

TOLL PROCESSING SERVICE OFFER MANUAL

Terms and Conditions



This issue supersedes all previous issues

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The information in this Bulletin is current as of February 2025. It is possible that the laws and regulations discussed may change from time to time. While Steelscape will endeavor to issue updates to address regulatory changes, Steelscape disclaims any affirmative obligation to do so. Should you have any questions on the current applicability of any of the laws discussed herein to your product purchases, please contact Steelscape's Technical Services Department or your Account Manager.

INTRODUCTION TO STEELSCAPE

This document outlines Steelscape's toll processing manufacturing capabilities and toll service offer. Steelscape offers broad toll-coil-coating capabilities from its two west-coast-based manufacturing facilities in Kalama, Washington, and Rancho Cucamonga, California. These capabilities cater to the needs of light-gauge steel and aluminum construction products. In addition to coil-coating, Steelscape offers several value-added processing capabilities, including slitting, cut-to-length, and embossing. This service offer outlines our manufacturing capabilities by site, coil receipt and storage guidelines, and important material management processes.

Toll processing refers to the application of coatings, including paint systems, to steel and aluminum coils owned and sourced by the customer. For customers seeking the convenience of material sourced and coated on a single invoice (commonly referenced to as single-bill), please consult our single-bill service offer.

For any questions on Steelscape's capabilities or the content presented in this service offer, phone (888) 285-7717 or submit an inquiry at [Steelscape.com](https://www.steelscape.com). We know you have many options when selecting suppliers, and we appreciate your business.

Please note that this service offer may be subject to change.

ABOUT STEELSCAPE

Steelscape is the leading west-coast manufacturer of coil-coated and pre-painted metal for construction products. Each year we produce more than 400 million pounds of painted steel which is transformed into a wide range of finished products including metal roofing and siding. Our capabilities encompass the entire coating process, from metallic coating (corrosion protection) to painting, ensuring quality, consistency, and on-time delivery for customers. Our innovative colors and designs continue to expand the application of metal in modern exterior design. We have a highly experienced team with more than 4500 years of collective experience. Today we operate out of two advanced facilities in Washington and California. Steelscape is committed to the ongoing development and application of pre-painted metal and is a proud member of the National Coil Coating Association (NCCA), ASTM International, American Iron and Steel Institute (AISI), Cool Roof Rating Council, American Galvanizers Association, and the Zinc Aluminum Coating Association.

ASSOCIATED LINKS

- Steelscape Terms and Conditions of Sale
 - <https://www.steelscape.com/wp-content/uploads/Steelscape-Terms-and-Conditions-of-Sale.pdf>
- Steelscape Claims Policy - <https://www.steelscape.com/wp-content/uploads/SS-Claims-Policy.pdf>
- Steelscape Credit Application and Terms
 - <https://www.steelscape.com/wp-content/uploads/SS-CREDIT-APPLICATION-W-TC.pdf>
- Steelscape Single-Bill Service Offer
 - <https://www.steelscape.com/wp-content/uploads/SS-Service-Offer-Manual.pdf>
- Steelscape Document Library (a repository for all technical and product documentation)
 - <https://www.steelscape.com/resources/document-library/>

STEELSCAPE TOLL PROCESSES

The following pages outline the toll processes that Steelscape has to offer. Steelscape is happy to evaluate requests not on the current capability matrix. Questions regarding our toll capabilities should be directed to a Steelscape Sales Representative.

