September 16, 2013

Dear Valued Customer,

The purpose of this letter is to explain our claims process, define what pieces of information are needed for specific kinds of claims, and find how we can work together to settle claims faster and more efficiently. We encourage customers to give us feedback as this will enable Nucor and our customers to better understand each other’s processes and limitations.

**Claim Background**

All customer claims are submitted to our Claims Administrator. There are several ways that customers can reach the Claims Administrator:

**Claim Administrator Contact Information**

- Email: nsaclaims@nucor.com
- Phone: 800-NUCORAR (1-800-682-6727) Ext1117
- Fax: (870) 763-0137
- Address: Attention: Claims Administrator
  
  7301 East County Road 142
  
  Blytheville, AR 72315

To avoid delaying the claim process, providing the appropriate information is essential. Once all documents and samples are provided the claim will be reviewed and one of three dispositions will be made. We can: 1) accept the claim, 2) deny the claim, or 3) ask for additional information about the claim. Gathering additional information can take a substantial amount of time and effort by both parties. If all the required information is already submitted with the claim, it will save time and effort.

**Claim Verification**

For most claims, a representative sample and/or a clear photograph showing the defect will be sufficient. These defects include:

<table>
<thead>
<tr>
<th>Coating Issues on Galvanized</th>
<th>Coil Breaks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cracking</td>
<td>Holes</td>
</tr>
<tr>
<td>Laminations</td>
<td>Friction Digs</td>
</tr>
<tr>
<td>Oiling Issues</td>
<td>Fits</td>
</tr>
<tr>
<td>Roll Marks/Dents</td>
<td>Rust</td>
</tr>
<tr>
<td>Scratches/Gouges</td>
<td>Stains</td>
</tr>
<tr>
<td>Over/Under Gauge (12” x 12” sample required)</td>
<td>Failed Properties (12” x 12” sample required)</td>
</tr>
<tr>
<td>Creases</td>
<td></td>
</tr>
</tbody>
</table>

Some defects require evidence in the as-received condition, prior to processing. In these cases, a clear photograph of the defect (before processing) is required. Shape issues should show wave height and repeat with a representative scale. Examples of defects requiring evidence in the as-received form include:

- Camber
- Center Buckle
- Edge Wave
- Telescoped ID
- ID or OD Damage

If requested information/samples are not supplied in 30 days, the claim may be subject to denial.
Nucor’s claim policy is detailed in Section 7 of Nucor’s Terms and Conditions of Sale, as follows:

No claims for damages for goods that do not conform to specifications will be allowed unless Nucor is given immediate notice after delivery of goods to the first destination to which they are shipped and allowed an opportunity to inspect them. Goods for which damages are claimed shall not be returned, repaired or discarded without Nucor’s written consent. TO THE FULLEST EXTENT ALLOWED BY LAW, BUYER’S EXCLUSIVE REMEDY AGAINST NUCOR, AND NUCOR’S SOLE OBLIGATION, FOR ANY AND ALL CLAIMS, WHETHER FOR BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, SHALL BE LIMITED TO NUCOR’S REPLACING GOODS THAT DO NOT CONFORM TO SPECIFICATIONS, OR, AT NUCOR’S OPTION, REFUNDING THE PURCHASE PRICE. IN NO EVENT SHALL NUCOR HAVE ANY LIABILITY FOR DAMAGES IN AN AMOUNT EXCEEDING THE PURCHASE PRICE OF THE GOODS SOLD HEREUNDER, NOR SHALL NUCOR HAVE ANY LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

Items listed below apply to ALL claims submitted:

1) All claims, regardless of weight, must reference a Nucor mill coil number.

2) Nucor requires immediate notification of defective material upon discovery. Claims will not be accepted against coils more than one year after date of production.

3) Nucor requires that 10% of the coil be evaluated before a claim is filed, as defects may be isolated to the head and/or tail of the coil. One outer wrap and two inner wraps are considered packaging and claims will not be accepted.

