

Metal Coaters Claim Policy

Resolution of Coil Imperfections and Material Rejections in the Field.

Revision Date: 5/03/2021

Metal Coaters (MC) strives to supply each customer with pre-painted coil that is defect free and suitable for the intended application. However, in light of the fact that the coil coating process is imperfect, and that substrate quality issues can significantly affect the overall quality of product, it is possible that imperfections may be encountered during processing of finished, coil coated product.

The purpose of this document is to provide Customers with:

General expectations and guidelines.

- Process to identify relatively minor imperfections that would not necessarily warrant the rejection of coil, along with guidelines to mitigate such imperfections during consumption of coils.
- Process to handle material rejections that occur at a customer's, facility.
- Process to handle claims that occur in the field.

General Expectations and Guidelines:

Material Consumption:

- MC will not accept responsibility for any rejections of prepainted metal in coil form that occur more than one year from the time of paint application at MC.
- Metal substrates, pretreatments and the organic coatings applied to them, all have a natural tendency to age-harden and become less flexible over time. The resulting change(s) in physical properties can lead to product failures when consumption of the material is delayed for an excessive period of time and should be used within 180 days of coating.
- In cases where there is a field rejection that involves product that is under warranty for the organic coating, the warranty coverage relative to the coating supplied will supersede this requirement as long as the coil was manufactured into the finished product and installed within the timeframe described above.

Transportation/Receiving:

- Take exception at the time of receipt in any and all cases where a non-compliant coil is received from MC. Note the condition of the coil on the material receiving documents and have the delivering truck driver sign the appended receiving paperwork. Copies of those documents must be submitted to MC when the claim is initiated.
- All notifications of shortages, non-conformity, or damage must be submitted within 48 hours of receipt.
- Claims resulting from transit damage will not be accepted.

Corrosion and Water Staining

- Rust and water staining claims will not be accepted by MC if the material was not consumed within the source Mill's required timeframe outlined in their corrosion policy.

Embossed Coil

- Emboss patterns can look different from run to run and between sets of emboss rolls due to variations in pattern depth and between sets of rolls. MC recommends all material for a single job is embossed at the same time on the same set of embossing rolls.
- MC will not accept claims for perceived emboss differences between multiple production runs, or when material from multiple embossing production runs are mixed by the customer on the same job.
- MC will not accept claims where installation of embossed material directionality is non-uniform.

Mica/Metallic Coatings and Other Visual Color Match Paint Systems

- Visual color match paint systems do not use a numerical color evaluation for color acceptance criteria. This is a subjective

process to determine if the color applied on the coil coating line matches the working standard from the specified Paint Vendor.

- MC recommends all visual color match orders are run in full, from the same paint batch, from the same batch of metal and on a single production run for the job that they are intended for. Differences in the perceived color of the finished products can occur if these paint systems are produced on multiple coil coating line production runs with multiple paint batches.
- MC will not accept claims for color variance between multiple coil coating line production runs, or when material from multiple production runs are mixed by the customer on a single job.
- MC will not accept claims where installation of Mica /Metallic paint system are directionality non-uniform.

Relatively Minor Imperfections

This includes, but is not limited to, paint skips or starve out, dirt or trash lines, etc. These can occur within the lineal footage of a coil during processing and are considered a short line defect. Short length defects should be 150 lineal feet or less, and may be shipped to avoid producing coils that do not meet a customer's coil size requirement. In many cases, it is more efficient for the end user to remove any affected footage during processing, than it is to utilize small (*underweight*) coils.

Material Rejections Occurring at the Facilities of a Customer

Due to the inherent coil inconsistencies noted above, as well as other technical issues related to the coil coating process, the customer should expect to typically absorb (*without claim*) 10% of the weight of an individual shipped coil. Therefore, the basis for initiating a claim with MC rests upon the receipt of non-compliant product that exceeds 3% of an order, or 10% of the weight of an individual coil.

- When a rejection occurs due to a specific defect related to the coil coating process, a claim may be initiated with MC.
- If the rejection occurs at the facility of a consignee or end user who has not contracted directly with MC for coil coating services, then a claim must be initiated with the agent who supplied the finished product. The agent will subsequently enter a claim to MC.
- If the rejection occurs while the material is in possession of the customer who contracted directly with MC for coil coating services, then the MC Customer Experience Representative and/or the producing plant's Quality Control Manager should be contacted to initiate a claim. Each claim will be handled individually, based upon the Sales Order.
- In either case, MC's customer of record will need to provide:
 - ⊖ Customer Purchase Order Number.
 - ⊖ Invoice number.
 - ⊖ Metal Coaters coil number(s).
 - ⊖ Original Coil Weight.
 - ⊖ Rejected Weight Removed with Defect.
 - ⊖ Rejected Coil Weight.
 - ⊖ Description of problem.
 - ⊖ Sample of material defect.