PAINT LINES

	Kalama	Rancho
Max Entry Coil Wt	58,000 #	ZINCALUME® 38,000 #, TruZinc® 37,000 #, External supplied 20,000 #
Max Output Coil Wt*	33,000 #	20,000 #
Minimum Lineal Footage**	1,600 ft.	1,600 ft.
Thickness***	0.0115" - 0.039" Steel	0.0130" - 0.046" Steel 0.032" - 0.063" Aluminum
Width***	26" - 49.5" (22" trial only)	28" - 58"
Pretreatment	Chemetall 1500	Chemetall 1500
Substrates	TruZinc (galvanized), ZINCALUME (Galvalume®), Cold-Rolled	TruZinc (galvanized), ZINCALUME (Galvalume), Cold-Rolled, Aluminum, Stainless, TMBP, EG
Finish Coatings	Acrylic, Polyester, SMP Fluorocarbon, Plastisol	Acrylic, Polyester, SMP Fluorocarbon, Plastisol
Primer Coatings	Urethane, Epoxy, Polyester	Urethane, Epoxy, Polyester
Entry OD/ID	81.5" max/20"	79"/20" or 24" +/- 0.50"
Delivery OD/ID	72" max/20"	64" max/20"
Cores	Available	Available
Reverse Wrap	Available	Available****
Branding Ink	UV	UV
Branding Characters	275 Standard Text (Steelscape, KA_CPL, Date/Time)	250 Standard Text (Steelscape, RA_CPL, Date/Time)
Branding Size	½"	½" max
Branding Location	Bottom - 4" in from edge	Bottom - Front

* If vertical, skidded max weight is 15,000# in Rancho, and 15,000# in Kalama.

** Refer to your Steelscape Sales Representative for minimum lineal footage restrictions.

*** Dimensions are substrate/thickness/width combination dependent.

**** Requires additional processing to reverse wrap (slitter/embosser).

SLITTER LINES

	Kalama	Rancho
Max Entry Coil Weight	55,000 #	20,000 #
Max Delivery Weight	55,000 #	20,000 #*
Thickness (T)	0.010" - 0.050" Steel	0.011" - 0.046" Steel 0.032" 0.063" Aluminum
Width	16" - 52"	12" - 52"
Max number Mults	24	20 if .025"<T<.050" 40 if T<.025"
Maximum # sizes per setup	Depends on knives & size of mults	Depends on knives & size of mults
Minimum Slit Width (W)	2.00****	4.00****
Entry OD/ID	79" max***/20"	64" max/20"
Delivery OD/ID	79" max***/20"	64" max/20"
Cores****	W > 10", T < 0.030"	W > 10"
Min. Slit Drop	0.375"	0.375"

* If vertical, skidded maximum weight is 15,000#.

** For smaller widths inquire with your Steelscape sales representative.

*** OD max depends on number of mults and crown in the coil.

**** Cores are "all or nothing" for the whole arm of mults (i.e. if one mult on the arm is less than 10", then none of the mults on the arm can have cores). Please inquire for cores < 10" due to safety issues.

STEELSCAPE TOLL PROCESSES

The following pages outline the toll processes that Steelscape has to offer. Steelscape is happy to evaluate requests not on the current capability matrix. Questions regarding our toll capabilities should be directed to a Steelscape Sales Representative.

EMBOSSER

	Rancho
Pattern	Non-Directional Stucco, Peaks Up
Max Entry Coil Wt	30,000 #
Max Output Coil Wt	12,500 #
Thickness	0.0180" - 0.0296** Steel 0.0320" - 0.040" Aluminum
Width	23.937" - 48.5" Steel 18" - 48.5" Aluminum
Depth	.007" up to .012" thick
Substrates	TruZinc (HDG), ZINCALUME (Galvalume), CRS, Aluminum**
Entry OD/ID	20"
Delivery OD/OD	OD 64"/ID 20"
Cores	Available
Reverse Wrap	Available
Packaging	Vertical Only***

* If outside of this thickness and wider than 48.5", inquire with your Steelscape Representative.

** Grade/hardness restrictions may apply to some substrates. Cannot process Grade 80 steel. Grade 50 above 0.0236" inquire with your Steelscape Representative.

