



Dear UPI Customer:

USS-POSCO INDUSTRIES POLICY ON RUST DAMAGED STEEL

UPI makes every effort to ensure that a rust-free coil is delivered to your plant. Packaging practices and materials are continually reviewed for improvement. Truckers are aware of the value of the coils they are transporting and are encouraged to use all possible protection of the coils while en route.

However, in spite of all of the above precautions, rusted coils may occasionally show up in your plant.

It is UPI's policy to investigate all circumstances surrounding the coil in question in an effort to determine (1) the source of the rust, (2) possible corrective action, and (3) responsibility.

Upon investigation, UPI will accept responsibility for a rusted coil if either of the following conditions is met:

1. Coil is shipped FOB destination, coil shows evidence of moisture on the pallet, coil, or packaging, and a written exception is taken at time of delivery and signed by the trucker.
2. Rust pattern indicates a mill problem.

UPI cannot accept responsibility for a rusted coil if any of the following conditions is met:

1. Inspection of rust pattern indicates condensation in your plant as the cause.
2. Rust is of transit origin and shipped FOB shipping point or on your truck.
3. Steel was ordered "Dry-No Oil" unless the rust, determined by an authorized USS-POSCO representative, is of mill processing origin. Refer to Table 1 for rust warranty by product mix.
4. Delivery was made in rain and no written exception was taken.
5. Storage in your plant exceeds a reasonable time, refer to Table 1.
6. Coils are stored in an area where they are exposed to rain.
7. Delivery was made via rail transit.

Table 1. Rust warranty by product mix

	Product Mix	Rust Warranty
a	HRPO wrapped	30 days
b	CR Oiled and wrapped	30 days
c	CR Dry	No warranty
d	GI Dry	No warranty for white rust
e	GI Oiled and wrapped	30 days for white rust
e	GA Dry	No warranty for rust
f	GA Oiled and wrapped	30 days for rust
g	GI CT and wrapped	90 days for white rust

UPI will assist you in filing transit claims when appropriate.

Please be assured that UPI will do everything practicable to ensure rust free deliveries, but your cooperation is needed.

It is highly recommended that you provide for inspection of all material when received to protect your own interests. When you accept a shipment without written exception on the receiving papers, you are making a statement that there is no obvious damage to the load.

It is important that you inspect every shipment upon delivery for evidence of water inside the package. If there is evidence of water inside the package, or if there is evidence that the steel inside the package could have been exposed to water (torn package, extreme weather conditions, inadequate tarping, etc.), then it is suggested that you inspect the condition of the material between wrap surfaces of coils or between cut length surfaces at the time of receipt. This suggestion is based on the possibility of material becoming wet during early stages of transit with later drying of the external surfaces prior to receiving.

If a shipment is known to have been in very cold weather during transit, then it is suggested that coils on that shipment be allowed to reach warehouse temperature before unwrapping. This precaution should minimize the possibility of water condensation on the cold steel surface.

Coils should be stored in a dry warehouse where they are protected from the elements.

A written record of abnormal conditions is helpful in negotiating transit damage claims, specifically, recording observed damage on the appropriate delivery receipts/shipping documents.

We appreciate your business and look forward to serving your requirements for quality sheet and tin products.

Thank you,

A handwritten signature in cursive script, appearing to read "Abhilash Dash".

Abhilash Dash
Manager: Specifications and Customer Technical Sales