

## Introduction

As described in the ArcelorMittal Dofasco (AMD) claims policy, for all shipments, the customer is responsible for inspection and documentation of the material conditions during receipt and unloading. Any damage or deterioration of product condition found during storage or processing that was not reported within 1 business day of receiving is assumed to have been visible at the time of receipt and will not be accepted as a mill responsible claim.

For product delivered FOB “Mill” (prepaid or collect) or Ex Works “Mill” (collect), customer owns the material while in transit and no claims will be accepted for damage to product sustained in transit. The customer is strongly advised to follow the procedures outlined in this document to prevent deterioration of product condition and maximize the potential for cost recovery with the transportation company.

For product delivered DDP (Delivery Duty Paid) “Customer” or DAP (Deliver at Place), AMD is the payer of the freight, and any claims relating to damage to product sustained in transit must be reported to AMD in writing within 1 business day of delivery of product and documented with photographs. The procedure outlined in this document describes the minimum inspection that must be performed and documented by the customer. AMD will not accept claims for damage to product sustained in transit, or deterioration of coil condition as a result of such damage, if the inspection, documentation, and reaction to condition upon arrival did not adhere to the guidelines in this document.

## Receiving Inspection

A general evaluation of all incoming material must occur at time of receipt to determine if transportation damage is present. The inspection must be completed immediately upon delivery. If any deviations are detected, they must be noted on the incoming paperwork with pictures taken of the deviation and coil label. It is required that the inspection and pictures are completed while the material is still on the truck trailer or railcar. All deviations must be reported to AMD within 1 business day. There are extra inspection and notification steps to follow for coils delivered by rail (see “Rail Transportation Damage” section).

## Floor Inspection

Within 1 business day of receipt a complete inspection must be done at the first point of rest. All deviations must be reported to AMD immediately. If any deviations are not properly documented or reported then responsibility may be assigned to the receiver. AMD takes no responsibility for damage to product once delivered to the original shipping destination.

Requirements for floor inspection:

- Material should not be unwrapped until it reaches ambient temperature, unless packaging is compromised, or the material shows evidence of moisture.
- Inspect material for any moisture such as condensation or frost. If moisture has been detected or is suspected, immediately follow the “Wet Material” instructions before continuing the Floor Inspection.
- Inspect all packaging for any rips or tears that might indicate handling damage. Examine the general condition of the material for any apparent or potential handling damage. The “Packaging Damage” section gives examples of significant packaging damage. If significant packaging damage is noted, immediately follow the instructions in the “Packaging Damage” section before continuing the Floor Inspection.
- Inspect for handling damage such as cracks, bent laps, dents, bruises, punch marks etc.
- Inspect for rust or stains with the rust/stain location and severity documented with photos.

## Instructions for addressing Wet Material

### A. When material is frosted, wet or exhibits condensation at receipt and packaging has **not** been compromised:

- Document coil condition on the incoming paperwork.
- Take pictures of the material in the railcar or on the truck.
- Inspect the railcar or truck to ensure the moisture is not the result of wet tarps, damaged floor or leaking rail car covers.
- Place all wet material in a designated drying area (not in the coil field) to allow for full packaging inspection as well as air flow.
- Wipe down the material to reduce the level of moisture on the packaging and expedite the drying process.
- If possible, utilize fans to dry the exterior of the coils. In the case of bare coils, use fans but do not blow the air directly between the laps. Direct the air over the sidewalls.
- If moisture is still suspected under the packaging, create a 15 cm slit in the packaging at the 6:00 position to confirm and allow any moisture to drain. If it is determined that moisture exists, completely remove the wrapping.
- Prioritize affected material for production as soon as possible (do not apply normal FIFO rules).

### B. When material is frosted, wet or exhibits condensation at receipt and packaging has been compromised:

- Place all wet material in a designated drying area (not in the coil field) to allow for full packaging inspection as well as air flow.
- Wipe down the material to reduce the level of moisture on the packaging and expedite the drying process.
- If possible, utilize fans to dry the exterior of the coils. In the case of bare coils, use fans but do not blow the air directly between the laps. Direct the air over the sidewalls.
- Start decanning immediately.
- During decanning, use a black marker to mark the void in the packaging directly on the material. This is useful information for investigating potential rust concerns during processing and investigation.
- When the temperature of the coil has reached ambient temperature and equalized, it is suggested that oil is to be applied to the sidewalls.
- Prioritize affected material for production as soon as possible (do not apply normal FIFO rules).



### Instructions for addressing Packaging Damage

- If steel has been exposed, then the material should be decanned immediately. Material should be wiped down prior to decanning. If the packaging has not been damaged, then normal decanning procedures should be followed (wait until material reaches ambient temperature).
- Examples of packaging damage that should be decanned immediately:



- Examples of packaging that should not be decanned immediately:



### Instructions for addressing Rail Transportation Damage

- Upon discovery of transit damage, the receiving party is to notify the destination/serving railway directly using established processes and local contacts to allow the railway the opportunity to investigate and provide guidance. If contact can't be made or the railway is non-responsive, proper documentation of the damage including photos should be recorded and then proceed with offloading so as to not impact customer operations.
- AMD will not accept any claims for damage that is caused during the unloading of coils. This includes damage caused by bulkheads that are not removed from the railcar prior to unloading.
- When possible, all pictures should be taken while the material is undisturbed within the railcar.
- If damage was not detected until the coil has been lifted out of railcar then pictures of the coil and the railcar floor should be taken as well.
- Example picture of the coil in the railcar with the railcar number visible.



- Example pictures of the condition of coils, floor, bunks, bulkheads and locking pins.



- Example pictures of transportation damage.



- Example pictures of incorrectly using bolts as pins (left) and correct pins (right).

