



CUSTOMER CLAIM POLICY

NOTE: This Policy must be followed to validate any claim. A failure to comply with the timeliness and requirements set out in this Policy will be sufficient grounds to deny any claim.

1. TERMS OF SALE

This Policy is part of Armour's Standard Terms and Conditions of Sale (collectively), (**Terms**) and applies to the Sale of product by Armour Alloys Inc. and affiliates Armour Automotive and Armour Alloys De Mexico (collectively), (**Armour**), and to our Customers.

In any event where there is discrepancy or inconsistency between this Claim Policy and the Terms, the Terms shall take precedence and prevail.

2. WARRANTY

Armour's products (as defined in the Terms) meets the specifications, tolerances, and surface quality level stated in the Order Confirmation, subject to the limited warranty set out in the Terms.

3. INSPECTION AND NOTIFICATION OF CLAIM

Customers are required to inspect the product/s on receipt or no later than five days (5) after receipt to validate a claim. Inspections to include but not limited to damage, verification of gauge, width, and weight. Should any discrepancy exist between the Sales Order and physical product, Customer is to advise their Armour Sales representative within the five-day inspection period by submitting a Non-Conformance (NC) or Returns Material Authorization (RMA) form describing the discrepancy/s.

4. MOISTURE, RUST, AND CORROSION

Product that bears signs of moisture, rust, or corrosion, on receipt must immediately be brought to the attention of Armour but no later than 24 hours after receipt. All BOL's and other documents related to the shipment must be held, and product quarantined as a condition of claim.

Failure to document the physical condition of the product on all copies of the BOL (*Bills of Lading*) including the driver 's copy, and to notify Armour within the timeframe, will negatively impact any claim and potentially may include invalidating the claim.

For defect claims relating to hidden conditions (e.g. rust, corrosion) which were not readily apparent on receiving inspection, Customer must notify Armour in writing by submitting an NC or RMA document within thirty (30) days from Customer's receipt of materials to be eligible for any potential claim.

OTHER CLAIMS

5. Claims related to inside and outside wraps of coils and slit-coils (mults) will not be accepted as these are considered "lead-ins" and "tail-ends", and any markings or stickers on the laps that may be present. As a precondition to submitting a claim, the Customer shall have processed a minimum of 10% of the Product to substantiate the extent of the alleged defects and to determine the frequency and nature of the alleged defects.



PERMISSIBLE DEFECTS

6. By placing an order with Armour, Customer agrees that the Permissible Defect Rate (PDR) is 2% maximum of the billed length or weight. The PDR shall be calculated in accordance to the following formula:

$$\text{PDR \%} = \text{total defect length or weight} / \text{total weight shipped}^* \ddagger$$

*For heavy gauge coils (>.236" in thickness as per ASTM), the PDR% relates to a percentage of the billed weight that is equal to a complete outer and inner diameter wrap of the coil and may exceed 2% due to material thickness.

†If a shipment is made in both length and weight, the PDR% shall be based upon the billed weight.

‡The PDR% is to be applied on a shipment-by-shipment basis in the form of the product received (mill master coil, slit coil, sheets, etc.).

REQUIRED INFORMATION AND TIMEFRAME FOR CLAIM RESOLUTION

7. Claims must be submitted in writing to the appropriate Armour Sales representative within the timelines set out in this Policy. Any defective product, or material should be segregated by the Customer for review and disposition by the Armour representative. Unless otherwise agreed to in writing by Armour, Products subject to a claim must be stored and cannot be returned to Armour, moved, scrapped, or otherwise modified pending Armour's review of the claim.

All claims must be submitted on a NC or RMA form and shall include the following:

- Description of the defects is as much detail as possible, including measurements and total weight affected.
 - ID Tag number of affected Product.
 - Photos clearly showing the defects.
 - Identity of the Product including the Armour ID tag and/or the individual cut strand sticker.
 - If the Product is in coil form: description of the defect, location (lead/body/trail; top/bottom surface; Edge 1/Center/Edge 2; repeat distance/pitch or continuous).
 - NOTE: Samples of the received condition that contain the defect (i.e. prior to processing) may be requested. Please coordinate with the appropriate Armour Sales representative to courier the samples.
8. Provided that the Customer delivers to Armour the requested claim information and files its claim within the required timelines set out in the Policy, Armour endeavors to review claims on an expedited basis. Resolution of claims may, at Armour's sole discretion, include return or scrapping the affected Products. Generally, Armour aims to respond to claims (that have the required documentation) within 5 business days.



Claims accepted by Armour will cover the purchase price of the material and freight (if applicable). Additional incurred costs (e.g. administrative costs, line time, sorting, etc.) will not be reimbursed by Armour. Notwithstanding the foregoing, Armour may, at its discretion, consider on a case-by- case basis, additional incurred costs incurred by the Customer, provided that any such costs must be an itemized breakdown of same, have back up documentation, and have prior written consent of Armour.

Customer shall not short pay Armour pending Armour's review of a claim. Please note that short-paying an invoice may result in the Customer's account being put on hold.

In the event that Armour agrees with the Customer's claim, the return of defective material will be coordinated by the appropriate Armour Sales contact. It is the Customer's responsibility to ensure material is properly identified and safely packaged for return in accordance with applicable safety, loading, and delivery standards.