

# General claims policy

## USA Light flat rolled products

### INTRODUCTION

This general **claims policy, together with ArcelorMittal USA's Terms and Conditions of Sale (which can be found at: <https://usa.arcelormittal.com/doing-business/price-lists>), covers light flat rolled sheet and tin mill products produced at all ArcelorMittal USA flat rolled facilities. It covers the major points of a claim policy, but it does not intend to cover all circumstances that may arise.** ArcelorMittal USA reserves the right to handle each claim individually, based on the circumstances surrounding the claim in question.

Requirements for dimensions, flatness, surface, coating weight, surface texture, and chemistry will be according to customer specifications accepted by ArcelorMittal USA in advance in writing, and/or consistent with applicable ASTM specifications. **More restrictive requirements are subject to inquiry with, and acceptance by, ArcelorMittal USA prior to order acceptance.**

When a customer provides a specific design instruction or set point for a process variable as part of an order, the customer assumes responsibility for defects or performance issues that arise as a result of the direction provided by the customer. **This includes, but is not limited to, finishing and coiling temperature aims, oil coverage amounts, and packaging.**

### ARCELORMITTAL USA RESPONSIBILITIES

ArcelorMittal USA is dedicated to supplying customers with flat rolled steel and tin mill products in accordance with agreed to standards and specifications. ArcelorMittal USA's early involvement in the development of customer requirements within the ArcelorMittal USA organization is paramount to achieving customer satisfaction.

If material furnished by ArcelorMittal USA does not meet order requirements, a claim should be submitted to the appropriate ArcelorMittal USA representative. All claims will be evaluated on the basis of technical merit in line with published policies, applicable specifications, contracts, purchase orders, and final order acknowledgements.

After claim is reviewed and decision is determined by ArcelorMittal USA, a document outlining ArcelorMittal USA's position on the claim will be **communicated to the customer.**

ArcelorMittal USA reserves the right to make final disposition on accepted claim material.

### CUSTOMER RESPONSIBILITIES

See Terms and Conditions, section 12

In order to efficiently evaluate and process a claim, ArcelorMittal USA **must be provided with complete information of the problem and be given a reasonable opportunity to investigate claims. Complete information includes claim reason, claim documentation, ArcelorMittal USA coil number, inspection report, cost of material, quantity of involved material, condition of material, etc. ArcelorMittal USA retains the right to visit to investigate and/or require a representative sample of the condition, digital photos with size reference next to the condition, or a video.**

Suspect material should be contained, and further manufacture should cease upon earliest detection of an undesirable condition.

**Failure by customer to cooperate fully, including any failure to provide supporting documentation in a prompt manner, may result in the rejection of the customer's claim.**

**For the duration of the claim, customer will continue to store the product in a manner to prevent damage or deterioration and maintain general insurance.**

Unauthorized or unidentified deductions before a claim is dispositioned or settled constitutes nonpayment with subsequent consequences, including, but not limited to, credit hold, shipping hold, and loss of discount privileges.

### CONSEQUENTIAL COSTS

For claims with merit, ArcelorMittal USA will assume responsibility for the value of the weight of the **affected** material, address other costs as outlined below, **but in no event** will be liable for any further **direct, indirect, incidental, consequential or special** damages or other costs.

ArcelorMittal USA will not honor sorting, sampling, storage, freight, additional processing, consequential costs, administrative or replacement cost unless pre-approved and allowed by ArcelorMittal USA prior to incurring the expense.

### SCRAP CREDIT

ArcelorMittal USA requires any debit for material dispositioned to be scrapped to be reduced by the amount of the scrap credit as described below.

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Scrap credit will be determined on a monthly basis using the average of the #1 Bundles and #1 Heavy Melt as published in the American Metal Market (AMM) in the geographic region closest to the customer less a handling fee of \$20/gross ton. No material is to be scrapped without prior approval from ArcelorMittal USA. (This credit will be adjusted on a monthly basis and will be based on the price as shown in AMM for USA ship to locations and the ArcelorMittal Dofasco published scrap values for Canada ship to locations.)

### COIL QUALITY - GENERAL

**ArcelorMittal USA guarantees 98% satisfactory product in coil shipments of Hot Rolled, Cold Rolled, Coated and Tin Mill Products.**

Hot Rolled Unprocessed bands are shipped directly from the mill without further processing. Customer must accept, without claim, the uncropped ends of a coil that exceed the tolerances for thickness and width ordered. Likewise, mechanical property variation resulting in specification nonconformance on uncropped ends is not claimable. HR non-temper rolled coils, especially lower strength and heavier gauges, can develop coil/cross breaks. ArcelorMittal USA will not accept claims for coil or cross breaks on non-temper rolled hot roll coils.

