUME®), Cold Rolled Fully Processed, Cold Rolled Full Hard, Pre-Painted, Cold Rolled Motor Lamination, and Hot Rolled pickled material, customers can expect 98% of total coil product to be satisfactory. For Hot Rolled, non-pickled material, customers can expect 97% of the total coil product to be satisfactory.
- 3) A minimum of 10% of the material (coil, mult, or lift) must be processed before being pulled from the line. If material is found to be unusable because of mill related issues and a minimum of three (3) coils remain to be consumed, Big River Steel Technical Services should be notified prior to processing the remaining material so BRS personnel can investigate, disposition, and/or be present when the suspect material is processed.
- 4) Due to processing and handling during transit and storage, the inner and outer coil laps are not claimable. The ID and OD laps are considered packaging and are susceptible to crane damage, stacking damage, handling damage, transit damage, etc. and therefore are not claimable.
- 5) All claims for thickness, width, flatness, shape, chemistry, and mechanical properties will be defined per the appropriate ASTM standards. Exceptions and modifications can only be made through prior mutual agreement documented in the Customer's Purchase Order. Specific requirements for these claims are defined in each category within the Claims Policy.
- 6) Big River Steel is not responsible for consequential or incidental damages of any type. The extent of liability for Big River Steel is to replace the non-conforming material or refund the original purchase price. Therefore, the claim charge shall not exceed the cost of the original purchase price paid by the customer for the material supplied by BRS. Examples of charges that will not be accepted on claim include processing charges, customer line time, sorting, customer piece cost, administrative cost, added labor, commercial loss, etc.
- 7) Big River Steel will not guarantee that material "will make the part".
- 8) Mechanical and chemical testing are performed per ordered material specifications. No warranty will be given to results from materials tested at 3rd party testing facilities.
- 9) Claims for products damaged by shipment, storage, or processing must be made within 5 days of receipt by customer. As received damage must be noted at time of delivery on customer receiving documentation. Evidence of damage (photos, video, samples etc.) must be provided to process a claim. If transportation damage is noticed on delivery, it is recommended to refuse unloading and return damaged material with the carrier to his terminal location for resolution.
- 10) Material should not be scrapped, removed, resold, reapplied, or returned without written permission from Big River Steel.

Big River Steel LLC And Its Affiliates Claims Policy

- 11) Seller extends warranties only to the Purchaser. The warranties do not extend to Purchaser's successors and assigns. The warranties are non-transferrable and non-assignable.
- 12) Credit Memos will only be issued to the Original Purchaser/Sold-To by BRS.
- 13) A BRS Technical Service Engineer may need to and reserves the right to visit the Purchaser's facility to inspect, on-site, the material being claimed and/or watch the material being processed. This is to be done at no cost to BRS.
- 14) UT Testing: BRS will not guarantee UT calibration issues related to background noises from our products. It is the responsibility of the pipe maker.

INITIATING CLAIMS

To initiate a claim, please contact your assigned Big River Steel Technical Service Engineer. The Engineer will work with you in the resolution of the claim as defined in this Policy. If you do not know your Technical Service Engineer, please contact your Sales Service Representative.

CLAIM PERIOD

The claim period will begin once ALL the necessary/requested information has been provided to the Big River Steel Technical Service Engineer. It is the goal of BRS to resolve all claims within 14 business days. Unauthorized or unidentified deductions taken prior to BRS approval will be considered as non-payment and the consequences may include a credit or shipping hold.

SHAPE

Material that has been pickled will be reviewed as full ASTM A568 / ASTM A635 leveled sheet product.

Material that has been coated will be reviewed as full ASTM A924 leveled sheet product.

Material will be dispositioned per ASTM 568, ASTM 635, ASTM 924, applicable ASTM standard, or previously agreed upon customer specification.

A Purchaser's use of goods in its production will be viewed as acceptance of the material and no claim will be accepted unless Big River Steel is notified of the nonconforming material prior to use.