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- To expedite the disposition/resolution of a claim by MC, the following steps should be followed by the customer when non-compliant material is encountered.
 - Attempt to process a minimum of 300 lineal feet, or 10% of coil, whichever is smaller, in order to properly assess whether the condition is limited to the coil extremity or is persistent throughout.
 - Secure two samples from each coil displaying the defect. (i.e. cracking, crazing, flaking, peeling, etc.). For adhesion failure, use the following guidelines - One sample of flat, unformed product with minimum dimensions of 12"x12" and a second sample that has been formed and demonstrates the failure condition. All samples must be labeled with the MC coil number and submitted to the producing plant's Quality Manager.
- All claim material must be quarantined immediately and preserved in a reasonable manner. It must be made available for inspection (*if necessary*) by an MC Representative. When a claim receives disposition, the material could potentially be returned to MC for reprocessing/salvage. Material cannot be returned until a Return Material Authorization (RMA) is issued.
- When a claim is initiated to MC, a Claim Number is assigned to it. The Claim Number should be used in all future correspondence pertaining to the claim.
- Metal Coaters will respond, in writing, within 30 calendar days or less from the date complete claims information is provided by the customer to a MC Representative. Only claims that exceed the yield loss guidelines outlined above will be considered. The response will include, but is not limited to the following:
 - ⊖ Acceptance of rejection and instructions for disposition.
 - ⊖ Denial of responsibility for rejection with adequate explanation for denial.
 - ⊖ Recommendations for further processing at customers' facility for purpose of working through defective material.
 - ⊖ Instructions for the return of rejected material to MC. Material may be salvageable with additional processing, once material has been reprocessed and made good it will be returned to the customer on the next outbound shipment.
 - ⊖ Request for extension if acceptance or denial cannot be determined within the 30-day period.
- If a complaint/claim is considered cautionary, then no disposition is necessary. However, the complaint will still be investigated by MC and corrective actions will be taken where applicable.
- Unformed (*coil or flat sheet*) material must not be disposed of until authorization is provided by MC. MC will provide credit for full material value (*i.e. substrate, paint, freight, & minus scrap credit*) when material is scrapped in accordance with these guidelines. However, MC cannot be responsible for any other incidental, consequential, or contingent (processing) costs associated with the rejected material.
- MC reserves the right to deny any claims if the required information and/or samples are not provided within 45 days. A request for an extension must include a reason and the specific amount of time needed to provide the required samples and/or documents to proceed with the claim.
- Any unauthorized or unidentified deductions taken by a customer before a claim is disposed of, or approved by MC and settled, may

result in subsequent consequences. Consequences may include, but are not limited to, a credit or shipping hold.

- MC will not provide any other warranty for any materials or coatings that it does not directly manufacture. MC will not warrant the underlying metal or honor any type of claim for damages associated with the Customer's own testing practices not specified on the Customer Specified Paint Vendor's Product/Technical Data Sheet.
- MC shall not be liable for any other damages, whether direct or indirect, incidental, consequential, liquidated, punitive or exemplary, which the Customer may suffer for any reason, including reasons known and/or attributable to MC.

Material Rejections Occurring in the Field

When a rejection occurs in the field that is presumed to be a defect related to the coil coating process, or the Customer Specified Paint Vendor's product performance, a complaint will be initiated with MC by its Customer of Record.

- The complaint will be communicated to the producing plant's Customer Experience Representative and/or Quality Control Manager and include the following.
 - ⊖ Customer of Record's Purchase Order Number.
 - ⊖ Invoice number.
 - ⊖ Metal Coaters coil number(s).
 - ⊖ Original coil weight(s).
 - ⊖ Date material was shipped to the customer of record, shipped to the job site, and installed on the job.
 - ⊖ Address of job site with contact information for the End User's representative.
 - ⊖ Detailed description of problem.
 - ⊖ Warranty details sold with the complaint product.
 - ⊖ High resolution digital photographs of the failing material.
- Management of the field/warranty claim will be handled by MC's Technical Services Manager.
- Within 10 business days MC will assign a Claim Number to the complaint and have production line retains evaluated.
 - If the quality of the paint application checked on the retain shows fault, MC will begin remediation planning with its customer.
 - If the quality of the paint application checked on the retain shows that the application requirements listed on the paint vendor's Product Data Sheet have been met or exceeded, MC will initiate contact and request support from the Customer's specified Paint Vendor to continue the investigation.
- Depending on the outcome of the Paint Vendor's investigation a site inspection may be required, or if fault is determined, remediation planning can begin with the customer of record.
- MC reserves the right to perform a field inspection with the Customer Specified Paint Vendor and other interested parties as part of the complaint investigation. Failure to allow for a site inspection will result in the denial of the complaint.
- If needed, samples from the structure that are representative of the failure mode will be collected for additional laboratory testing to determine root cause of the failure.
- Once all testing is complete, and data is adequately reviewed, disposition related to remediation of the failed product in the field will begin.



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- Metal Coaters reserves the right to determine the course of remediation to address the complaint.
- Any unauthorized or unidentified deductions taken by a customer before a claim is disposed of, or approved by MC and settled, may result in subsequent consequences. Consequences may include, but are not limited to, a credit or shipping hold.
- MC will not provide any other warranty for any materials or coatings that it does not directly manufacture. MC will not warrant the underlying metal or honor any type of claim for damages associated with the Customer's own testing practices not specified on the Customer Specified Paint Vendor's Product/Technical Data Sheet.
- MC shall not be liable for any other damages, whether direct or indirect, incidental, consequential, liquidated, punitive or exemplary, which the Customer may suffer for any reason, including reasons known and/or attributable to MC.