4) For all shape claims (Edge Wave, Camber, Center Buckle, etc), it is very important to take a picture of the steel when it is on the line, and BEFORE it goes through a leveler or flattener. A picture of the steel after it has been processed into sheets or on the line after the leveler is not considered representative of the incoming defect. Once the steel has been through the leveler/flattener, the original shape has been altered and the true defect is now hidden or masked. For shape claims on cut to length material it must be leveled by the customer to remove coil set. The sample must be on a flat surface not stacked on a skid.

5) Please check all roll mark, pit, and dent defects to see if there is a repeating pattern on the steel. Usually, if there seems to be a repeating pattern in the steel, the most likely source of the mark is from a roll. The repeating distance of the mark will be the approximate circumference of the roll that caused it. It is imperative that we know that exact distance, so we can find the root cause of the defect.

6) Claims are subject to denial if material is applied, by the customer, to an end use and/or application that differs from the end use and/or application stated on the customer’s purchase order.

7) All hardness requirements are aims only, unless explicitly agreed upon.

8) Rust guarantees that are stated for HRPO, Cold Roll, and Galvanize product are effective from the date of production. Nucor will allow an additional 2 weeks to these guarantees for shipping.

9) All coils are sold EXW (Incoterms 2000) loaded. This means that once the coil is shipped from the mill the material is legally in the customer’s possession. Should the material be damaged in transit to the customer’s location, the customer is required to file a claim with the transit company. Nucor will assist customers with any information we may have for the filing of such a claim. BNSF has specific procedures that MUST be followed when filing a claim for loss and/or damage on rail shipments. Please refer to the information provided at the end of this document to assist you in the processing of any rail freight claims.

10) Nucor will not be responsible for costs beyond the value of the shipped product and related freight. Costs associated with processing, painting, production down time, storage, etc will not be accepted.

11) Claimed material should not be resold or scrapped prior to disposition of the claim.

12) If material is scrapped as a result of an accepted claim, the scrap value will be negotiated between Nucor and the customer.

13) Deductions should not be made from payments prior to disposition of the claim.

14) All secondary and excess material is sold as is. (This includes field rejects.)

15) A separate release form will be sent to the customer and the field claim program holder for all material to be resold.

16) Nucor Steel Arkansas has a standard practice to tarp all truck loads. If, at the customer’s request, a load ships untarped, no claims for rust will be accepted.

17) Weight discrepancy claims for less than 1% of the shipped weight will not be accepted.
**Hot Band**

Dimensional Tolerance:

- **Gauge:** -0/+ 0.008” on min orders and -0.005/+ 0.003” on nom orders  
  - To be measured ¾” minimum from the edge  
  - Does not apply to un-cropped ends
- **Width:** Per ASTM A568 Table 8 (does not apply to un-cropped ends)

Shape Tolerance: See table 1 Below
- Nucor recommends a temper pass on all shape critical material.

**Table 1**

<table>
<thead>
<tr>
<th>Product</th>
<th>Specified Minimum Gauge (in)</th>
<th>Specified Width (in)</th>
<th>Pickled, Equalized or Temper passed</th>
<th>Unprocessed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon Steel under 45 ksi</td>
<td>over 0.057* / 0.180 excl.</td>
<td>up to 60 incl.</td>
<td>0.50</td>
<td>1.50*</td>
</tr>
<tr>
<td></td>
<td>over 60</td>
<td></td>
<td></td>
<td>2.25</td>
</tr>
<tr>
<td></td>
<td>0.180 / 0.230 excl.</td>
<td>up to 60 incl.</td>
<td>0.50</td>
<td>1.50</td>
</tr>
<tr>
<td></td>
<td>over 60</td>
<td></td>
<td></td>
<td>2.25</td>
</tr>
<tr>
<td></td>
<td>0.230 / 0.500</td>
<td>up to 48 incl.</td>
<td>0.5625</td>
<td>1.50</td>
</tr>
<tr>
<td></td>
<td>over 48-60 incl.</td>
<td></td>
<td>0.625</td>
<td>2.25</td>
</tr>
<tr>
<td></td>
<td>over 60</td>
<td></td>
<td>0.625</td>
<td>3.00</td>
</tr>
</tbody>
</table>