For some product (combinations of gauge, width and strength), there are no published society shape standards. ArcelorMittal USA will guarantee a maximum out-of-flat as outlined in the tables attached to this policy. Cold Roll Full Hard unprocessed coils are shipped directly from the mill without further processing. Customer must accept, without claim, the uncropped ends of a coil that exceed the tolerances for thickness and width ordered.

Unless specified otherwise on customer's order, **and accepted on ArcelorMittal USA's order acknowledgement**, the coil top side will be provided as the prime surface. Claims will not be honored for OD or ID wraps, including claims for identification stickers or markings that may be present in these laps. If initial processing results in observation of a nonconforming condition, approximately 10% of the coil must be run before rejecting the entire coil. If multiple coils from the shipment show the same imperfection and are being rejected, processing of additional coils should be discontinued pending discussion with an ArcelorMittal USA representative (e.g. a maximum of 3 coils at one value).

### RUST and STAIN POLICY

ArcelorMittal USA will evaluate all rust and stain claims to determine cause. ArcelorMittal USA will not accept rust and/or stain claims under the following conditions:

- Related to improper storage or handling in a customer's facility
- Material shipped beyond the original ship to destination
- Material where the customer requested packaging does not meet ArcelorMittal USA's minimum packaging requirements
- Hot rolled pickled material; Cold rolled full hard, finished, or black plate material; ordered as dry (no oil) **or with less than the mill recommended regular (medium) oil coverage**
- Coated product ordered dry (without oil or passivation)
- Hexavalent chromium passivated coated product after **90** days of shipment
- RoHS compliant chemical treated product after **75** days of shipment
- Oiled product, including tin and tin free steel (TFS), after 90 days of shipment
- Cosmetic rust (not pitted) on hot-rolled black

A claim for stain that is determined to have been caused by improper process conditions is an exception to this policy and will be evaluated for merit considering the specific facts of that individual claim.

### AGING

**Certain steel grades are considered aging grades in relation to their mechanical properties. As such their properties change over time. As such, we warrant properties only at time of our production. It is recommended that these grades be used in an expeditious manner.**

### WEIGHT VARIATION

A variation between ArcelorMittal USA's invoiced actual weight and the customer's scale weight up to **one percent (1%)**, whether under or over, shall be permissible variation. Substantial difference outside of this amount is claimable. Claims for weight variation involving multiple coils must be evaluated over a defined period (monthly, quarterly, etc.) and take into account both underweight and overweight coils during that period. If over the time period the total shipped weight was more than 1% underweight the entire shortage will be credited.

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## TRANSPORTATION ISSUES

For all shipments, **customer or its designee** are responsible for inspection and documentation of material condition during receipt and unloading. On material sold as FOB mill, it is the **customer's** responsibility to record damage upon receipt and to file a claim with the carrier for any claim caused during the transit period from ArcelorMittal USA to the customer. Refer to ArcelorMittal USA Standard Terms and Conditions. ArcelorMittal USA does not accept orders on the basis of FOB delivered to the customer.

## SPECIAL PRODUCTS

Special Products are sold separately from prime products in the four categories of Excess Prime, Reapplied, Secondary and Salvage. Each of these classifications is covered by its own claims policy. The definitions and policies are maintained by the Special Products Sales group at ArcelorMittal USA. The customer should be aware of these definitions and what to expect in each category. All claims on material sold as Special Products should be presented to the appropriate ArcelorMittal USA representative assigned to that customer, who will investigate and verify the claim. **For greater certainty, this General Claims policy does not apply to Special Products.**

## SUPPLEMENTAL HOT-ROLLED FLATNESS SPECIFICATIONS

Carbon steels under 45 ksi min. yield		Sheet type	
Min. thickness	Width	Processed**	Non-processed
>.057 - <.180	≤60 .0	0.500	1.500
	>60.0 - 72.0	0.750	2.250
	>72.0	1.000	3.000
.180 - <.230	≤60 .0	0.500	1.500
	>60.0 - 72.0	0.750	2.250
	>72.0	1.000	3.000
.230 - <.500	≤60 .0	<b>0.750</b>	<b>1.500</b>
	>60.0 - 72.0	<b>0.875</b>	<b>2.250</b>
	>72.0	<b>1.000</b>	<b>3.000</b>
.500 - .750	≤60 .0	<b>0.750*</b>	<b>2.000</b>
	>60.0 - 72.0	<b>1.000*</b>	<b>2.500</b>
	>72.0	<b>1.125*</b>	<b>3.500</b>

Regular font based on ASTM A568. Includes A786 floor plate coils.

