



TCI Nickel Alloy Flat Roll Quality Claim Policy

This document sets forth the policy and procedures for handling material defect claims for Ta Chen International, Inc. (“TCI”) Nickel Alloy flat roll products. Flat rolled products include coil, sheet and plate products. 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. Buyer’s debit deductions prior to the issuance of a TCI credit memo will be rejected and Buyer shall be responsible for immediate payment of the subject invoice in full.

The TCI Nickel Alloy Flat Roll Quality Claim Policy is integrated into and should be read together with TCI’s General Terms and Conditions. TCI does not reimburse for labor (i.e. backoff 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.

1. NOTIFICATION OF REJECTION FOR MATERIAL DEFECTS

In the event of Buyer’s timely rejection of any TCI Nickel Alloy flat rolled products, the following must be provided by Buyer:

- A sample and/or photograph that clearly displays the nature of the defect.
- A copy of the mill test report (“MTR”), packing list, purchase order number and TCI Sales Order Confirmation number corresponding to the material under claim.
- The defect must be out of ASTM/ASME tolerances, and accurate description of the defect is required.

2. REVIEW AND CLAIMS RESOLUTION

- a. Following TCI’s receipt of Buyer’s notification of rejection for material defects, the sample or substantiating photo, MTR, packing list, purchase order number, TCI Sales Order Confirmation number and description of the claimed defect(s), TCI 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 Buyer 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 Buyer, the originating mill, and TCI regarding the validity and extent of the claim, a thorough on-site inspection shall be promptly performed to resolve the matter.

In the event of TCI’s acceptance of Buyer’s claim, TCI, at its sole discretion shall either (i) credit or refund the price for such material defective product upon receipt of the returned product or (ii) request Buyer to retain the material defective product and issue Buyer a credit based upon the 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).

- b. No claim will be honored if the above procedures are not followed.



TA CHEN INTERNATIONAL, INC.

- c. A claim initiated and presented by a third party will not be considered. Expenses or damage caused by third party processing is at Buyer's own risk.
- d. External damage to any delivered product or packing of the delivered product of any kind must be reported to TCI upon Buyer's receipt at its facility.
- e. A claim is to be filed within 30 days of purchase date from TCI inventory.
- f. All products that TCI 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.