REQUIRED SUBMISSION FOR ALL SHAPE CLAIMS:

- Photo(s) of shape paying off master coil – measurement of shape prior to leveling.
- Photo(s) of shape after attempting to level – measurement of shape post leveling.
- Photo(s) of measurement of shape per ASTM A1030 – measurement must be taken from flat surface. Claims where shape measurements are taken in/on processing line will not be considered as valid.

Evidence for shape claims must include photos of the shape paying off the master coil (as received), photos of the material after adequate flattening has been conducted (per applicable ASTM standard), and photos of the measurement of shape in accordance with the measuring standard in ASTM A1030. Failure to provide the above-listed measurements will result in claim denial.

Pictures or video of objectionable material should show a minimum of a full width by 4 ft. per ASTM A1030, with a readable measuring device showing the area exceeding the applicable defined shape tolerance/allowance. Material must be on a level surface, unconstrained on its ends. Pictures of material in process or that has been sheeted and stacked will not be accepted.

Hot Rolled materials ordered <0.085" min have no warranty for flatness/shape and are not claimable unless mutually agreed upon prior and documented in the Customer's Purchase Order.

Big River Steel LLC And Its Affiliates Claims Policy

SURFACE

Surface quality of the product shall be suitable to provide the customer with the specified appearance and finish required for the end-use or the commodity specified on the accepted purchase order. Critical surface applications are generally supplied within Industry Standards with one exposed side. This will be the top surface unless specified on purchase order. Any considerations for two sided exposed must be mutually agreed at time of order entry. Minor imperfections on the unexposed surface are generally not claimable; each occurrence will be investigated and dispositioned accordingly. If the imperfections affect the functionality of the part or bleed through and are visible on the exposed surface, Big River Steel will review to determine if a claim is acceptable. The customer should advise Big River Steel at time of order entry whether the desired exposed surface orientation is top or bottom surface. By default, the Top Surface is considered prime unless otherwise stated on the customer PO.

Hot Rolled material ordered below 0.085" min or over 0.700" min will have no surface guarantee; each claim will be investigated and dispositioned according to the agreed upon surface criteria documented in the Purchase Order, applicable ASTM Standard, and the BRS Claims Policy.

Hot roll-based products (hot rolled zinc-coated (HRGI), hot rolled pickled and oiled (HRPO), and plain hot-rolled (HR)) may be able to replace cold-rolled *dimensionally* and *mechanically* but not *cosmetically*. Cosmetic claims for the above-listed product types will not be considered valid or accepted unless evidence can be provided showing the direct fault of BRS.

RUST AND STAIN

Oiling / Passivation coupled with coil wrap is considered standard packaging and is required to prevent rust under normal transportation / environmental conditions for CR and GI products. Listed on the table below are the warranty periods on rust and stain from the date of shipment for all our products:

Product Type	Packaged / Wrapped	Not Packaged / Not Wrapped
Hot Rolled (HR)	N/A	N/A
Hot Rolled Pickled & Oiled (HRP, HRPO)	60 days (Oil)	30 days (Oil)
	0 days (No Oil/Dry)	0 days (No Oil/Dry)
Cold Rolled Fully Processed (CRFP)	90 days (Oil)	0 days (Oil)
	0 days (No Oil/Dry)	0 days (No Oil/Dry)
Cold Rolled Full Hard (CRFH)	30 days (No Oil/Dry)	0 days (No Oil/Dry)
Galvanized Coated (CRGI/HRGI)	60 days (Oil)	0 days (Oil, Chem Treat/ Acrylic, No Oil/Dry)
	90 days (Chem Treat /Acrylic)	
	0 days (No Oil/Dry)	
Galvanneal (GA)	90 days (Chem Treat)	0 days (Chem Treat, No Oil/Dry)
	0 days (No Oil/Dry)	
55% Aluminum-Zinc Alloy-Coated (GALVALUME®) (GALM)	60 days (Oil)	0 days (Oil, Chem Treat/ Acrylic, No Oil/Dry)
	90 days (Chem Treat/Acrylic)	
	0 days (No Oil/Dry)	
Cold Rolled Motor Lamination (CRML)	30 days (No Oil/Dry)	0 days (No Oil/Dry)
Non-Grain Oriented (NGO)	90 days (Insulating Varnish)	30 days (Insulating Varnish)
	30 Days (No Insulating Varnish)	0 Days (No Insulating Varnish)
Pre-Paint (CRFH, CRFP, CRGI, GALM)*	Warrantied Product Based on Paint System Selected	Warrantied Product Based on Paint System Selected

Big River Steel LLC And Its Affiliates Claims Policy

* CRFH and CRFP Pre-Paint coils can form sidewall oxidation if not packaged – any claim for not packaged sidewall oxidation will be denied.