*** Embossed material will collapse if packaged longitudinally.

CUT-TO-LENGTH LINE

	Kalama
Max Entry Coil Weight	60,000 #
Max Shear Strength	50 KSI
Max Yield Strength	65 KSI (90 KSI up to .030" thick)
Thickness (T)	0.010" - 0.050"
Width	12" - 60"
Max Pallet Weight	5,000 #
Min. Cut Length	36"
Max. Cut Length	144" (up to 150" - trial only)**
Entry OD/ID	84"/20" +/- 0.5"
Max Stack Height	24" with skid
Strippable Film**	48" (-0.25"/+0.375")

Cannot process oiled coils.

* Maximum thickness is limited for fluorocarbon paint systems due to concern with scratching top surface upon stacking. Inquire with your Steelscape representative for painted product greater than 0.0236" ordered thickness.

** If greater than 120" extra lead time may apply.

*** Standard width is 48", it can be made available in any width up to 60". Minimum order restrictions apply.

QUOTING & ORDER PROCESSING

Purchase Order Requirements*

To process your order more efficiently, we require the following information when receiving your order:

Criteria	Options (If Applicable)
Ship-to Address	NA if customer will call
Mode of Transportation	(Truck or Rail)
Customer Purchase Order No.	
Total Quantity Ordered	(Pounds and/or Lineal Feet)
Substrate Type	HDG, Galvalume, Alum, Cold Roll Steel, Electro Galvanized, Tin Mil Black Plate, Hot Roll Steel, Stainless
Metal Grade (if applicable)	
Metallic Coating Weight (if applicable)	
Substrate Thickness	(Base Metal Thickness or Total Coated Thickness)
Width Tolerance	(Standard or Slit Tolerance)
End of Use	
Branding	(Yes/No)
Coil Inside Diameter (ID)	If other than 20", additional processing may be required
Coil Outside Diameter (OD) Max	
Coil Weight Minimum	
Coil Weight Maximum	
Skid Weight Maximum	
Packaging Preference	
Steelscape to CTL (cannot cut oiled coils)	(Yes/No)
Flat Sheet Length	36"-144"
Flat Sheet Plastic Film Required	(Yes/No)
Customer to Paint	(Yes/No)
Customer to Slit	(Yes/No)
Customer to Emboss	(Yes/No)
Requested Ship Date	
Paint Details-Top & Bottom Primer/Backer	(Topcoat mils, top primer mils, bottom primer mils, backer mils)
Paint Details-Top & Bottom Paint Color	(Paint Code with Color Description and Paint System)
Unit Pricing	(Per CWT or Pounds and TWM or Actual) (Note: Freight always calculated on actual weight)
Quote Number Used for Pricing	

* If your order needs to comply with any special building requirements, you will need to include that information on your purchase order provided to Steelscape. This includes requirements to meet the Buy American Act (BAA), Surface Transportation Assistance Act (STAA), American Recovery and Reinvestment Act (ARRA), various Buy America requirements, domestic and/or melted and poured requirements, or recycled-content requirements.

Lead Times & Releases

Steelscape will make every attempt to satisfy the customer order request date. Availability of materials - substrate and paint - in addition to line time availability will determine Steelscape's ability to meet the request date. Every order will reflect the customer order requested ship date as well as the Steelscape Acknowledged Date.

To help our customers better understand Steelscape's order entry process as it relates to lead times we offer the following order practices:

1. Steelscape requires 48 hours to arrange trucking. Orders requiring shipment should be released a minimum of 48 hours prior to the required shipping date.
2. Our delivery time is measured by the Acknowledged Production Date of the order and does not include the transportation time or mode used to deliver the product from our facility to the customer's final destination.

Order Acknowledgments

Upon receipt and entry of an order into the Steelscape production system, the customer will be provided an Order Acknowledgement. The acknowledgement will contain all specifications related to the order and should be reviewed to ensure accuracy. Any discrepancies must be brought to your Customer Service Representative's attention immediately. Order Acknowledgements will be sent for all orders unless requested otherwise in writing from the customer to the appropriate Steelscape Customer Service Representative.

Change Requests

We realize sometimes an initial order will need to be altered. Recognizing that potential need, we have established the following guidelines to help customers understand our change policy for existing orders.

