

Non-Conforming Substrate

Disposition of Defective / Rejected Substrate

Material found unsuitable for either coating or the intended end-use will be rejected with written notification to the customer. The notification will include coil numbers, quantity, metal specifications and the reason(s) for rejection.

Forty-five (45) days from the rejection date will be allotted to the customer for final disposition. Thirty (30) days from date of customer notification will be allotted to the customer for material shipment.

Defects that occur repeatedly and involve large quantities will be addressed with the customer and/or mill supplier for immediate resolution.

Customers will maintain responsibility for rejected material until it is removed from Steelscape's inventory. As such, Steelscape will place all rejected material on a Return to Vendor order under our customer's name. The customer will be advised of Return to Vendor order number. It is advised that the customer communicate the Return to Vendor order number to the supplying mill as a reference for whoever will be picking up rejected material.

The quick handling of rejected material ensures proper inventory flow for all customers.

Processing of Mill / Transit Reject Material

Steelscape reserves the right to be reimbursed for the costs associated with the processing of metal related rejections. The customer will be invoiced for all coated material as agreed to in the original order. The customer will not be invoiced for bare portions processed as related to the reject.

Prime Yield of Incoming Substrate

The processing of metal and the application of coatings on the metal in a continuous coil coating line involves intermittent variations and imperfections that at times may prevent the established level of quality to be achieved. Steelscape will make every reasonable attempt to remove non-conforming material. However, due to the nature of the coil coating process, it becomes impossible to remove all aspects of an intermittent flaw either in the metal or the coating. As such, it is expected that the customer will accept without claim all inside and outside coil wraps, welds and cut-outs. Further, the customer is expected to accept without claim a minimal percentage of unusable coated metal as described below.

Claims involving accumulations of non-conforming material will be honored when the yield loss of a specific coil exceeds 10% of the total coil weight. In the event that the accumulated loss exceeds 10% of the total coil weight, the customer will be reimbursed for the value of the material for all such losses associated with that specific coil. All such claims must be directed to Steelscape's Technical Sales Department for review and final disposition.

Due to the unavoidable inclusion of flaws in metal and coatings, the customer should take all opportunities to inspect the material upon receipt as well as during fabrication. Any non-conforming material should be identified and isolated in order to prevent further distribution, processing and/or installation of the defective material. Losses arising from materials visibly defective at the time of fabrication or installation will be subject to claim for the original material cost.

In the event defective material is found, the customer is requested to run off 300 lineal feet beyond the initial appearance of the defect. If the defect terminates, the defective portion of the material should be considered under the prime yield percentage allowance. If the defective material does not terminate after 300 lineal feet, the balance of the coil should be set aside for separate consideration along with the 300 lineal feet quantity already run.