* Claims not accepted for material ordered 0.070” and under

<table>
<thead>
<tr>
<th>Product</th>
<th>Specified Minimum Gauge (in)</th>
<th>Specified Width (in)</th>
<th>Pickled, Equalized or Temper passed</th>
<th>Unprocessed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled High Strength</td>
<td>over 0.057** / 0.180 excl.</td>
<td>up to 60 incl.</td>
<td>0.75</td>
<td>2.25**</td>
</tr>
<tr>
<td>Steels from 45 to 50 ksi</td>
<td>over 60</td>
<td></td>
<td></td>
<td>3.375</td>
</tr>
<tr>
<td></td>
<td>0.180 / 0.230 excl.</td>
<td>up to 60 incl.</td>
<td>0.75</td>
<td>2.25</td>
</tr>
<tr>
<td></td>
<td>over 60</td>
<td></td>
<td></td>
<td>3.375</td>
</tr>
<tr>
<td></td>
<td>0.230 / 0.500</td>
<td>up to 48 incl.</td>
<td>0.875</td>
<td>2.25</td>
</tr>
<tr>
<td></td>
<td>over 48-60 incl.</td>
<td></td>
<td>0.9375</td>
<td>3.00</td>
</tr>
<tr>
<td></td>
<td>over 60</td>
<td></td>
<td>0.9375</td>
<td>3.50</td>
</tr>
</tbody>
</table>

** Claims not accepted for material ordered 0.083” and under

<table>
<thead>
<tr>
<th>Product</th>
<th>Specified Minimum Gauge (in)</th>
<th>Specified Width (in)</th>
<th>Pickled, Equalized or Temper passed</th>
<th>Unprocessed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Rolled High Strength</td>
<td>over 0.057** / 0.180 excl.</td>
<td>up to 60 incl.</td>
<td>1.00</td>
<td>2.50**</td>
</tr>
<tr>
<td>Steels over 50 ksi Yield</td>
<td>over 60</td>
<td></td>
<td></td>
<td>3.50</td>
</tr>
<tr>
<td></td>
<td>0.180 / 0.230 excl.</td>
<td>up to 60 incl.</td>
<td>1.00</td>
<td>2.50</td>
</tr>
<tr>
<td></td>
<td>over 60</td>
<td></td>
<td></td>
<td>3.75</td>
</tr>
<tr>
<td></td>
<td>0.230 / 0.500</td>
<td>up to 48 incl.</td>
<td>0.875</td>
<td>2.50</td>
</tr>
<tr>
<td></td>
<td>over 48-60 incl.</td>
<td></td>
<td>0.9375</td>
<td>3.25</td>
</tr>
<tr>
<td></td>
<td>over 60</td>
<td></td>
<td>0.9375</td>
<td>3.75</td>
</tr>
</tbody>
</table>

** Claims not accepted for material ordered 0.083” and under

Camber Tolerance: ASTM A568 Table 12 (see Footnote A)

No coil break claims will be accepted on non-temper passed material.
HRPO

Dimensional Tolerance:

- Gauge: -0/+ 0.008” on min orders and -0.005/+ 0.003” on nom orders
  - Cut Edge – To be measured 3/8” minimum from the edge
  - Mill Edge – To be measured ¾” minimum from the edge
- Width:
  - Cut Edge – ASTM A568 Table 9
  - Mill Edge – ASTM A568 Table 8

Shape Tolerance: See Table 1 above

Camber Tolerance: ASTM A568 Table 12 (see Footnote A)

Rust Guarantees: Nucor strongly recommends wrap on all pickle & oil products.

- No oil and no wrap (Bare) -- No rust exceptions
- Oil without wrap or wrap without oil -- 15 days
- Wrap with oil:
  - Light oil: 1 month
  - Medium oil: 3 months
  - Heavy oil: 6 months

No coil break claims will be accepted on DS-Type B material.

**Pickled Floor Plate**

Surface Quality:
Nucor guarantees that no less than 95% of a pickled floor plate coil will be of a scale free, prime surface. Up to 5% of the coil length, limited to the extremities of the coil, may contain some unpickled mill scale.

Rust:
At this time, Nucor cannot guarantee a rust free pickled floor plate product. Nucor does make the following usage recommendations:

- No oil: Use immediately upon receipt
- Light oil: Use within 15 days of receipt
- Medium oil: Use within 30 days of receipt
- Heavy oil: Use within 60 days of receipt

All other product characteristics will be supplied as presented in A786 and/or as agreed upon through customer’s purchase order.