** Products ordered with any combination of rust inhibitors will default to the higher warranty period (i.e. CRGI ordered as chem treat and oil will default to 90 days).

Coils requested eye vertical during transport will be subject to a claim period one-half of the stated warranty period as this transport / storage condition promotes oil to drain from the coil.

Moisture-related corrosion has many causes and variables that must be factored in during the placing of the Purchase Order. Packaging (package code) will be selected by the Purchaser based upon, but not limited to, mode of transport, expected storage time frame, condition of storage facility, and weather/climate conditions at designated storage facility.

Big River Steel will not accept rust or stain claims if any of the following conditions apply:

- Material is Hot Rolled.
- Transit rust or oxidation rust / stain related to improper storage or handling at a customer facility; transit related rust must be claimed back to the carrier; see Appendix 1 for more detail.
- Material stored outdoors or not protected against moisture or sudden temperature changes; a 72-hour acclimation period is recommended for material that moves from one temperature to another before the packaging is removed to help it adjust to the change in climate and minimize moisture forming on the strip; subsequently, material must be stored in a corrosive free environment, protected from drastic swings in humidity.
- Rust or stain for material shipped beyond the original ship to destination.
- Material that has been processed by the customer will not be accepted on claim; it will be assumed the material was without rust or stain when processed at the customer location. Any subsequent rust or stain is the responsibility of the customer unless prior arrangements were made with BRS Technical Service.
- Transit Rust, temperature inversion (condensation rust), or any moisture related corrosion related to improper handling/storage at Purchaser's facility will be rejected. Transit Rust will need to be claimed back to the carrier, if directly related to transport.

ORDER QUANTITY POLICY

Big River Steel requires:

- Ordered Max Coil Weights must match the ordered quantities and must be compatible with the compatible mode of transportation.
- Order Acceptance authorizes Big River Steel to ship produced material +/- 10% of the Ordered Quantity on all Purchase Orders of 100 tons or more; Purchase Orders less than 100 tons will be closed if the balance to complete the order is less than 10 tons.
- Any material produced above the +/- 10%, will be referred.

COIL WEIGHT POLICY

Big River Steel reserves the right to:

- Ship FULL-WEIGHT coils without referral that are at least 75% of the ordered maximum coil weight.
- Refer any LIGHT-WEIGHT coil falling between 50% and 74% of the ordered maximum coil weight – these coils can be accrued and shipped without referral, if needed to reach the +/- 10% Ordered Quantity.

Big River Steel will not accept any orders requiring minimum coil weights or exact coil weights unless negotiated and documented prior to Purchase Order submission.

Big River Steel LLC And Its Affiliates Claims Policy**LAMINATIONS**

Big River Steel will make every attempt to reduce / eliminate melt related laminations. However, BRS cannot accept claims for singular or low concentration of lamination defects in coils. It is the expectation that the customer will work through such conditions.

COIL BREAKS

Claims for coil breaks on Hot Rolled and Hot Rolled Pickled products will not be honored in any way. Coil breaks on all other products are grade dependent and any coil break sensitive orders should be addressed prior to placing the order.

AGE HARDENING, WORK HARDENING

Temper rolling after annealing is recommended for material subject to age hardening. Subsequently, this temper rolled material should be processed within 45 days to prevent yield point elongation (YPE) returning due to aging.

BRS does not control processes beyond the production of the coil. Any subsequent processing that can induce work hardening must be considered during the product development stage. Claims will not be accepted for failures of material, that has been through subsequent processing outside the control of BRS, that mechanical testing shows that the failure was directly related to work hardening.

