

FEBRUARY 7, 2010



Heidtman Steel Products

OVER 50 YEARS ON THE CUTTING EDGE

HEIDTMAN STEEL PROCESSING CLAIM POLICY

TEMPER MILL

- 1) Cropping up to 5% (unless written otherwise) of customer coils to line up coil and remove heads and tails may be required and is not claimable as excess scrap loss.
- 2) Aging conditions that occur after 90 days such as coil breaks that can reoccur after a period of time are not accepted.
- 3) Some superficial burnished roll marks may occur on tempered hot roll since this is a dry mill.
Only severe roll marks will be considered (2cm in size and at least 10% of thickness deep).
- 4) Temper passing a coil does not guarantee that all or any shape or surface conditions can be completely eliminated. Temper passing to an aim elongation should be pre-approved before sending steel to Heidtman Steel Products.
- 5) No guarantee of properties.
- 6) No guarantee of gauge.

PICKLE LINE

- 1) Heidtman Steel Products can not accept claims for uncoated products that have been oiled after 30 days from processing. It is recommended that "dry" pickle be moved immediately as no claims for rust or storage stain will be accepted.
- 2) Surface or shape conditions that occurred at the producing mill must be claimed against the mill by the processing customer.
- 3) If during the pickling of a coil it is necessary to reduce the normal line speed (300' per minute) an additional charge will be added to the pickle charge that was quoted. (Extra charge of .05 cwt if speed is less than 150fpm). Documentation will be provided on the line speed that was required to produce a quality pickled coil.
- 4) When a re-pickle is required due to stains caused by the line speed, the coil will be re-pickled at no additional cost to the customer.
- 5) Acid stain vs. Water stain must be differentiated for the above to apply.
- 6) Tiger striping removal not guaranteed.
- 7) Parsytec readings provided only if requested.

2/11/2010

- 8) We offer run dry product, slushing oil and prelube. Types of oil available are Corflim 333, Metalub PL-7105A, Quaker Ferrocoate 61-MAL-HCL-1, MSDS for these products can be furnished upon request.
- 9) Some superficial burnished roll marks may occur on pickled hot roll since the entry feed rolls are dry. For gauge greater than 0.2", some pits and roll marks can be expected, especially on coil ends. No claims will be recognized unless marks are repeating and greater than 1cm in diameter and 5% of sheet thickness.

SLITTERS

- 1) Coils that do not meet customer requirements will be ran up to 10% of the coil (unless instructed otherwise), if the coil still does not meet requirements:
 - a) Coil will be cropped and pulled from the slitter and placed on quality hold for 90 days before storage charges become in effect.
 - b) Customer will be charged a pull charge of \$300.00 for line time spent on coil.
 - c) We will document the reasons for pulling the coil. (Pup coils will be kept a maximum of 2 weeks). All pup coils under 2,000 pounds will be scrapped immediately.
- 2) Heidtman Steel Products will not be responsible for mults from coils that have a mill edge or other edge conditions due to the shape or lack of trim.
- 3) Gauge of Processing Coils will be checked at the start and finish of each coil. Coils will have gamma charts provided when available. It is the responsibility of the customer to apply steel that meets their requirements.
- 4) Great care is taken to ensure a good slit edge, however there are some conditions that occur because of the grade or shape of the incoming steel that cannot be helped. ("Sandy" or rough edges, etc.). If there is a problem with a slit edge because of our process the steel will be re-worked at no charge to the customer. If a steel condition causes a coil to crash on line or there is a need to cut steel to create good material, Heidtman Steel Products will not accept any responsibility for the cost of the steel.
- 5) All coils being slit must have a minimum of 3/4" of trim. Some jobs may be accepted with less trim but no claims will be accepted on any coils that do not meet the trim requirements.
- 6) Quality needs should be described on the Purchase Order if anything more than the ASTM Standard is required.

CUT TO LENGTH

- 1) Coils that do not meet customer requirements will be ran up to 5% of the coil (unless instructed otherwise), if the coil still does not meet requirements:
 - a) Coil will be cropped and pulled from the line.

- b) Customer will be charged a pull charge for line time spent on coil.
 - c) We will document the reasons for pulling the coil.
- 2) Heidtman Steel Products will not be responsible for sheets from coils that have a mill edge (multi-blanker) or other edge conditions due to the shape or lack of trim.
 - 3) Gauge of Processing Coils will be checked at the start and finish of each coil. It is the responsibility of the customer to apply steel that meets their requirements.
 - 4) Great care is taken to ensure a good cut/slit edge, however there are some conditions that occur because of the grade or shape of incoming steel that cannot be helped. ("Sandy" or rough edges, etc.). If there is a problem with a slit edge because of our process the steel will be re-worked at no charge to the customer. If a steel condition causes a coil to crash on line or there is a need to cut steel to create good material, Heidtman Steel Products will not accept any responsibility for the cost of the steel.
 - 5) All coils being sheeted must have a minimum of 0.060" tolerance for width for Stretcher Leveler and at least 3/4" of trim for the Multi-Blanker. Some jobs may be accepted with less but no debits will be accepted on any coils that do not meet the requirements.
 - 6) Quality needs should be described on the Purchase Order if anything more than the ASTM Standard is required.
 - 7) Requirements for flatness must be specified on the order. If Heidtman Steel cannot achieve the required flatness, the material will be pulled and a pull charge applied.
 - 8) Normal tolerances for sheet length (+/-0.125") and out of square (1/4") will apply to all processing coils, unless agreed to in writing prior to processing.

CUSTOMER OWNED COILS PROCESSED AT HEIDTMAN STEEL

- 1) We attempt to see everything we can on customer coils and alert the customer to any questionable coil conditions. While processing your material we do inspect and record any coil conditions that are seen and supply you with a quality tracking report and Parsytec (Pickle Line Only) when available. (See #7 under "Pickler" above). We cannot accept claims for any conditions that were not caused by one of our processes. It is impossible to achieve 100% visual inspection therefore Heidtman Steel Products cannot be held responsible for any conditions that our processes did not induce and did not report on.
- 2) No consequential or incidental damages accepted.
- 3) These terms are in effect upon processing and can only be altered if agreed upon by Heidtman Steel Products in writing.
- 4) No other terms take precedent.

STORING MATERIAL AT HEIDTMAN STEEL

Heidtman Steel Products cannot guarantee shelf life of any finished goods material stored on our floor in excess of 30 days following processing. Heidtman

Steel Products also cannot guarantee material against corrosion pitting that is stored outside our building for any length of time, or stored inside for longer than 60 days. We urge all customers to remove material no later than 30 days after processing, preferably within 7 days following processing. If you need to store finished material inside for longer than 30 days, we suggest extra packaging, such as paper wrapping with possible heavy oiling. We will quote to meet your needs matching our capabilities.

FILING A CLAIM

When requesting consideration for a claim the following information must be provided:

- a) Heidtman Steel coil number.
- b) Samples or clear pictures of coil condition

When a debit for material is agreed upon the cost of processing material may be waived. The cost of the steel will only be considered if there was gross negligence on the part of Heidtman Steel Products.

No claim will be considered after 6 months from material shipment.