**Galvanize**

Dimensional Tolerance:

- Gauge: CR Galvanize- A924 Table 3
  - HB Galvanize- +0.008/-0” for min orders; +0.003/-0.005” for nom orders
- Width: Per ASTM A924 Table 4

Shape Tolerance:

- ASTM A924 Table 10
- Half or Full tolerance as required by the purchase order

Camber: ASTM A924 Table 6

Coating Weight: A653 Table 1 or per order specification

White Rust Guarantee -- Nucor strongly recommends oil and wrap on galvanized products.

- No oil and no chromate treat -- No rust exceptions
- No wrap -- No rust exceptions
- Oil and wrap
  - Light oil: 1 month
  - Medium oil: 3 months
  - Heavy oil: 6 months
- Chromate and wrap: 6 months

Coating Weight
- ASTM as specified on order
- UL as specified on order

No line-stops will be shipped on prime orders.

HBGLV is not suitable for exposed or surface critical applications.

Claims for transit abrasion (fretting) will not be accepted for orders specifying chem. treat dry and shipped via rail.

**Cold Roll**

Dimensional Tolerance:
- Gauge: Per ASTM A568 Table 15
- Width: Per ASTM A568 Table 7

Shape Tolerance:
- ASTM A568 Table 20
- Half or Full tolerance as required by the purchase order

Camber Tolerance: A568 Tables 19

Rust Guarantee -- Nucor strongly recommends medium/heavy oil and wrap on all cold roll products.
- No oil and no wrap (Bare) -- No rust exceptions
- Oil without wrap or wrap without oil -- 15 days
- Wrap with oil:
  - Light oil: 1 month
  - Medium oil: 3 months
  - Heavy oil: 6 months

Our Rust Guarantee covers all forms of iron oxidation to iron oxide. This only applies when the coil is kept wrapped and dry. If the coil is subjected to non typical atmospheric environment (corrosive, alkali, strong chloride ion presence etc) then this guarantee does not apply. Nor does it apply if the coil has been submerged or doused with water. All rust claims for Cold Roll product will be examined and disposition will be made based on chemical composition of defect. If the constituents are solely iron oxide, then the Rust Guarantee applies. The color of rust does not indicate its source, or how quickly the material rusted. However, if there are other components to the defect then the claim will be evaluated based on the chemical composition and source of the contaminants resulting in the defect (nitrates from wet temper solution, sulfur from anaerobic bacteria {source of bacteria is rust preventative oil that was not kept above 115°F}).

Please find attached with this document a spreadsheet that summarizes some common defects and the typical information needed to resolve a claim. It is still possible that the mill will ask for additional information, even if these guidelines are followed, but the vast majority of the claims will be resolved quickly by following these guidelines.

I hope that you will find the given information helpful in expediting the disposition of claimed material. If you have any questions or wish to discuss this in more detail, please feel free to contact your District Sales Manager.

Thank you,

**Doug Rife**

Manager-Sales & Marketing
Nucor Steel – Arkansas
### Information To Be Submitted With Claim*