INCOMING INSPECTION / TRANSIT DAMAGE / COLLAPSED COILS

Per BRS Standard Terms and Conditions, incoming inspections of all coils is required. The Purchaser or its designee is responsible for inspection and documentation of material condition during receipt and unloading for each shipment. Documentation includes photos, video, and receiving logs that detail the receiving conditions of the material.

The Purchaser is responsible for unloading and protecting the material from further deterioration while the claim is being resolved. In situations where damage is noted upon receipt, the Purchaser should make every opportunity to determine if the damage is related to a transit condition. If so, the Purchaser should notify both BRS and the Carrier immediately, to a period no greater than (72) hours of the receipt of material. Problems that must be documented at incoming inspection include, but are not limited to, visibly wet loads, damaged OD, ID, edges, or packaging. The Incoming Inspection Form must be completed and submitted with the claim, or the claim will be denied. A signed BOL may be requested by the BRS Technical Service Engineer for additional verification of material condition upon delivery. Transit or fretting abrasion is not claimable back to BRS. BRS cannot control the routes that material is shipped nor can BRS control trucking, barge, or rail companies handling of the material once it leaves the mill.

Claims will not be accepted for consideration on collapsed coils that have been painted, coils ordered less than 0.020" min (unless a mill tension related issue can be verified), any coated coil ordered as heavy oil or ordered with acrylic passivation, any product stored for periods of time exceeding 45 days, were improperly stored, stacked incorrectly, dropped or mishandled, or that have been partially produced at a Purchaser-designated outside processor (slitter, toll-painter, etc.).

HANDLING DAMAGE, RUST, AND TRANSPORTATION CLAIMS

In order to allow for the proper submission of such claims and in order to apply the appropriate charges to the responsible parties, the following steps must be taken:

- As received transit rust must be noted at time of delivery on customer receiving documentation. If transit rust is noted on delivery, it is recommended to refuse unloading and return material with the carrier to his terminal location for resolution.

Big River Steel LLC And Its Affiliates Claims Policy

- Any condition (rust, damage, torn or damaged packaging) must be noted on the receiving paperwork by the customer and forwarded to the BRS Technical group within (5) days.
- Immediate notification to the Trucking, Railroad, or Barge Company of any damaged, shifted, wet, or rusty coils or cut/torn packaging.
- For damaged deliveries with excessive shipping times, transit time and information should be noted in the report.
- Pictures of the defect and possible damage should be taken while the coil is still on the truck, or inside the railroad car or barge. These pictures shall be provided to all parties involved.
- If the defect is related to the packaging material, please also provide a picture of the corresponding area on the packaging material, if possible.

INTERNATIONAL SHIPMENTS

Claims filed for international shipments (outside the contiguous United States) must include the following:

- BRS Initial Claim form – clearly states the defect type, location, amount of coil affected, repeat distance if applicable, type of dent if applicable.
- Photos and/or video clearly showing the defect.
- Incoming inspection documentation.
- Sample(s) – if requested by Technical Service Engineer.

Trans Loaded material will not be considered for claim, regardless of the defect type being claimed. BRS cannot control the handling and storage of coils being temporarily stored and/or transloaded at the Purchaser's designated transload facility

Original ship to destination only – claim must be filed by the Purchaser from the original ship to destination. NO Claim will be considered if filed from at a subsequent facility within the Purchaser's supply chain; it will be assumed the material was without defects when processed at the original ship to destination

Claimed material cannot be dispositioned (scrapped, resold, reapplied, etc.) without written consent from BRS Technical Service Engineer. Credit memos will be held until proof of resold claimed material being available for pick up is provided. Documentation must be provided by the Purchaser, showing the claimed material has been scrapped for claims being dispositioned as "scrap at Purchaser's location". If claimed material is being retained and reapplied, documentation must be provided showing reapplication prior to final credit memo being issued.

SCRAP CREDIT

BRS expects credit on all material that is scrapped at the customer's location. Scrap credit will be determined on a monthly basis and the scrap market value will be available from the BRS Technical Service Engineer. Scrap credit will be issued for the actual scrap weight, not a theoretical calculation.

