



**Prajekto 360 INTL (PI)
Aluminum Flat Rolled Quality Claim Policy**

This policy outlines the procedures for handling material defect claims for Prajekto Steel International, Inc.'s (PI) Aluminum flat rolled products, including coil, sheet, and plate products. PI will not deduct a debit memo until a claim has been entered, reviewed, accepted, and a PI credit memo has been issued. Any debit deductions made by the buyer before the issuance of a PI credit memo will be rejected, and the buyer will be responsible for paying the invoice in full immediately. PI's Aluminum Flat Rolled Quality Claim Policy is incorporated into and should be read alongside PI's General Terms and Conditions. PI does not reimburse for labor, freight, transfer charges, or any subsequent charges related to claims resulting from material defects. All products are subject to industry-accepted tolerance on weight and dimension. PI supplies standard commercial quality flat rolled products according to Aluminum Association standards from PI depots or mills. Any special end-user requirements must be mutually agreed upon in writing by PI and the buyer at the time of purchase order placement.

NOTIFICATION OF REJECTION FOR MATERIAL DEFECTS

To report a material defect, the buyer must provide a sample and/or digital photograph or video that clearly displays the nature of the defect, a copy of the coil skid or bundle number, order number, heat number, size, weight, description of claim, rejected weight information, digital photos (and if possible, a sample), and PI Sales Order Confirmation number corresponding to the material under claim. The buyer must provide an accurate description of the defect(s) and the exact location(s) within the coil (head, middle, tail, edges, top or bottom side). For coil shape defects, samples are generally not required. Instead, the buyer must provide a digital photo of the material on the processing line and a definitive measurement of the raw material (height of the wave and distance between centers). For shape defects on sheet and plate products, the buyer must provide a digital photo demonstrating the deviation from allowable tolerance. The buyer must log a formal claim as outlined above with their PI account manager so that the product management team can process the claim.

STANDARDS OF REJECTIONS ON COIL STOCK:

- a. The minimum yield of the product must be 97% based on the net weight of the coil.
- b. If a defect is visible at the beginning of a coil, the buyer can test up to 20% of the coil weight to assess the degree and persistence of the defect.
- c. If the defect is non-flatness in the coil, such as waviness or change in shape, the deviation of the side edge must be measured and recorded. Photos that show an excessive deviation as captured by a ruler or tape measure are required to pursue such a claim.
- d. If the sheets cut from a coil that show significant waviness or change in shape do not lie flat, a report must 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.
- e. If a defect appears towards the end of the coil, any coil weighing 1,000 pounds or less can be processed by the buyer, and the defective material in excess of the 97% minimum product yield can be set aside for PI inspection or photographic/digital review.
- f. All rejected material must be identified properly with the buyer's Purchase Order number, the PI Sales Order Confirmation number, invoice number, grade, dimensions, lot number/pack number, and the original package weight. The preferred method is to attach a copy of the corresponding MTR and packing list to the buyer's rejection notice.

Review and Claim Resolution:

- a. When PI receives notification of product rejection for material defects, including the sample or substantiating photo, MTR, packing list, purchase order number, PI Sales Order Confirmation number, and description of the claimed defect(s), PI will review and inspect the claim and may consult with the originating mill and review and inspect the production and inspection records. A sample of the defective material should be retained by the buyer, as the mill may request physical examination of the claim sample.
- b. If PI accepts the claim, it may either credit or refund the price for such material defective product upon receipt of the returned product, or request the buyer to retain the material defective product and issue a credit based upon the PI invoice price less scrap value. Scrap value will be calculated upon the acceptance date of the claim using the daily rate found on metalprices.com with respect to scrap settlements.
- c. Claims will not be honored on material that has already been processed when it exceeds the limits specified in Part 2: Criteria for Material Rejection on Coil Stock.
- d. The above procedures must be followed for claims to be considered, and claims initiated and presented by a third party will not be accepted. Expenses or damage caused by third-party processing are at the buyer's own risk.



e. Claim filing deadlines depend on the type of claim and order. All claims for water stains and/or material defects against depot orders must be filed within 60 days of purchase date from PI inventory, and all claims for water stains and/or material defects against mill-direct orders must be filed within 90 days of receipt of material. External damage to any delivered product or packing of the delivered product of any kind must be reported to PI upon buyer's receipt at its designated facility.

f. All aluminum that PI 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.