

# TUBACEX AMERICA CLAIMS POLICY

## 1.0 INTRODUCTION

This general claim policy, together with Tubacex America Order Acknowledgment covers seamless stainless-steel and nickel alloys tubes and coil products invoiced by Tubacex America, including Salem Tube Inc, Tubacex Durant, Tubacex America Inc. This policy details the requirements when processing a claim and the steps Tubacex America takes when dispositioning a claim. Tubacex America will process each claim individually based upon the circumstances as outlined in the claim.

## 2.0 RESPONSIBILITIES

This policy indicates that Tubacex America commits that:

- All claims and complaints must be considered as a chance to improve,
- All claims and complaints must be treated with diligence,
- Claims and complaints and their handling process are tracked and reported transparently,
- Claims and complaints handling must be carried out from the perspective of customer service,
- Claim and complaint handling can contribute to improve customer relationship.

## 3.0 CUSTOMER REQUIREMENTS

Tubacex America classifies that all orders are considered complete based on the agreed tolerance in the Order Acknowledgment.

In general, 10% of the delivered footage should be checked or inspected before the entire package is rejected by the customer. If the material is rejected by the customer, a representative sample and evidence showing the defect for which the material is being rejected could be required to the customer. When 10% has been checked and the observed defect is still present, notify Tubacex America prior to processing more material.

### 3.1 Tubes

Tubacex America warrants 100% of the delivered goods. This warranty does not constitute a guarantee by Tubacex America that all material delivered will be defect free.

## 4.0 CLAIMS AND COMPLAINTS

### 4.1 Product Quality Claim and Complaint Procedure

For Tubacex America to process a claim or complaint an email should be sent to individual sales account team member's email.

Required by the customer, to establish a Claim Entry Date (first business day after the claim has been received), the customer is required to submit at least:

- Package Number(s)
- Total weight/pieces rejected

- Reason for rejection
- Photos of defects or video
- Samples (if needed by Tubacex America)
- Customer Claim Number (Company Claim #)
- Current condition of the material (tubes, formed parts, etc.)
- Current physical location of material
- Customer contact (Claim Contact name)
- Tubacex America Order number and Heat Number of all claimed material.
- To facilitate the claim process, it is recommended to use Tubacex America Claim Form when submitting a claim.

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

For the duration of the claim, the 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.

### 4.2 Product Quality Claim Resolution

Tubacex America seeks to provide final disposition for all claims within 30 days of Claim Entry Date, granted that all information requested by Tubacex America is provided by the customer. However, Tubacex America disposition may be delayed in those cases where there is:

- Missing information
- Awaiting material inspection / reception,
- Pending lab analysis testing.

### 4.3 Transportation

At time of material receipt, the customer is responsible for recording on the bill of lading, or on the proof of delivery, any visible damage and/or wet condition on the package. It is recommended that the customer provides visual evidence of the material on or within the mode of transport with the submitted claim. Tubacex America requires that any visible damage or wet condition on the package shall be informed within 5 business days from the date of reception of material.

### 4.4 Product Returns

Customer will not return product to Tubacex America unless directed to do so in writing. Unauthorized returns will not be accepted and will be returned at customer's sole risk and expense.

### 4.5 Shipment Rejections

Product that is rejected before reception by the customer is classified as a "Shipment Rejection". Reasons for Shipment

# TUBACEX AMERICA CLAIMS POLICY

Rejections can be product, delivery, or specification errors on the part of Tubacex America. All Shipment Rejections must be returned with the original Tubacex America bill of lading. Tubacex America will not accept claims or returns for customer order errors. If a customer rejects a shipment based on the customer's inability or unwillingness to receive material (and not as result of a Tubacex America error), Tubacex America reserves the right to refuse acceptance of the rejected material, at customer's sole risk and expense, or to apply additional charges incurred related to freight and storage associated with the rejected material.

## 5.0 OTHER MATTERS

### 5.1 Environmental damage

Conditions such as stains, rust, discoloration are inherent hazards when water, typically in the form of moisture or condensation, accumulate between tubes. This can occur during transportation and/or storage. If these conditions are present after unpacking, a claim must be submitted immediately for investigation. Tubacex America will not accept claims on material exhibiting these conditions, caused by environmental factors, after 15 days from date of invoice.

### 5.2 Weight discrepancies

When products are sold by weight a variation between Tubacex America and customer's scale weight up to 1% shall be permissible. If weights are outside of the 1% variation, a claim can be submitted, and the customer is responsible to add pictures if the scale weight indicating the weight difference and pictures of all labels on the packaging.

### 5.3 Shortage of goods

If quantity is outside of the agreed tolerance, a claim can be submitted to replace the missing material.

### 5.4 SCRAP

Tubacex America expects to be reimbursed scrap credit by the customer for all material scrapped as part of a claim resolution where Tubacex America is found responsible for the scrap.

## 6.0 LIMITATIONS

Tubacex America will not accept technical claims concerning:

- Damage considered visible to the customer at the time of material receipt but was not reported on the bill of lading,
- Defects caused by the customer in any way, or by third-party processors,
- Customer applied chemical or corrosives, non-favorable to stainless steels, in the intent to clean the material or packaging,
- Consequential damages, handling, or processing charges,

- Claims dispositions proposals to the customer, of which, the customer fails to respond for more than 30 days,
- Material scrapped by customer without Tubacex America approval,
- Material processed beyond the 10% mentioned in Section 3.3 Customer Requirements, without notifying and receiving acceptance from Tubacex America.
- Tubacex America will not honor sorting, sampling, storage, freight, additional processing, consequential costs, administrative or replacement cost unless pre-approved and allowed by Tubacex America prior to incurring the expense.

Effective: September 01, 2022