UPI Sheet Claims Policy

Scope:

UPI warrants that goods furnished will be produced and tested in accordance with the specifications of the purchased material, as identified by the purchase order acknowledgements, and further defined by any formal customer specification and/or contract or general industry standard that is referenced. Exceptions to specified requirements will be documented and will be used as overriding criteria for claim acceptance. The purpose of this claim policy is to outline some of the significant parts of the claim policy and is not intended to cover all situations that may arise in the settlement of claims and complaints.

UPI reserves the right to modify or supersede this general policy at anytime to reflect changes mandated by policy revisions.

Claim Handling:

UPI’s dedication to satisfy our customers is primarily reflected in two concepts: agreement in producing product that meets customer standards and specifications as agreed to at order entry. Tolerances and requirements for product will be consistent with customer specifications and/or applicable society standard (ASTM A653, A1008, A1011, SAE J2340 etc)

During claim investigation, UPI reserves the right to visit to obtain samples, inspect claimed material and obtain digital photos or video media that pertain to the claim.

Customer Responsibilities:

Customer inspection of coils is expected for each incoming load and should be done prior to unloading. For all obvious damage and wet package conditions a written exception must be clearly written on the delivery receipt. Lacking such an exception for obvious damage and wet material, load is assumed to be delivered and accepted as prime by customer. Coils should always be stored fully wrapped until used for production. Coil package must be saved along with the coil – if damage, moisture, or rust is observed when the coils are unwrapped. Notify UPI representative of all problem conditions as soon as observed and hold material for inspection. Transit claims will be declined if proper exceptions are not taken and reported within 15 days of receipt. Rail transit rust due to condensation is no longer under warranty by UPI as the condition is inherent to this mode of transportation. All other rail transit claims must be reported as soon as possible and be fully documented with pictures of the damage while material is still in the railcar, with an exception taken with the railroad at the time of delivery.

Customer must promptly notify UPI when material is found to be defective. When submitting claims appropriate information is required including claim reason, ticket numbers, rejected quantity, quantity type (e.g., slit mult, sheets or coil), inspection reports, photos or samples, and location of material. Other required information is where in the coil(s) the defect is occurring (e.g., top/bottom, one edge or both edges, inside or outside wraps), or if mult, which mult is it
across the width? If it is a repeating defect, what is the frequency (distance apart)? Material should be set aside for inspection and further disposition by mill personnel.

UPI must be given reasonable opportunity to investigate all nonconforming material. Claims will not be honored if material has aged beyond twelve months after invoice date, not stored properly within customer’s inventory, or exposed to excessive processing delays within the customer’s manufacturing process.

All rust claims must be in compliance with **UPI’s Rust Policy**.

Unprocessed strip off the coil must be inspected to evaluate the as-shipped quality prior to accepting claims for defects that can be generated during customer processing such as: shape; mechanical damage and surface contamination. Individual coils must be pulled from the processing line if a defect continues after processing 10% of the coil. UPI guarantees 98% of the master coil to be satisfactory. Customers should stop processing coils from the same production series after two coils are found to have the same defect and promptly hold all remaining coils from that production series for UPI review.

For shape claims, evidence of the shape defect must be given in the as-received coil condition. The evidence of shape issues must be provided in as supplied coil form – while paying off the coil. If the material undergoes any subsequent processing (levelling, slitting etc.) then UPI is not held responsible for shape issues.

Any other photos of shape issues must be of a sample on a flat surface (not stacked on a skid). Shape claims for wavy edge and center buckles should include wave height and repeat distance. Some examples of defects, among others, requiring evidence in the as-received condition would include:

- Edge Wave
- Center Buckles
- Camber
- Telescoped ID or OD
- OD or ID Damage

**Procedure for claims:**

a) If a defect is observed on UPI material, then the customer shall contact a UPI CTS representative with the reason for the claim, location of the material and UPI coil information including ticket numbers, rejected quantity, quantity type (i.e. slit mult, sheets or coil), inspection reports, and photos or samples.

i. If the UPI CTR representative visits the site, then the customer agrees to allow processing time and resources for the evaluation and review of the affected material between the customer and UPI. In the event that a UPI CTS Representative cannot perform a safe evaluation of the material at the customers’ site, then this will delay the claims process with the possibility of the claim being denied.
b) If a defect persists after processing 10% of the material, then the customer shall pull the
   coils from processing until further evaluation by a UPI CTS representative.
   i. The customer shall not process the remainder of the coil or any additional material and
   promptly hold all remaining coils for UPI to review.
c) If the defect disappears and the remainder of the coil is processed with no defect(s), then
   the customer should separate and quarantine affected portion of material for a UPI CTS
   representative to evaluate and inspect.

Failure to follow these steps may result in the denial of a claim.

UPI Reservations:

UPI reserves the right to a make final disposition on accepted claim material and to handle each
claim individually, based on the circumstances surrounding the claim in question.

Individual coils with billed weight within 1% of the customer’s certified scale weight will not be
subjected to claim or credit. Individual coils with significant weight differences of 5% of greater
should be held for separate investigation.

No material is to be scrapped or resold without prior approval from UPI. Unauthorized
deductions before a claim is dispositioned and settled may result in consequences that include,
but not limited to, shipping and/or credit holds, loss of discount privileges and/or denial or the
claim.

Consequential Cost:

For claims accepted by UPI, only the value of the weight of the material involved in the claim
will be accepted. UPI will not honor consequential costs such as sorting, coating, painting,
shearing, sampling, storage, freight, additional processing, administrative, or replacement cost
unless pre-approved by UPI prior to incurring expense. UPI will not be liable for consequential
damages or any further cost.

If material is rejected during processing, UPI will evaluate each claim individually to determine
if the condition could have been observed or otherwise detected prior to processing.

In no event shall UPI be liable for or accept any claims for personal injury, disease, death or
property damage, loss of profit or lost business, production disruption or delay, or any indirect or
incidental costs, or any other consequential damages of any kind. Customer must submit final
claim charges on all settled items within thirty (30) days of settlement.
Any unauthorized or unidentified deductions taken by a customer before claim is disposed of, approved by UPI and settled shall constitute nonpayment with subsequent consequences: including, but not limited to, implementation by UPI of a credit hold, shipping hold, and/or loss of discount privileges.

Thank you,

Abhilash Dash
Manager: Specifications and Customer Technical Sales