1. Any changes to an existing order must be submitted in writing to the Customer Service Representative (CSR).
2. The CSR will initiate the change in Steelscape's system by obtaining approval from all appropriate departments, as determined by the type of change requested. Each request will be reviewed within twenty-four (24) hours. However, it may take up to one (1) business day to determine acceptance or refusal of the requested change.
3. Approval of changes will depend on the type of change requested and the status of order (i.e. where the order is in-process, lead time guarantee, etc.)
4. Orders approved for change will be revised per the customer request.
5. Customers will be notified of the outcomes for all changes requested.

Allowable changes include:

- Substrate
- Coating Weight
- Width
- Quantity*
- Lead Time
- Price
- Purchase Order No.
- Customer Part No.(s)
- Min/Max Coil Weights
- Packaging Instructions
- Paint Color*
- Paint Thickness*
- Grade*
- Decimal Thickness*
- End-Use
- Ship-To
- Ship Mode
- Slitting/Embossing Instructions

* Some restrictions apply to amending these items. Consult Steelscape Customer Service with any questions or concerns.

Amending an order may result in resetting of the Acknowledged Date. Upon amendment approval, a revised order acknowledgement will be reprinted and be sent to the customer.

In order to avoid accumulating and/or carrying unused paint inventory, any customer requested change and/or cancellation to a painted order, where the paint for that specific order is already in the Steelscape facility or the paint for that specific order cannot be cancelled, will have ninety (90) days from the requested customer change/cancellation date to issue a new painted order to use the remaining paint.

Steelscape will send a written notice to the customer reminding the customer of the unused paint in our facility forty-five (45) days, sixty (60) days and seventy-five (75) days after the customer originally requested the change and/or cancellation of the painted order. At day ninety (90), Steelscape will send a debit memo or invoice to the customer for the cost of the remaining paint.

In the event the customer does issue a revised painted order but still does not consume the remaining paint, the customer will be notified immediately after the paint run and at the above stated intervals that paint still remains in inventory. If the customer does not issue a final painted order within ninety (90) days of the cancellation/order change, then Steelscape may send a debit memo or invoice to the customer for the cost of the remaining paint.

Any further questions regarding Steelscape's order change policy can be directed to the Customer Service Department.

Variance Policy

Over/under run tolerance will be as follows:

VARIATION FROM ORDERED QUANTITY	
Order Size < 10 Tons	+/- 30%
Order Size < 50 Tons	+/- 20%
Order Size < 250 Tons	+/- 10%
Order Size > 250 Tons	+/- 3%

The customer, where applicable, must provide at the time of order placement the absolute minimum lineal footage and/or weight requirement(s) for that order. If an absolute minimum quantity is stated on the order, Steelscape will deviate from the standard policy whenever possible to meet the requested absolute minimum quantity (lineal footage).

Slit Drops

All orders requesting slitting that requires a drop of more than the 3/8" slit allowance will need approval from the customer in writing verifying the total excess drop taken and acknowledging responsibility for additional costs. Drops exceeding 1/2" slit will not receive reimbursement under the scrap reconciliation policy.

COIL RECEIPT

Steelscape Receipt & Delivery Locations

Customers will order the material to be delivered, freight prepaid, to one of the following Steelscape locations...

Customer	Customer
c/o Steelscape	c/o Steelscape
222 West Kalama River Rd.	11200 Arrow Route
Kalama, WA 98625	Rancho Cucamonga, CA 91730
Rail – Track # 1111	Rail – BNSF Track #s 1363 & 1364

Incoming freight charges are to be prepaid by the customer.
No “collect” shipments will be accepted.

Modes of Transportation Received

Steelscape facilities can accept the following modes of transportation:

- Kalama: Truck and Rail (Boxcar and Gondola)
- Rancho: Truck and Rail (Gondola)

Inbound rail loading specifications may need to be cleared prior to metal receipt to ensure the material can be offloaded. For rail routing instructions, please contact your Steelscape Customer Service Representative.

