	POLICY	No.	QAC-PRO-109.2
	Vendor Claims (External)	Effective Date	8/19/2024
		Revision Letter	C
		Final Approver	Stephen Swan

1.0 Purpose

1.1 This policy document establishes guidelines for the processing of all Vendor CLAIMS at New Process Steel, L.P. ("NPS").

It is New Process Steel's expectation that all goods or services furnished shall conform to all specifications and appropriate standards and will be free from defects in material and/or workmanship. In the event of a nonconformity, pursuant to Section 3 of the Terms and Conditions of Purchase found at http://www.newprocess.cc/downloads/NPSTermsandConditionsPurchases.pdf, NPS will notify Vendor and pursue recovery in accordance with the Claims Process below.

2.0 Scope

2.1 All employees and vendors.

3.0 Responsibilities

4.0 Definitions

4.1 CLAIM – NPS created vendor non-conformance that documents a nonconformity from the purchased material or service.

4.2 FINANCIAL SETTLEMENT – The cash settlement with vendor related to an accepted claim.

4.3 NPS LOCATION – Any physical area where NPS owned material resides.

4.4 OUT OF SPECIFICATION – Material that does not match the ordered ASTM or NPS purchase order specifications.

4.5 PHYSICAL RECEIPT – Act of receiving material at an NPS location.

4.6 QUARANTINE WAREHOUSE – A designation within AX for inventory that has been deemed questionable and that needs to be dispositioned.

4.7 CONTAINMENT **–** Act of keeping OUT OF SPECIFICATION or potentially OUT OF SPECIFICATION material isolated from good material.

4.8 ACCEPTED CLAIM **–** A CLAIM that is accepted by the vendor for the full and requested CLAIM amount and terms.

4.9 REJECTED CLAIM **–** A CLAIM that is not accepted by the vendor for the full and requested CLAIM amount and terms.

4.10 VENDOR CORRECTIVE ACTION REQUEST – Formal request to investigate a problem that already happened and for a root cause analysis to prevent future occurrences of.

5.0 Policy

This Policy of NPS is to ensure the following:

5.1 Cycle Time

5.1.1 Vendor acknowledges receipt of CLAIM within 1 business day of submission.

5.1.2 Duration of time between the creation of the CLAIM and the FINANCIAL SETTLEMENT not to exceed 30 days.

5.1.3 Material is removed from an NPS LOCATION, if required, within 10 business days of the FINANCIAL SETTLEMENT. Material remaining beyond this time period is subject to a storage fee of $10.00/ton per month.

5.2 Evidence

5.2.1 Vendor will disposition claims with electronic evidence including pictures or video depicting the defect as the primary means of resolution.

5.2.2 When physical samples are necessary NPS will submit to the vendor at the vendor's cost.

5.2.3 If on-site inspection is required NPS will coordinate with the vendor at the vendor's cost.

5.3 FINANCIAL SETTLEMENT

5.3.1 CLAIMS will be financially settled with a vendor debit for vendors with open invoice transactions.

5.3.2 CLAIMS will be financially settled with a vendor wire (preference) or check for vendors with no open invoice transactions.

5.3.3 Any and all forms of payment that are mailed should be mailed to a PO box, as listed below:

United States

Attn: Accounts Payable
New Process Steel, L.P.

PO Box 55205
Houston, Texas 77255

Mexico (United States Based Businesses)

Attn: Accounts Payable
NP Steel SA de CV
C/O New Process Steel, L.P.

PO Box 55205
Houston, Texas 77255

5.4 OUT OF SPECIFICATION

5.4.1 Material that is deemed OUT OF SPECIFICATION at PHYSICAL RECEIPT is received into a QUARANTINE WAREHOUSE.

5.4.2 Material that is deemed OUT OF SPECIFICATION during a production run is transferred into a QUARANTINE WAREHOUSE.

5.4.3 Material that is deemed OUT OF SPECIFICATION at the time of shipment is transferred into a QUARANTINE WAREHOUSE.

5.4.4 If out of specification, the vendor will make goodwill efforts to work with NPS' supplier excellence team to develop containment and corrective action plans.

5.5 Material CONTAINMENT

5.5.1 Related material at NPS LOCATIONS and/or customer locations is contained if required.

5.6 REJECTED CLAIM Resolution

5.6.1 A REJECTED CLAIM is escalated within the vendor's organization and within NPS.

5.7 VENDOR CORRECTIVE ACTION REQUEST

5.7.1 Every claim with a dollar amount of $20,000 or greater will require a vendor corrective action.

6.0 Metrics or Related KPI's

7.0 Document Approvals

Role	Position	Name of Approver	Approval Signature	Date Approved
Author	Purchasing	Brian Caraway VP of Global Sourcing	Available in Hardcopy	1/7/2019
Vendor Claims	Quality	Ross Richardson Vendor Claims Manager	Available in Hardcopy	1/7/2019
Chief Commercial Office	Commercial	Dave Conway VP of Commercial	Available in Hardcopy	1/9/2019
Executive	OPE	Stephen Swan CFO	Available in Hardcopy	1/9/2019
Executive	OPE	Stefan Polywka President / Chief Ops	Available in Hardcopy	9/9/2024
CEO	OPE	Richard Fant CEO	Available in Hardcopy	1/9/2019

8.0 Revision History

Effective Date	Rev Letter	Document Author	Description of Change
8/01/2015	A	JenaAnn Norman	Initial Release
10/5/2018	B	Lucy Cervantes, JenaAnn Gonzalez	Revised 4.1.2 from 45 days to 30 days. Revised 4.1.3 from 30 days to 10 business days. Added 4.2. Removed 4.3 requirement for $250.00 claims processing fee. Added 4.4.4. Revised 4.7.1 to specify equal to or greater than $20,000.
8/19/2024	C	JenaAnn Gonzalez	Policy template updated and content translated