Values in **Bold** are for gauges/widths/strengths that are not accounted for in ASTM A635 or A568.

Application of this table in coil form is not appropriate unless the coil has been rolled out and adequately flattened with all coil set removed.

\*Based on future ASTM A635 changes.

\*\*The term "Processed" includes coils that have been pickled and/or through an adequate flattening process such as: temper roll, tension level, stretcher level, cassette level, Z-Mill.

High strength steels from 45 to 50 ksi min. yield		Sheet type	
Min. thickness	Width	Processed**	Non-processed
>.057 - <.180	≤60 .0	0.750	2.250
	>60.0 - 72.0	1.125	3.375
	>72.0	1.500	4.500
.180 - <.230	≤60 .0	0.750	2.250
	>60.0 - 72.0	1.125	3.375
	>72.0	1.500	4.500
.230 - <.500	≤60 .0	<b>0.875</b>	<b>2.250</b>
	>60.0 - 72.0	<b>1.000</b>	<b>3.000</b>
	>72.0	<b>1.187</b>	<b>3.500</b>
.500 - .750	≤60 .0	<b>1.000*</b>	<b>2.500</b>
	>60.0 - 72.0	<b>1.250*</b>	<b>3.250</b>
	>72.0	<b>1.500*</b>	<b>3.750</b>

Regular font based on ASTM A568. Includes A786 floor plate coils.

Values in **Bold** are for gauges/widths/strengths that are not accounted for in ASTM A635 or A568.

Application of this table in coil form is not appropriate unless the coil has been rolled out and adequately flattened with all coil set removed.

\*Based on future ASTM A635 changes.

\*\*The term "Processed" includes coils that have been pickled and/or through an adequate flattening process such as: temper roll, tension level, stretcher level, cassette level, Z-Mill.

## SUPPLEMENTAL HOT-ROLLED FLATNESS SPECIFICATIONS

### Carbon steels over 50 ksi min. yield

Min. thickness	Width	Sheet type	
		Processed**	Non-processed
>.057 - <.180	≤60.0	<b>1.000</b>	<b>2.500</b>
	>60.0 - 72.0	<b>1.500</b>	<b>3.500</b>
	>72.0	<b>1.750</b>	<b>4.750</b>
.180 - <.230	≤60.0	<b>1.000</b>	<b>2.500</b>
	>60.0 - 72.0	<b>1.500</b>	<b>3.250</b>
	>72.0	<b>1.750</b>	<b>3.750</b>
.230 - <.500	≤60.0	<b>1.000</b>	<b>2.500</b>
	>60.0 - 72.0	<b>1.500</b>	<b>3.250</b>
	>72.0	<b>1.750</b>	<b>3.750</b>

Values in **Bold** are for gauges/widths/strengths that are not accounted for in ASTM A635 or A568.

Application of this table in coil form is not appropriate unless the coil has been rolled out and adequately flattened with all coil set removed.

\*\*The term "Processed" includes coils that have been pickled and/or through an adequate flattening process such as: temper roll, tension level, stretcher level, cassette level, Z-Mill.

### Flatness tolerances of hot rolled steels ordered by tensile MPa or ordered by yield and tensile strength

Min. thickness	Width	Min. tensile strength (MPa)					
		<440		440 < 540		≥540	
		Processed**	Non-processed	Processed**	Non-processed	Processed**	Non-processed
>.057 - <.180	≤60.0	0.500	1.500	0.750	2.250	1.000	2.500
	>60.0 - 72.0	0.750	2.250	1.125	3.375	1.500	3.500
	>72.0	1.000	3.000	1.500	4.500	1.750	4.750
.180 - <.230	≤60.0	0.500	1.500	0.750	2.250	1.000	2.500
	>60.0 - 72.0	0.750	2.250	1.125	3.375	1.500	3.250
	>72.0	1.000	3.000	1.500	4.500	1.750	3.750
.230 - <.500	≤60.0	0.750	1.500	0.875	2.250	1.000	2.500
	>60.0 - 72.0	0.875	2.250	1.000	3.000	1.500	3.250
	>72.0	1.000	3.000	1.188	3.500	1.750	3.750

\*\*The term "Processed" includes coils that have been pickled and/or through an adequate flattening process such as: temper roll, tension level, stretcher level, cassette level, Z-Mill.