Receiving Hours

- Kalama, WA – Monday-Friday, 7:00am – 3:00pm
- Rancho Cucamonga, CA – Monday-Friday, 7:00am – 3:00pm

Variance from these stated shipping hours will be communicated in advance through normal communication channels.

Scheduling of Incoming Coils

The customer must make arrangements one (1) day in advance with the Steelscape Transportation Coordinator before sending the coils. Please contact your Customer Service Representative for the appropriate Steelscape facility's Transportation Coordinator contact information.

The Transportation Coordinator will direct ship-to location (plant or warehouse). The arrangement information needed includes: Steelscape's work order number, the customer's PO number, mill supplier, mill coil number, coil weight, substrate, decimal thickness, width, grade, coating weight, supplier, coil number and lineal footage of the coil(s) to be received; and the date and time the coils will arrive.

For storage guidelines on steel substrate that is received for toll processing, please see Section 3 for details.

Incoming Coil Documentation

Steelscape requires a manifest detailing the coil information with mill supplier, mill ID number, customer coil ID number, width, length, weight, decimal thickness, substrate, coating weight, grade and if chemically treated (if yes, provide details). The manifest is requested two (2) working days in advance of receipt of metal. This will allow for real time inventory status upon receipt of metal. For deliveries received without a prior manifest, receipt of the metal and/or the order itself may be delayed. Stated lead times do not begin until metal is fully received into the Steelscape system.

NOTE: It is recommended that the decimal thickness on the coil manifest should correspond exactly to the decimal thickness reflected on the customer's purchase order.

Coil Receipt

Upon receipt, each coil will receive a coil tag indicating material ownership along with all pertinent coil data. Each master coil will be assigned a Steelscape coil number that allows for traceability through all processes.

Steelscape will accept coils with “export packaging” such as wraps of metal, paper, cloth and/or wood. There may be a \$10 per coil charge for wrap removal and waste disposal. If applicable, this charge will be invoiced and payable upon the receipt of the coil.

Loading Appointments

Customer must notify the Steelscape Dispatcher and acquire a loading appointment at least 24 hours in advance for customer to arrange pick-up. A Steelscape Customer Service Representative can provide the appropriate Steelscape facility's Dispatcher contact information.

Steelscape will attempt to service customer Will-Call shipments received prior to noon on the same day. Same day Will-Call shipments do require that all necessary information is provided to the Steelscape Customer Service Representative and Logistic Group. All Will-Call shipments called in after noon will be scheduled for the following day. An appointment is required for all Will-Calls.

INCOMING COILS & STORAGE

Incoming Coil Inspections

Upon receipt of the coils, they will be inspected for any obvious defects or damage. Coils with readily visible and substantial damage will be rejected and/or not received. Minimal damage will be recorded on the shipper's manifest and receiving paperwork. The material lost during processing due to the damage will not receive reimbursement under the scrap reconciliation policy. Coils that pose a significant safety risk during handling will also be rejected (i.e. soft or collapsed coils). Customers will be notified by their Steelscape Customer Service Representative when this occurs.

Coils are not routinely unwrapped at the time of receipt. Depending on the type of packaging, it is possible that coil defects may not be detected at the time of receipt. These types of defects could include but are not limited to rust, staining, dents, shape issues, off-width, off-gauge, etc. If damage to a coil is discovered after receipt, the Steelscape Customer Service Representative will notify the customer.

Hidden damage undetected at the time of coil receipt will be addressed at the time of processing. Notification of damage or defects discovered during processing will be sent to the Steelscape Quality Department and the appropriate Customer Service Representative (metal may be pulled off the line and the acknowledgement date reset). Damaged coil portions will be formally rejected and handled as the Supplying Mill or Transit responsibility. Cropping losses resulting from hidden damage will be scrapped and credited as Supplying Mill or Transit related losses during the scrap reconciliation process.

