



**Extrusion North America
Customer Claims Guidelines
(Updated July 11, 2022)**

Quality and customer satisfaction are important to Extrusion North America. Because Hydro realizes that issues may arise from time to time, we have developed these Guidelines in order to provide further clarity on the administration and processing of customer claims.¹

1. *Delivery Inspections.* Please assist Hydro by inspecting deliveries promptly and by contacting us as soon as there is awareness of a possible claim, especially when encountering readily detectable issues such as the following:
 - Wet metal conditions and transportation related issues
 - Evidence of saw chips
 - Insufficient or improper packaging
 - Piece count issues
 - Incorrect part received or incorrect labeling
 - Visible damage
 - Visible scratches, dents or corrosion
 - Dirt or road grime.
2. *No Rejection by Association.* Hydro's goal is to minimize any losses by limiting any rejection, as close as possible, to just the material which truly contains the non-conforming condition. To this end, Hydro requests that the customer identify any non-conforming conditions after processing up to approximately ten percent (10%) of a lot or batch. Potentially non-conforming material should be contained and not be subjected to further manufacture or post-processing including attempts to repair the non-conforming condition. A non-conforming condition present in a single lineal does not necessarily mean that every lineal in the batch is subject to that condition. Consequently, Hydro does not customarily accept claims for rejection by association without reasonable evidence that the condition is present throughout the entire lot or batch.
3. *Accumulation Claims.* The best way to resolve issues is to identify them at their root cause. As a result, if we permit claims to accumulate, Hydro technical experts will work with the customer to develop a systematic methodology for physical material review, as well as a sound tracking method that will provide raw data sufficient for Pareto charting and identifying individual non-conformities so that actions can be taken to reduce non-conformances going forward. In addition, unless otherwise agreed, accumulation claims may only be accepted if they are for the same non-conforming condition and are submitted within thirty (30) days after shipment.
4. *Transportation-Related Claims.* Hydro is not responsible for issues incurred in transportation unless Hydro has agreed to shipping terms that require Hydro to manage the shipment (in which case, Hydro will need the customer's help in dealing with the transportation carrier). If the customer receives wet material, please try to dry it as soon as practicable so as to help minimize any staining. As additional reference, please note the following guidance from the Aluminum Association Standards and Data 2017 (pages 4-5):

Any discontinuity that can be completely removed with reasonable facility, within the applicable dimensional tolerances for the material or part being inspected, is not considered as a reason for rejection of the part or material, unless the removal of the discontinuity makes the surface unsuitable for applications where surface appearance is important and

¹ Unless otherwise provided in a written contract approved by Hydro, Hydro's limited warranty lasts for a period of six (6) months from the shipment date and is governed by the Extrusion North America Standard Terms & Conditions of Sale posted at www.hydro.com/termsconditionsENA, as amended from time to time.

where surface considerations were made known to the seller at the time the order was placed.

5. *Water-Stained Metal Reaction Plan and Claim Resolution Handling.* Hydro recognizes that water-staining is a problem that is significantly impacting profitability and similarly has an adverse impact on carriers, and customers. To minimize this negative impact, it is Hydro's intention to clarify the subject of water staining and to work with our partners in a cooperative effort which will be a benefit to all parties involved.

5.1 *General Information on Staining:*

5.1.1 *What constitutes a stain?* Water stains are the result of residue from water or water vapor reacting with the surface of the material leaving an irregular film or oxidation. The oxidation may vary in color from iridescent to white, gray, brown, or black.

5.1.2 *Where can a stain occur?* Water stains can occur in the producing facility, during transit, or at the customer's facility. There are three major types of water stains:

5.1.2.1 *Condensation.* Condensation will form on any object when the temperature of the object is at or below the dew point temperature of the air surrounding the object. This is the same phenomenon as occurs when a cold beverage glass "sweats" on a humid day. Condensation can occur at the Hydro Operation, during transportation, or at the customer's facility. This staining can be iridescent, white, or even dark brown in appearance depending on how clean the metal is or what may come in contact with the metal when it is wet. As the water is condensed from the air without any impurities, it is highly corrosive. Condensation water can be so severe that material will have standing water on it.

5.1.2.2 *Wet metal.* Wet metal is caused by the load becoming wet in transit or the material getting wet after delivery. When the load arrives at the customer's location wet (up to and including water pouring off loads), it is typically due to a carrier related issues such as an open tarp, tears in tarp, missing tarp/cover, etc. However, there are also times when the metal gets wet after delivery due to the carrier being required to un-tarp and unload outside or due to improper storage after delivery.

5.1.2.3 *Baked on water stain* (white to dark brown to black in appearance). This is usually associated with either metal being quenched with hard water containing calcium carbonate and naturally occurring impurities or wet metal going into an aging oven. In both causes, the staining is caused internal to Hydro.

5.2 *Customer Product Accountability.* Hydro recommends the use of heated Conestoga trailers. This method provides covered protection from the environment with metal temperature control above the dew point to eliminate condensation. Customers who specify unheated Conestoga trailers risk condensation water staining. Customers who specify tarped loads risk water staining from both condensation and the environment (tarped loads by their nature do not assure protection from environmental conditions). Hydro does not take responsibility for water staining that occurs while material is in the possession of the customer. Water stains often occur at customer due to condensation during storage, environmental effects from metal stored outside, or transferring material from one build to another while it is raining.