Full coils or partial coils are expected to be stored in a fashion that allows the material to be re-applied to a less critical order without incurring damage from the storage environment. Failure to properly store and package the material will result in the claim being denied. Contact the Big River Steel Technical Service Engineer if you have any storage / packaging questions.

REWORK

Big River Steel reserves the right to request removal of defective material from the customer facility for rework if doing so is believed to rectify the condition.

APPENDIX I

SECONDARY

Secondary product is sold on an “as is” basis only with no warranty expressed or implied. The stated specific reason a product is classified as secondary may not always include all of the existing imperfections in the product. This is not to be construed as a misrepresentation. No claims will be accepted on Secondary Product.

DEFECT DOCUMENTATION AND CLAIM REPORTING

Photos and/or videos used to document a defective condition on BRS products need to meet the following key characteristics in order to be effective for root cause analysis and claim resolution:

COIL NUMBER

At least one picture needs to show the BRS coil number together with the defect either by holding the coil ticket near the defect or by writing the coil number onto the strip.

CLAIMS WITHOUT COIL IDENTIFICATION

Coil identification is critical to determine root cause and prevention of the repeat nonconforming material. If coil traceability is lost and only a heat number is available, then the total claim on the heat will be averaged over the number of coils supplied from that heat. If that number is less than the minimum weight required, the claim will be denied. If no coil number and no heat number are available on the claim documents, the claim will be denied – exception: the coil is unprocessed, in its original BRS packaging, the tag is illegible, lost, or damaged, and a receipt date/traceability for the coil can be verified.

PRIOR TO MATERIAL PROCESSING

The photo showing the defect needs to be taken prior to any material processing (such as coating, shearing, slitting, rewinding) at the customer facility. Ideally the picture is taken right after the coil has been unpacked. In cases where the defect is discovered in the body of the coil, documentation should be taken at the feeding reel of the processing unit.

DEFECT LOCATION

The following information regarding the actual location of the defect needs to be either apparent from one of the photos or provided separately with the claim report:

- Defect location in relation to the coil length:
Please provide information such as: Throughout coil, eye of coil, outside laps of coil, or feet/weight removed when the defect started to occur or disappear.
- The location in relation to the strip width:
One picture should show the entire width of the coil or a measurement from the edge can be provided in the accompanying claims documentation.
- Repeat pattern of defect within coil:
If the defect is repetitive, please provide the distance between the occurrences of the defect.

SAMPLING

Samples may be requested or required, depending on the type of material ordered and/or defect being claimed. The type of claims may include, but are not limited to:

Mechanical Property Failure

- 12"x12" sample to conduct metallurgical testing to validate failing mechanical properties for industry trade material or material with an actual gauge below 0.500".

Big River Steel LLC And Its Affiliates Claims Policy

- 24"x24" sample to conduct metallurgical testing to validate failing mechanical properties for API material or material with an actual gauge at or greater than 0.500" – ASTM A370 requires 18" minimum length for tensile bar.
- Samples submitted must be labeled with rolling direction marked in the longitudinal direction.

Thickness/Width

- Full width, prior to processing, to validate thickness and width under/over ASTM allowable tolerances.

Failure Analysis (Breaking, Cracking, Buckling, Fracture, Inclusions, Laminations)

- Size of sample will be specified by BRS Technical Service Engineer to conduct the applicable failure analysis testing (microscopy, chemical, metallurgical, SEM analysis, etc.).

Sample Required to Validate Defect

A sample may be requested by BRS Technical Service Engineer to determine root cause of a defect if:

- Defect is surface contamination, dirt, rolled in material.
- Defect was discovered after the material has been processed to determine cause and disposition of the material related to said defect.
- Defect is not visible or is difficult to determine root cause with the photographs and/or evidence provided.
- Defect cannot be verified/validated during investigation of Seller processing records.

Samples requested by BRS Technical Service Engineer must be collected and shipped in a timely manner to expedite root cause analysis and resolution of the claim. Failure to ship requested samples will be considered as forfeiture of claim and the claim will be formally denied.