When hidden coil damage that occurred prior to receipt is discovered during production, the customer will be responsible for the cost of used paint and applicable materials used during the partial or complete processing of the damaged coil.

The customer must address any damaged and/or defective coils within forty-five (45) days of receiving notice. After forty-five (45) days, Steelscape will send a certified communication to the customer regarding the coils. Thirty (30) days from date of customer notification (validated by signed certified mail) will be allotted to the customer for material shipment. Unless shipping arrangements have been made within the thirty (30) days allotted, Steelscape reserves the right to make arrangements on the customer's behalf to sell the coils for the current scrap value.

Damage resulting from excessive storage time, as defined under Specifications for Incoming Coils as > 60 days, may not be reimbursed.

Storage Guidelines

Steelscape will assume responsibility for the customers' material physically located at one of our facilities. All reasonable measures will be taken to guard against damage or loss.

Coils received and released/shipped without any additional value-added processing by Steelscape (i.e. not painted, slit and/or embossed) will be subject to a \$75.00 per coil handling fee. This handling fee will be waived for any shipments resulting from a delay in processing caused by Steelscape.

Steelscape will inventory the customers' material at no charge as long as the material status changes and/or material ships within the following guidelines...

BARE:	180 Calendar Days
FINISHED:	150 Calendar Days
HOLD/REJECT:	45 Calendar Days

The timely conversion and shipment of material insures proper inventory management and maximization of prime yields. Extensions to the above stated guidelines may be considered upon request.

Should customers' material age in excess of the guidelines provided here, Steelscape has the option to charge storage fees on the material at the following rates...

BARE/UNPROCESSED

Exceeding 180 Calendar Days = \$	7.50/ton
Exceeding 210 Calendar Days = \$	10.00/ton
Exceeding 240 Calendar Days = \$	12.50/ton

FINISHED GOODS

Exceeding 150 Calendar Days = \$	7.50/ton
Exceeding 180 Calendar Days = \$	10.00/ton

Storage invoices will be calculated on actual weight and will be charged monthly for material exceeding the guidelines above.

Damage resulting from excessive storage time may not be reimbursed.

SPECIFICATIONS FOR INCOMING COIL

Incoming Coil Protection

Steelscape recommends that all incoming customer-owned feed coils be protected from corrosion prior to arriving at Steelscape. Steelscape is not responsible for corrosion that occurs to coils prior to being processed through Steelscape's production, nor is Steelscape responsible for damage to coils that have been in Steelscape's inventory for longer than sixty (60) days.

Dimension, Shape and Surface

Steelscape can only inspect to those physical requirements specified by the customer. However, the following general guidelines are appropriate for most end uses.

The decimal thickness and width of the received metal must be in tolerance with the order. Unless otherwise stated, all ordered thickness and widths are considered minimum.

All metal shall be free of center buckle and pinch marks. Any edge wave must fall within commonly recognized ASTM limits and must be generally suitable for processing on a continuous coating line. All metal edges must be substantially free of edge stain, edge strain, minute cross-breaks, cracks, saw-tooth, slivers, excessive burr, laps, slugs or folds and tears. Camber must not exceed 7/8" in a 20 foot section.

Inspection will be to standard ASTM tolerances unless otherwise stated on the painting order.

Substrate surfaces must be free of storage stain, oxidation, grease, silicones and wax. Painting of chemically-treated material is subject to inquiry and must be identified as such on all incoming paperwork and coil tags. Substrate both chemically treated and oiled is strongly discouraged as paint adhesion is not guaranteed nor the responsibility of Steelscape.

If the substrate must be oiled, it should be lightly coated with an oil that is free of paraffin, lanolin and sulfonate. (The surface must have the ability to be readily cleaned with a typical paint line cleaning solution.)

The metals supplied must have adequate adherence to take pre-paint coating and fabricate without loss of adhesion or severe crazing of the zinc coating. (Normally zinc coating that can withstand a reverse impact of 120 inch pounds without loss of adhesion will meet this requirement.)