<table>
<thead>
<tr>
<th>Defect</th>
<th>Sample</th>
<th>Photograph</th>
<th>Measurement</th>
<th>Mill Visit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Camber</td>
<td></td>
<td>Acceptable</td>
<td>Required</td>
<td>Acceptable</td>
</tr>
<tr>
<td>Center Buckle</td>
<td></td>
<td>Acceptable</td>
<td>Wave Height &amp; Repeating Distance or I-units**</td>
<td>Acceptable</td>
</tr>
<tr>
<td>Coating Issues (Galv)</td>
<td>Acceptable</td>
<td>Acceptable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coils Breaks</td>
<td></td>
<td>Acceptable</td>
<td></td>
<td>Acceptable</td>
</tr>
<tr>
<td>Cracks</td>
<td>Acceptable</td>
<td>Acceptable</td>
<td></td>
<td>Acceptable</td>
</tr>
<tr>
<td>Creases</td>
<td>Acceptable</td>
<td>Acceptable</td>
<td></td>
<td>Acceptable</td>
</tr>
<tr>
<td>Dents</td>
<td>Acceptable</td>
<td>Acceptable</td>
<td>Required if defect repeats</td>
<td>Acceptable</td>
</tr>
<tr>
<td>Edge Wave</td>
<td></td>
<td>Acceptable</td>
<td>Wave Height &amp; Repeating Distance or I-units**</td>
<td>Acceptable</td>
</tr>
<tr>
<td>Friction Digs</td>
<td>Acceptable</td>
<td></td>
<td>Required if defect repeats</td>
<td>Acceptable</td>
</tr>
<tr>
<td>Gauge issues</td>
<td>Required</td>
<td></td>
<td>Required</td>
<td>Acceptable</td>
</tr>
<tr>
<td>Gouges</td>
<td>Acceptable</td>
<td>Acceptable</td>
<td>Required if defect repeats</td>
<td>Acceptable</td>
</tr>
<tr>
<td>Holes</td>
<td>Acceptable</td>
<td>Acceptable</td>
<td>Required if defect repeats</td>
<td>Acceptable</td>
</tr>
<tr>
<td>ID/OD Damage</td>
<td></td>
<td>Acceptable</td>
<td></td>
<td>Acceptable</td>
</tr>
<tr>
<td>Laminations</td>
<td>Acceptable</td>
<td>Acceptable</td>
<td></td>
<td>Acceptable</td>
</tr>
<tr>
<td>Mechanical Properties</td>
<td>Required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil Can</td>
<td></td>
<td>Acceptable</td>
<td>Wave Height &amp; Repeating Distance or I-units**</td>
<td>Acceptable</td>
</tr>
<tr>
<td>Oiling Issues</td>
<td>Acceptable</td>
<td>Acceptable</td>
<td></td>
<td>Acceptable</td>
</tr>
<tr>
<td>Roll Marks</td>
<td>Acceptable</td>
<td>Acceptable</td>
<td>Required if defect repeats</td>
<td>Acceptable</td>
</tr>
<tr>
<td>Rust</td>
<td>Acceptable</td>
<td>Acceptable</td>
<td></td>
<td>Acceptable</td>
</tr>
<tr>
<td>Scratches</td>
<td>Acceptable</td>
<td>Acceptable</td>
<td></td>
<td>Acceptable</td>
</tr>
<tr>
<td>Stains</td>
<td>Required</td>
<td></td>
<td></td>
<td>Acceptable</td>
</tr>
<tr>
<td>Telescoped ID</td>
<td></td>
<td>Acceptable</td>
<td></td>
<td>Acceptable</td>
</tr>
<tr>
<td>Width Issues</td>
<td>Required</td>
<td></td>
<td>Required</td>
<td>Acceptable</td>
</tr>
</tbody>
</table>

---

* Some claims may require more information if the sample/picture does not clearly show the defect. The mill reserves the right to ask for additional samples/pictures on any claim; however most claims will be resolved by using the table above.

** All shape claims must have evidence of defect in the as-received condition, prior to any processing.

*** It is the responsibility of the customer to request and follow up on samples.

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**BNSF Loss & Damage Verification and Filing Claims**

The information outlined below has been provided by BNSF to assist with the filing of loss & damage claims on all rail shipments.

1) When receiving goods, consignee should:

- Note condition and number of seal(s)
- Verify count and conditions of lading
- If damage exists, contact the BNSF Inspection Service Bureau @ 800-333-4686
- Make detailed damage or shortage notations on receiving record and take photographs
2) Claim Support: Too much information is better than too little. Documents that will speed claim handling include:

- Bill of Lading
- Paid freight bill
- Verification of loss or damage; photos, if any
- Receiving record showing notations
- Invoice showing ownership and costs

Important -- Please note:

- The 800 number shown above MUST be called for damage claims prior to the railcar being unloaded and/or released.
- Clear, visible photographs must be taken for proof of damage. The pictures should be taken with the car loaded, as well as pictures of the coils showing the damage & the coil number, if possible.
- Claims must be filed with BNSF in a timely manner.

For additional information on Claims Solutions or filing claims, you may contact the BNSF at 800-234-9652.

TO VIEW REVISION HISTORY CLICK HERE