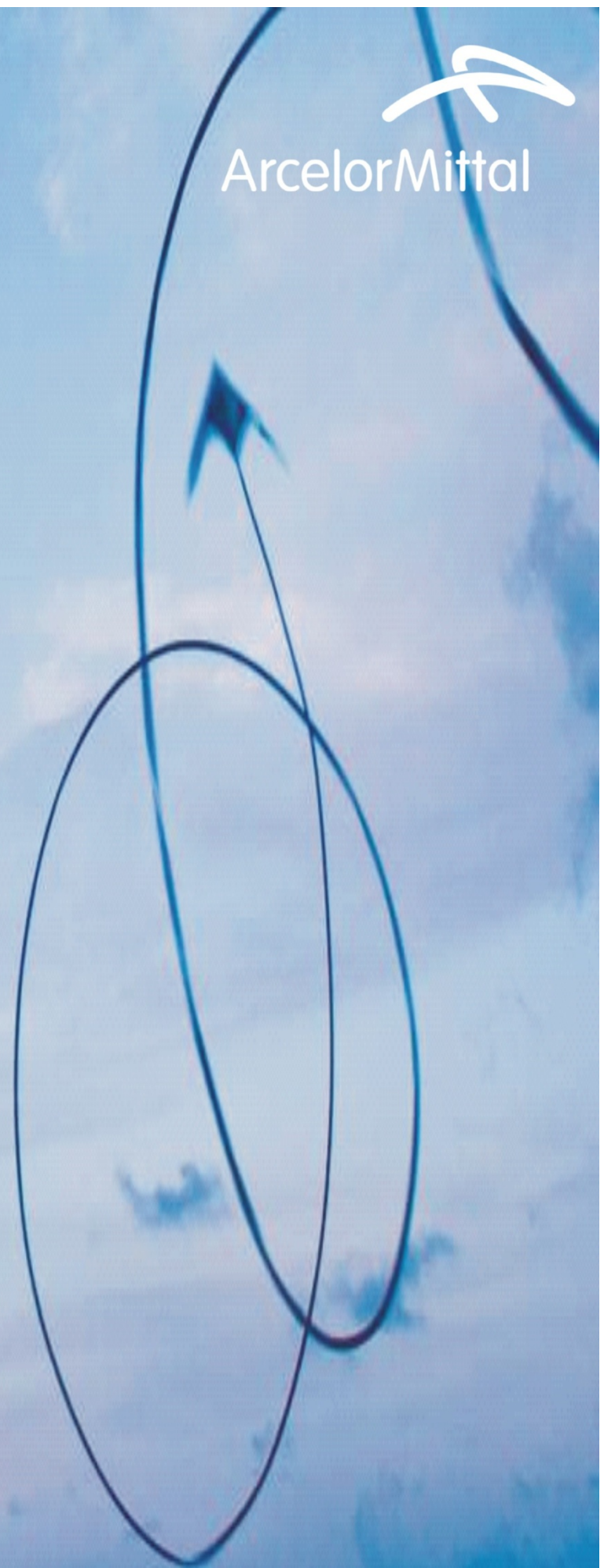


ArcelorMittal Dofasco
Flat Carbon Steel



ArcelorMittal

Claims Management Policy



ARCELORMITTAL DOFASCO CLAIMS MANAGEMENT POLICY

INTRODUCTION

This general claims policy covers light flat rolled sheet products produced at all ArcelorMittal Dofasco flat rolled facilities. It covers the major points of a claim policy, but it does not intend to cover all circumstances that may arise. ArcelorMittal Dofasco reserves the right to handle each claim individually, based on the circumstances surrounding the claim in question. Customer order information requirements, as listed below, including dimensions, flatness, surface, coating weight, surface texture, and chemistry will be according to customer specifications accepted by ArcelorMittal Dofasco in advance in writing, and/or consistent with applicable ASTM specifications. This general claims policy may be modified or superseded by individual ArcelorMittal Dofasco mill policies.

