

CLAIM POLICY

All submitted claims are evaluated based on validity in accordance with the policy of R.M. Creations, Inc. Unauthorized deductions for claims occurring prior to disposition and agreement will constitute as non-payment. Subsequent consequences of non-payment include, but are not limited to transport hold, interest on past due amounts, loss of discounts, legal action, and cancellation of existing orders/contracts.

1. General Requirements:

The R.M. Creations Inc. claim policy is a part of the terms and conditions of sale and covers claims on:

Material defects only. No reimbursement will be given to labor (back off charges and post fabrication charges by end user) and/or freight/transfer charges (to and from third party processors), loss of production, or charges associated with claims resulting from material defects. Replacement material will not be given.

Material is supplied with standard distributor quality from our depots or directly from the mill. Any specific end use requirements must be notified at the time of order placement. The judgement and ability to define the non-conformance of a product, based upon end use requirements is expected of the customer; therefore, following a technical and/or physical investigation done by R.M. Creations, Inc., any claim determined to have discrepancies considered unreasonable will be declined.

2. Criteria for material rejection:

Any claim submitted after 3 months of the invoicing date are subject to denial. A minimum yield of 97% or more of the net weight of a coil is guaranteed; reflective of typical head/tail conditions from the mill. Claims of less than 3% may be subject to denial. You will have 1 week to get back with claim details after you have informed R.M. about a potential claim. Any claim for the transformed material without informing R.M. is subject to denial.

In regards to positions of defect:

- If located at the beginning of the coil, permission of processing up to 10% of the coil weight is granted. If the defect degenerates at the 10% position, the processing of an additional 5% of the coil weight can be done. In special cases, additional processing may be allowed with prior approval in writing.
- If the defect is continuous, processing must stop and the coil, including the processed metal, is to be set aside for R.M. inspection.
- If located near the end of the coil, processing of any remaining weight of 1000 lbs. or less is accepted and should be set aside for R.M. inspection.
- If located in the middle of the running coils, processing of approximately 1000 lbs. can be done to evaluate the persistence of defect. If the defect persists, processing must be stopped, and coil must be set aside for R.M. inspection.

No claim(s) will be honorable on processed material if it exceeds the limits provided above.

3. Notification and claim submission requirements:

In order for the claim to be processed, proper identification, including sales order number, purchase order number, grade(s), dimension(s), coil lot, and heat number will be required along with the given claim number and net weight of the rejected material. Additionally, a copy of the corresponding mill test report and the packing list must be provided. Claims should be submitted with proper pictures showing the defects, pictures showing the position of the defect(s) (driver side/work side/upper side/lower side/middle), and pictures showing distance between repeated defect(s) if any. Claims submitted without this information are subject to denial. Sample of visible damage must be sent by courier within 3 days.

Non-dimensional and optical chatter marks that do not impact the inherent qualities of the material will not be considered for rejection. During sheeting, roller marks can present leading slight hairline scratches. This surface quality is considered normal for a commercial mill finish.

If the condition of the material is considered to be rectifiable, we reserve the right to request return of the defective material for corrective measures.

4. Divulgence of Rejection:

In order for a claim process to begin, clear photographs of the defect must be sent. Conversely, a sample of the material with the defect can be submitted, but must be marked with the claim number which will be provided by our quality department. Supplementing this should be a description of the defect and the location of where the defect(s) was/were found. Also needed, will be material information such as a copy of the mill test report, packing list associated with the material, and heat/lot number.

- For shape defects, samples will typically not be needed. For this, we will require clear photos of the defect which indicate height deviations of waves and distances between the centers. This can be done using rulers.

Failure to provide the above details in a timely manner may lead to claim denial.

Rejection Settlements

1. The maximum time limit for claims involving inherent metallurgical quality or any concealed defect will be twenty-one days from the invoice date of the material. Claims exceeding this timeframe will not be considered.
2. Claims arising from third parties will not be considered. Any expenses incurred or damages caused by such parties will be at the expense of client.
3. Claims regarding water stains or any claim relevant to such must be filed within ten days of the invoice date of material.
4. Any shipment that arrives damaged or wet must be signed for as such on the delivery Bill of Lading. If the damage is determined to be caused by handling, storage, or transportation, and the signed Bill of Lading shows documentation of such damage, the claim will be honored.
5. Material that is accepted for return must be skidded and loaded securely under standard shipping requirements. Material itself should be tagged with all information concerned under the divulgence requirements above.
6. Claims may be settled for raw material less scrap value. The scrap value as such, will be a function of the American Metal Market's daily quotation. This will be done at the time of claim acceptance. No material may be scrapped or disposed of without written authorization.
7. Although a sample may not be required in some cases, one should be retained as supplying mill may require a physical inspection for the material in question. If needed, this inspection must be carried out prior to claim acceptance or denial.
8. To initiate a discussion with the mill concerning claim defects, clear photographs and/or a sample will be required.
9. If a discrepancy exists between the mill and customer pertaining to the validity of the claim, an onsite inspection will be required.
10. No debit memo shall be deducted from R.M. Creations, Inc. until after a claim has been entered, reviewed, accepted and credit note issued. Debits deducted prior to credit being issued will be sent back for immediate repayment.
11. Claims that do not adhere to any of the above terms or guidelines will not be honored.

This claim policy is effective from March 1st, 2021. This will extend to all orders from March 1st, 2021.