5.3 *Water Stain Reaction Plan & Claim Resolution Handling.* The Water Stain Reaction Plan and Resolution process outlines the cooperative effort between Hydro, Carriers, and Customers to minimize and react to water-stain claims immediately.

5.4 *Documenting Water Stain Conditions.* It is very beneficial that all water stain claims be documented at time of delivery using the attached form (see Attachment 1) or similar form. Doing so will aid in determining root cause, corrective action, and swift claim resolution.

5.5 *Responsibilities:*

5.5.1 *Customer Responsibilities.* Hydro requests that claims for water stains be filed within three (3) business days of delivery. The customer should examine in-coming material for water stains and respond accordingly. These conditions are obvious when the load, metal or tarps are wet or covered in a general form of contamination (road tarnish, dirt, grime, etc.). The customer is expected to work with Hydro in the control of wet metal/condensation claims. Hydro will work with customers on a case-by-case basis on any situation that exceeds the 3-business day window. Reaction Plan:

5.5.1.1 Wet metal from either condensation or the environment is expected to be receiving by customers into their facility. Denial of the load will result in an inability of Hydro to honor a claim for the affected material.

5.5.1.2 Customer are expected to be partners in mitigating the issue and need to use an effective method of air circulation in storage warehouses (fans), drying with fans, wiping of bundles, etc., to mitigate the staining. Surface corrosion is a time-critical process, and therefore, fans, wiping, etc. needs to occur prior to the metal drying on its own. Timely customer action is crucial to the process. This may include wiping down a load, sorting material and assisting in contracting outside services to buff out stain to a achieve a usable condition. Every effort to dry the material will minimize the damage and reduce scrap and rework activity as recommended in Aluminum Association Standards and Data 2017, pages 4-14. If no effort is made by the customer to mitigate water staining, the claim will not be honored. The customer is requested to honor the partnership necessary to mitigate this problem to the extent possible.

5.5.1.3 When staining is present despite mitigating actions or observed on incoming inspection, Hydro asks that the customer help document the claim by providing the Hydro Customer Service Representative (CSR) and Hydro Manufacturing facility with samples, pictures, or signed paperwork which will facilitate quick claim resolution.

5.5.1.4 The customer must document the condition and respond by way of formal claim submittal with the respective Hydro CSR.

5.5.2 *Supplier (Hydro) Reaction Plan:*

5.5.2.1 The Hydro CSR will enter a formal customer claim documenting the condition for plant processing.

5.5.2.2 The Hydro producing facility will work in a timely manner with the customer to process the claim. As noted above, in most instances, representative pictures or samples of the stain condition will be requested for validation. The customer specified mode of transportation will be considered in evaluating claims. Claims for customers specifying heated Conestoga trailers will typically be honored unless there are extenuating circumstances justifying otherwise.

5.5.2.3 In all cases, Hydro will work closely with the customer towards a timely resolution of the quality issue/concern.

5.5.3 *Carrier Responsibility.* It is the responsibility of the carrier to assure that Conestoga trailers are properly maintained and operated to assure metal is delivered dry. Tarped loads are not 100% effective in keeping metal dry and warm to avoid condensation. Carriers will not be responsible for water staining due to condensation. However, trailer & tarps maintenance is the responsibility of the carrier. Water staining from damaged/torn tarps, broken securing cords, ingress through the trailer bed, and defective/failure of equipment are the responsibility of the carrier. Carriers are not to return material to the producing facility without proper communication and authorization of the appropriate Hydro Production Control department.

6. *Initiating a Warranty Claim.* To initiate a warranty claim, please send a written notice to your customer service representative at the plant of manufacture. The notice should include, at a minimum, the following information:
 - 5.1 Plant identification (sales order, lot, batch, load, ticket, item, etc.);
 - 5.2 Claim rejected weight, number of rejected pieces;
 - 5.3 Current condition of the material;
 - 5.4 Descriptive characterization of the non-conforming condition;
 - 5.5 Supporting information of the non-conforming condition such as physical representative samples and digital photographs; and
 - 5.6 Any other evidence that may be helpful.
7. *Inspection.* For Hydro to evaluate a claim, it may be necessary to access the material in question. To this end, Hydro reserves the right to inspect the material at the customer facility prior to its return or scrapping. If Hydro requests to remove the material, whether for inspection or sorting, it shall be available and ready to load given a reasonable advance notice from Hydro.
8. *Disposition of Claims.* Hydro's goal is to work together with the customer to resolve all claims fairly and equitably. Hydro will contact the customer promptly upon receipt of a claim, provide the customer with a status along the way and endeavor to bring any claim to resolution as soon as reasonably practicable, but in no event more than ninety (90) days after all of the relevant information is provided to Hydro as requested. If the customer has any questions about these guidelines, please contact the Hydro Central Quality Team via email at ENAQuality@hydro.com.



Attachment 1 Receiving Checklist for Supplied Hydro

Date of Shipment: _____

Carrier: _____

What are the weather conditions?

Dry

Wet

Did the load arrive covered with tarps?

Yes

No

If no, note this on the bill of lading.

What is the condition of the tarps?

Good

Bad

If bad, provide a picture or describe and note on the bill of lading.

Are the tarps wet?

Yes

No

Is the aluminum wet?

Yes

No

If yes, note on the bill of lading and provide pictures if possible.

If the truck has more aluminum to be delivered to other customers, did the driver cover the remaining load before leaving?

Yes

No

Carrier/Driver (Print Name)

Carrier/Driver (Signature)

Date

Customer Signature

Date