ORDER INFORMATION AND MEETING YOUR QUALITY NEEDS

In our continual effort to fully understand customers' needs and resultant product requirements, our Customer Technical Service Managers are available to assist in identifying the product attributes of each order. ArcelorMittal Dofasco requires specific information at the time of order placement for all products including coils, sheets, and blanks. This helps to ensure that ArcelorMittal Dofasco provides suitable performance in formability, weldability, flatness, surface and dimensions. More detailed characterization of all product attributes will also help to reduce the number of quality rejections in your plant and facilitate the resolution of any product claims that may arise. Clear communication between ArcelorMittal Dofasco and our customers supports our common goal of continuous improvement and ensures that products, as shipped from ArcelorMittal Dofasco, meet your quality needs.

In compliance with ISO/TS 16949, we request that all orders include both end use information and the corresponding product attribute requirements. Where multiple end uses are involved for one order, the most critical end use should be specified. If it is not possible to provide a specific end use, please ask the ArcelorMittal Dofasco Customer Technical Service Manager to help assess the appropriate product requirements for the order. Orders cannot be processed without complete product information on the purchase order.

The following is a summary of information that is required on all flat rolled purchase orders:

- | | |
|---|--|
| 1. Customer sold to address | 12. Coating, if required |
| 2. Requested ship to address | 13. Oiling |
| 3. Product | 14. Chemical treatment, if required |
| 4. Specification | 15. Mill edge or slit edge (Hot Rolled) |
| 5. End use | 16. Requested coil weights |
| 6. Size and gauge, including tolerances | 17. Testing requirements |
| 7. Ordered quantity | 18. Packaging and loading instructions (including ID/OD) |
| 8. Requested delivery date | 19. Carrier |
| 9. Surface requirement | 20. Freight - prepaid/collect |
| 10. Flatness requirement | 21. Tax exemption numbers |
| 11. Surface finish, if applicable | |

Please refer to the ArcelorMittal Dofasco Flat Rolled Price Book to identify any applicable price extras that apply as a result of the purchase order requirements. Similar information is also required for non-flat rolled products.

COIL QUALITY - GENERAL

ArcelorMittal Dofasco is committed to ensuring that our products meet the quality needs of our customers.

Should any problems arise in the use of our products, we request the following:

1. ArcelorMittal Dofasco must be provided with details of the problem and given a reasonable opportunity to investigate claims. Customers are advised to not return material to ArcelorMittal Dofasco unless authorized. Otherwise additional handling and freight charges could result. ArcelorMittal Dofasco Customer Technical Service Managers will investigate and report on the nature of the complaint relative to purchase order requirements and will recommend a suitable course of action.

Unauthorized or unidentified deductions before a claim is dispositioned or settled constitutes nonpayment with subsequent consequences, including, but not limited to, credit hold, shipping hold, and loss of discount privileges.

2. Steel determined to be unusable, because of mill related reasons, should be set aside for review with the appropriate ArcelorMittal Dofasco personnel. This includes blanks, cut lengths, coils or slit mults from coils. For coils or slit mults, a minimum of 10% of the coil must be processed before rejecting the entire piece.

For Hot Rolled Plain product which, by definition, is shipped without further processing, the customer will also be expected to accept, without claim, a maximum of 15 feet on either end of a coil that may exceed gauge or width tolerances.

If it is confirmed that the problem is a result of faulty steel, our policy is to credit based on the transaction price of the steel, plus freight costs incurred in moving the steel from ArcelorMittal Dofasco to the customer's plant.

SCRAP CREDIT

ArcelorMittal Dofasco expects to recover the current market value for the scrap or coils if the steel is not returnable. The market value will be based on the published ArcelorMittal Dofasco scrap credit value for mill returns for the month in which the claim is accepted by the ArcelorMittal Dofasco Technical Service Manager.

CONSEQUENTIAL COSTS

For claims with merit, ArcelorMittal Dofasco will assume responsibility for the value of the weight of the material involved, address other costs as outlined below, and will not be liable for further consequential damages or other costs. ArcelorMittal Dofasco will not honor sorting, sampling, storage, freight, additional processing, consequential costs, administrative or replacement cost unless pre-approved and allowed by ArcelorMittal Dofasco prior to incurring the expense.

