



TCI Aluminum Flat Rolled Quality Claim Policy

This document describes the policy and procedures for handling mill related claims for the coil, sheet & plate products of Ta Chen International, Inc. ("TCI"). No debit memo shall be deducted from TCI until after a claim has been entered, reviewed, accepted and a TCI credit memo has been issued. Customer debits deductions prior to the issuance of a TCI credit memo will be sent back to the customer for immediate repayment.

The TCI Aluminum Flat Rolled Quality Claim Policy is a term of TCI's Conditions of Sale and covers claims on material defects only. TCI does not reimburse for labor (i.e. back-off charges) and/or freight and/or transfer charges (to and from 3rd party processors) or any subsequent charges associated with claims resulting from material defects.

TCI supplies standard commercial quality according to Aluminum Association standards from our depots or directly from the mill. We must be notified at time of purchase order placement of any special end-use requirements for our evaluation.

1. CRITERIA FOR MATERIAL REJECTION ON COIL STOCK

- a. Our guaranteed minimum yield is 97% based on the net weight of the coil.
- b. If a defect is visible at the beginning of an individual coil, we authorize you to run up to **20%** of the coil weight to evaluate the degree and persistence of the defect. If the defect is non-flatness in coil, such as waviness or change in shape, then the deviation of the side edge needs to be measured and recorded. Photos showing an excessive deviation as captured by a ruler or tape measure will be needed to successfully pursue such a claim.
If the sheets cut from a coil that does not show any waviness or change in shape, do not lie flat, then a report to be issued by the coil operator showing what and how many adjustments were made to the cut to length/ leveling line to obtain flat sheets.
- c. If a defect appears towards the end of the coil, we authorize you to process any coil weighing 1,000 lbs or less and to set aside for our inspection the defective material in excess of our guaranteed minimum yield of 97%.
- d. All rejected material must be properly identified with your P.O. Number, the Ta Chen Sales Order number, invoice number, grade, dimensions, lot number/pack number and the original package weight. **The most efficient method is to attach a copy of the corresponding mill test report / packing list to the customer rejection sheet.**

2. NOTIFICATION OF REJECTION

The following must be provided:

- A sample and/or digital photograph resp. video that clearly display the nature of the defect.
- A copy of the mill test report/packing list corresponding to the material under claim.
- An accurate description of the defect(s) and the exact location(s) within the coil (head middle - tail end -edges - top or bottom side).



- Shape Defect – Samples are generally not required. However, please provide a digital photo and a definitive measurement of the raw material – height of the wave and distance between centers.
- An official claim as outlined above is to be logged with your TCI account manager so that our product management team can proceed with the claim.

3. SETTLEMENT OF THE REJECTION

- Upon prior agreement a claim may be settled for raw material less scrap value (Scrap value according to weekly Secondary Aluminum Buy Index on www.metalprices.com)
 - Upon receipt of the sample or substantiating photo at the originating TCI warehouse location and post consultation with the mill for review of the production & inspection records.
 - A letter-sized sample of the defective material should be retained in any case, since the mill may request physical examination of the claim sample and completion of such examination may be necessary before the claim will be accepted or denied.
 - If there is a disagreement between the customer's and the mill's opinion regarding the validity and extent of the claim, a thorough onsite inspection may promptly be performed to settle the matter.
- a. No claim will be honored on material that has already been processed when it exceeds the limits specified in Part 1: Criteria for Material Rejection on Coil Stock.
 - b. No claim will be honored if the above procedures are not followed.
 - c. A claim initiated and presented by a third party will not be considered. Expenses or damage caused by third party processing is at your own risk.
 - d. Claim filing deadlines depend on what type of claim and what type of order:

Depot Orders

All claims for water stains and/or hidden mill defects must be filed within 60 days of purchase date from TCI inventory

External damage of any kind is to be reported promptly upon receipt at customer's facility.

Mill Direct Orders

All claims for water stains and/or hidden mill defects against mill-direct orders must be filed within 90 days of receipt of material.

- e. All aluminum that Ta Chen agrees to accept for return must be securely skidded and protected for standard shipping and handling. The package content must be properly tagged and identified.