The surface of the metal must be capable of accepting metal treatments at the appropriate coating weights without voids in the metal treatment coating when the product is processed within the temperature and concentration ranges as specified by the manufacturer.

Substrate surfaces must be free from excessive surface irregularities such as, but not limited to, dents, dings, pits, scale, pipe, hearth roll pickup, stringers and dross. Galvanized, Galvalume® and Aluminum shall be reasonably free of dross, steam blisters, voids, craters, bands, stripes and curtains.

Galvanized or Galvalume coating should have a suppressed spangle relief, which is free of cob webbing or curtains. All substrates must be free of oxidation.

The substrate should be free of brands and stencils. (These will normally bleed through the paint coating).

Coils with interleaved paper must be pre-approved prior to receipt and processing.

Pre-slit coils must be pre-approved prior to receipt and processing.

Steelscape does not guarantee flatness as we do not have in-line leveling equipment; therefore, coils must be free of coil set.

Coils must be wound flush. Stagger winding results in edge damage during handling and transporting. Coils must be wound tight and suitable for stacking.

Steelscape will not assume financial responsibility for rejects by the final customer which are due to steel related defects that are within standard tolerances unless tighter than standard tolerances were specified at the time of the pricing of the order.

NON-CONFORMING SUBSTRATE

Disposition of Defective/Rejected Substrate

Material found unsuitable for the intended end-use will be rejected with written notification to the customer. The notification will include coil numbers, quantity, metal specifications and the reason(s) for rejection.

Forty-five (45) days from the rejection date will be allotted to the customer for final disposition. Thirty (30) days from date of customer notification will be allotted to the customer for material shipment.

Defects that occur repeatedly and involve large quantities will be addressed with the customer and/or supplying mill for immediate resolution.

Customers will maintain responsibility for rejected material until it is removed from Steelscape's inventory. As such, Steelscape will place all rejected material on a Return to Vendor order under our customer's name. The customer will be advised of Return to Vendor order number. It is advised that the customer communicate the Return to Vendor order number to the supplying mill as a reference for whoever will be picking up rejected material.

The quick handling of rejected material ensures proper inventory flow for all customers.

Processing of Supplying Mill/Transit Reject Material

Steelscape reserves the right to be reimbursed for the costs associated with the processing of metal related rejections. The customer will be invoiced for all coated material as agreed to in the original order. The customer will not be invoiced for bare portions processed as related to the reject.

Prime Yield of Incoming Substrate

The processing of metal and the application of coatings on the metal in a continuous coil coating line involves intermittent variations and imperfections that at times may prevent the established level of quality to be achieved. Steelscape will make every reasonable attempt to remove non-conforming material. However, due to the nature of the coil coating process, it becomes impossible to remove all aspects of an intermittent flaw either in the metal or the coating. As such, it is expected that the customer will accept without claim all inside and outside coil wraps, welds and cut-outs. Further, the customer is expected to accept without claim a minimal percentage of unusable coated metal as described below.

Claims involving accumulations of non-conforming material will be honored when the yield loss of a specific coil exceeds 10% of the total coil weight. In the event that the accumulated loss exceeds 10% of the total coil weight, the customer will be reimbursed for the value of the material for all such losses associated with that specific coil. All such claims must be directed to Steelscape's Technical Services Department for review and final disposition.

Due to the unavoidable inclusion of flaws in metal and coatings, the customer should take all opportunities to inspect the material upon receipt as well as during fabrication. Any non-conforming material should be identified and isolated in order to prevent further distribution, processing and/or installation of the defective material. Losses arising from materials visibly defective at the time of fabrication or installation

will be subject to claim for the original material cost.

In the event defective material is found, the customer is requested to run off 200 lineal feet beyond the initial appearance of the defect. If the defect terminates, the defective portion of the material should be considered under the prime yield percentage allowance. If the defective material does not terminate after 200 lineal feet, the balance of the coil should be set aside for separate consideration along with the 200 lineal feet quantity already run.