COIL QUALITY - SPECIFIC PRODUCT ATTRIBUTE POLICIES

Following are policies for the resolution of claims related to specific product attributes. ArcelorMittal Dofasco's Customer Technical Service Managers will follow these policies in assessing the nature of the complaint and in recommending a suitable course of action.

PRODUCT SURFACE - GENERAL SURFACE DESCRIPTORS

ArcelorMittal Dofasco employs state of the art manufacturing facilities and best in class practices to produce products that meet the needs of our customers' end use. Understanding that some applications are more demanding than others, the typical surface defects that may be encountered with each product (hot rolled, cold rolled or coated) and surface category (standard, semi critical and critical) are available for review through your Customer Technical Service Manager.

Definitions of product surface have been classified into four categories:

Standard - May contain surface defects that can be seen and felt but are not detrimental to the structural integrity or manufacturability of the part. Should only be ordered where appearance is not critical. Some Hot Rolled and Coated products may contain break marks.

Standard surface pickled hot rolled products may contain stains that are the result of an unplanned pickle line stoppage. Unplanned stops are inherent in continuous Pickling operations and occur on less than 2% of all coils produced. When a line stop happens, the stain will be isolated to a single section representing less than 2% of the coil length (to a maximum of 50 feet). ArcelorMittal Dofasco will accept a claim for the length of material affected by the stain.

If the appearance of pickle line stop stains are not acceptable for the end use application and if they cannot be isolated during the usage of the steel in the stamping, blanking, cutting, tubing, rollforming or other steel consuming processes, then we advise that Semi-Critical surface be ordered as this product is free from pickle line stop stains. Please consult the ArcelorMittal Dofasco Price Book for the applicable price extra for semi-critical surface.

Semi Critical - May contain surface defects that do not affect formability or the application of surface coatings. Some surface defects that can be seen are allowed. Defects may show through paint as highlights.

Critical - Surface should be free of defects that might affect the uniform appearance of a quality paint or an electrolytic coating. Defects may be seen but will not show through paint.

Auto Exposed - Auto exposed criteria, developed with each OEM for each application.

Please be aware that price extras apply to the semi critical, critical and auto exposed categories.

FLATNESS

The ArcelorMittal Dofasco Flat Rolled Price Book offers a number of flatness options according to product and price extra.

The flatness tolerance quoted is the maximum deviation from a horizontal flat surface, as defined in the flatness tolerance tables of appropriate ASTM specifications.

For hot rolled product, two exceptions exist - claims will not be accepted for flatness for non-tempered non-pickled hot rolled or heavy gauge pickled hot rolled over 0.25 inches in thickness. In both of these cases, the product is as produced from the Hot Mill and no shape correction has been applied.

MINIMUM CLAIM - SURFACE DEFECTS (SEAMS, SLIVERS, HOLES, STAINS, ETC)

When coils or coil inspected cut lengths are ordered, it is to be expected that they may contain some abnormal major surface imperfections and also more minor imperfections than sheet inspected cut lengths. Coils and coil inspected cut lengths may also contain pickle line welds and inner and outer coil wraps may be damaged in handling.

The customer will be expected to accept, without claim:

- The inside and outside wraps
- Pickle Line welds unless specified 'to be without welds'

When surface imperfections are encountered in parts, blanks or cut lengths from inspected coils, the customer is expected to accept up to 2% by weight without claim. It is the usual practice of customers to shear, blank or process at least 10% of any given coil or bundle before rejecting an order to ensure that the condition is prevalent throughout.

For Hot Rolled Plain product which, by definition, is shipped without further processing, the customer will be expected to accept without claim, a maximum of 15 feet on either end of a coil that may exceed thickness or width tolerances.

RUST & STORAGE STAINS

It is ArcelorMittal Dofasco's standard practice to oil or chemically treat coiled product. If required, ArcelorMittal Dofasco will produce dry product (no oil), which can include Hot Roll pickled dry, Cold Roll dry and Coated unpassivated dry. Price extras may apply, please see ArcelorMittal Dofasco Flat Rolled Price Book. Prompt shipment when ready is particularly critical when material is ordered dry. When the purchaser delays the shipment, ArcelorMittal Dofasco assumes no responsibility for rusting or other surface contamination resulting from such delay.