## SUPPLEMENTAL COLD-ROLLED FLATNESS SPECIFICATIONS

### High strength steels ordered by yield strength ksi

Min. thickness	Width	Min. yield strength (ksi)				MartINsite
		< 45	45 - 50	> 50 - 80	> 80	
≤.044	≤36.0	0.375	0.750	<b>0.750</b>	<b>1.250</b>	<b>1.250</b>
	>36.0 - 60.0	0.625	1.125	<b>1.125</b>	<b>1.250</b>	<b>1.250</b>
	>60.0	0.875	1.500	<b>1.500</b>		
>.044	≤36.0	0.250	0.750	<b>0.750</b>	<b>1.250</b>	<b>1.250</b>
	>36.0 - 60.0	0.375	0.750	<b>0.750</b>	<b>1.250</b>	<b>1.250</b>
	>60.0 - 72.0	0.625	1.125	<b>1.125</b>		
	>72.0	0.875	1.500	<b>1.500</b>		

Regular font based on ASTM A568.

Values in **Bold** are for gauges/widths/strengths that are not accounted for in ASTM A568.

This table applies to lengths cut from coils by the consumer when adequate flattening measures are performed.

### High strength steels ordered by tensile strength MPa or ordered by yield and tensile strength

Min. thickness	Width	Min. tensile strength (MPa)			MartINsite
		< 440	440 - 590	< 590	
≤.044	≤36.0	<b>0.375</b>	<b>0.750</b>	<b>1.250</b>	<b>1.250</b>
	>36.0 - 60.0	<b>0.625</b>	<b>1.125</b>	<b>1.250</b>	<b>1.250</b>
	>60.0	<b>0.875</b>	<b>1.500</b>		
>.044	≤36.0	<b>0.250</b>	<b>0.750</b>	<b>1.250</b>	<b>1.250</b>
	>36.0 - 60.0	<b>0.375</b>	<b>0.750</b>	<b>1.250</b>	<b>1.250</b>
	>60.0 - 72.0	<b>0.625</b>	<b>1.125</b>		
	>72.0	<b>0.875</b>	<b>1.500</b>		

Values in **Bold** are for gauges/widths/strengths that are not accounted for in ASTM A568.

This table applies to lengths cut from coils by the consumer when adequate flattening measures are performed.

## SUPPLEMENTAL HOT-DIP COATED FLATNESS SPECIFICATIONS

### Carbon Steels under 40 ksi yield

		Min. yield strength (ksi)
Min. thickness	Width	<40
≤.048	≤36.0	0.375
	>36.0 - 60.0	0.625
	>60.0 - 72.0	0.875
>.048	≤36.0	0.250
	>36.0 - 60.0	0.375
	>60.0	0.625

Regular font based on ASTM A924.

This table applies to lengths cut from coils by the consumer when adequate flattening measures are performed.

### High strength steels ordered by yield strength ksi

		Min. yield strength (MPa)						
Min. thickness	Width	SS40	SS50	HSLA40	HSLA50	HSLA55/60	HSLA70	HSLA80
≤.060	≤36.0	0.500	0.750	0.625	0.750	0.875	1.000	1.125
	>36.0 - 60.0	0.750	1.125	1.000	1.125	1.250	1.375	1.500
	>60.0	1.000	1.500	1.375	1.500	1.625	1.750	1.875
>.060	≤60.0	0.500	0.750	0.625	0.750	0.875	1.000	1.125
	>60.0	0.750	1.125	1.000	1.125	1.250	1.375	1.500

Regular font based on ASTM A924.

This table applies to lengths cut from coils by the consumer when adequate flattening measures are performed.

### High strength steels ordered by tensile strength MPa or ordered by yield and tensile strength

		Min. tensile strength (MPa)			
Min. thickness	Width	440	590	780	980
≤.060	≤36.0	<b>0.750</b>	<b>1.000</b>	<b>1.125</b>	<b>1.125</b>
	>36.0 - 60.0	<b>1.125</b>	<b>1.375</b>	<b>1.500</b>	<b>1.500</b>
	>60.0	<b>1.500</b>	<b>1.750</b>		
>.060	≤60.0	<b>0.750</b>	<b>1.000</b>	<b>1.125</b>	<b>1.125</b>
	>60.0	<b>1.125</b>	<b>1.375</b>		

Values in **Bold** are for gauges/widths/strengths that are not accounted for in ASTM A924.

This table applies to lengths cut from coils by the consumer when adequate flattening measures are performed.

Apply the values from the higher strength column for strength values falling between columns.