The following time limitations apply to all products delivered to and accepted by the customer:

- Dry - non oiled (Hot Roll, Cold Roll & Unpassivated Coated) - claims will not be accepted
- Oiled - claims will not be accepted after 30 days of shipment
- Storage Stains - claims will not be accepted after 3 months of shipment

ArcelorMittal Dofasco will not accept any rust claim for material shipped beyond the original ship to destination.

AGING

For Commercial Steel (CS) and Drawing Steel (DS), the aging phenomenon may exist, especially on continuous annealed product. Over time, the effect of aging shows up in two ways:

- Higher hardness/poorer ductility on Commercial and Drawing type steels
- Fluting or stretcher strain

A certain amount of cold work (roller leveling or temper rolling) will prevent these conditions from occurring, but the effect is only temporary. It is necessary for the user to effectively roller level immediately before use to eliminate the straining or fluting effects of aging.

Beyond 45 days from the shipment date, the effects of aging on product as shipped from ArcelorMittal Dofasco, including loss of ductility and increased hardness, must be accepted by the customer. If necessary, ArcelorMittal Dofasco will examine samples to verify that the appropriate steel was applied and properly processed.

TIME LIMITATION FOR CLAIMS

ArcelorMittal Dofasco will not accept claims after 6 months from the delivery date.

TRANSPORTATION ISSUES

For all shipments, consignee is responsible for inspection and documentation of material condition during receipt and unloading.

Freight damage that occurs when a load is shipped FOB "Mill" (Prepaid or Collect) to the customer is not the responsibility of ArcelorMittal Dofasco. Claims for product damaged in transit must be processed through the carrier by the customer.

Freight damage that occurs when a load is shipped "FOB Customer" must be reported to ArcelorMittal Dofasco within 24 hours of delivery.

Consignee is responsible for storing and protecting material from further deterioration while claim is being resolved.

SECONDARY PRODUCT

Secondary product is sold on an "As Is" basis only, with no warranty whatsoever expressed or implied. Furthermore, the stated specific reason a certain product or material is classified as secondary may not always include all of the existing imperfections in the product.

CUSTOMER RESPONSIBILITIES FOR PRODUCT RETURNS

In order to process claims efficiently, unauthorized returns will not be accepted. The ArcelorMittal Dofasco Claim number, provided by your Technical Service Manager, is your return authorization number.

Returned material should be repackaged in a manner to prevent damage and allow for safe handling. ArcelorMittal Dofasco's minimum banding and packaging requirements are found in the Packaging and Loading Manual on ArcelorMittal Dofasco's website (link below).

http://www.dofasco.ca/bins/content_page.asp?cid=502-847-854

Please note that the Claim Number must be written clearly on the Bill of Lading accompanying the return. As well, it must be clearly written on the outer wrap or packaging of each returned coil, or on the top sheet of each returned bundle.

Product that is rejected before receipt on the customer floor is classified as a 'Customer Rejection'. Example reasons for customer rejections are wrong coil shipments and customer-requested delivery error. For customer rejections, the load will be received back at ArcelorMittal Dofasco with the original ArcelorMittal Dofasco Bill of Lading. If the rejection was due to a customer error, we require that the Bill of Lading be signed by an approved customer representative before the load is returned to ArcelorMittal Dofasco. Without this signature, the truck driver will be required to sign a liability waiver in order to unload back at ArcelorMittal Dofasco. In cases where customer rejections are due to transit damage, the truck driver will be required to sign a waiver in order to unload the material at ArcelorMittal Dofasco.

Customer rejections or returns that are the result of a customer error will result in charges by ArcelorMittal Dofasco to cover incurred freight costs.

ArcelorMittal Dofasco is only able to accept sheet product returns on Tuesdays and Wednesdays.

Any challenges to this policy or its interpretation will be addressed with the appropriate level of management by the Technical Service Manager, on behalf of the customer.