INVENTORY MANAGEMENT

All customer owned material will be tracked within Steelscape's production and online system.

Steelscape's online system, XtraScape, does allow customers to view order and coil activity. In addition, reports are available on XtraScape that provide for accountability on each coil processed. XtraScape is designed for customized reporting and the electronic, automatic distribution of reports. Reports available on XtraScape include...

- Production Reports
- Coil History Reports
- Shipments Reports
- Claims Submissions

Steelscape, when necessary, will also provide additional reporting, including scrap reconciliation, outside of XtraScape. For more information on XtraScape or other reporting options, please contact your Steelscape Sales Representative.

SHIPPING

Steelscape Shipping Hours

Kalama, WA - Monday-Sunday, 24 hrs/day.

Rancho Cucamonga, CA - Monday-Thursday, 24 hrs/day, Friday until 11pm.

Variance from these stated shipping hours will be communicated in advance through normal communication channels.

Standard Delivery & Pick-Up Lead Times

Local Deliveries: Next-day for Steelscape releases received by 11:00 AM. Local deliveries are < 150 miles from Steelscape's Point of Production.

Shipments Outside of Local Area: Shipment within two (2) working days for releases received by noon.

Shipments from Outside Warehouses: Same requirements as that of a Steelscape Point of Production.

Delivery/Load Changes: 6-hour notification required.

Requests outside of Steelscape's Shipping Service Offer will be addressed on a case by case basis and accommodated when schedule, workload and inventory accessibility allows.

Outgoing freight charges can be prepaid or collect as established on the order.

Steelscape will target a minimum load weight, based on released coil weights, for semi loads of no less than 45K lbs. and for maxi loads of no less than 58K lbs.

Should a coil not be available for a planned load, efforts will be made to fill the load with coils from another order or load for the same destination. This may require additional material/orders to be released for shipment.

HANDLING INSTRUCTIONS FOR FINISHED MATERIAL

Once received, the customer is responsible for unloading all material delivered from Steelscape and inspecting the material for visible damage. The material needs to be stored in a covered/enclosed space to protect the metal from inclement weather, water damage and/or condensation.

Prior to unloading any material with visible damage, the customer must notify the carrier's representative of the damage and note the damage as such on the delivery receipt.

If the material received does not meet the specifications on the packing list, the customer must notify the Steelscape Customer Service Representative immediately. At such time, the issue can be investigated and remedied.

If the quantity of material received by the customer is less than the quantity invoiced or if material received appears damaged in transit, the customer shall give written notice to the agent of the delivering carrier for verification of the shortage or damage. The customer will send copy of the same to Steelscape in addition to the receiving records.

Should the customer fail to notify Steelscape promptly of any issues related to damage upon receipt and/or non-conformance of the material, the material will be considered to have been received in good condition and as ordered. The material will also be considered delivered in accordance with the packing list/shipping documents.

SCRAP RECONCILIATION

Steelscape continually strives for 100% prime yield. However, current coil processing technology does not allow for such a prime yield. Therefore, Steelscape uses the following guidelines in the reconciliation of scrap losses. These yield allowances will be applied on total quantity ordered.

Steelscape retains ownership of all scrap losses regardless of cause, and all rejects determined to be caused by Steelscape.

All losses incurred during “no charge” developmental trials will be considered allowable.

Allowed Yield Loss

- Paint – 3%
- Slit – 3%
- Embossed – 1%
- Cut-to-Length – 1%

NOTE: These yields are exclusive of each other. Example...the allowable yield on a painted product will be 3% with an additional 3% allowable yield loss on the slit processing of the product.

Order Size

Steelscape yields require and are based upon orders of > 40,000 lbs. Order quantities of 20,000 to 39,999 lbs have Allowed Yield Loss of 4.5%. There is **no yield guarantee** on order quantities < 20,000 lbs.

Coil Size

There is **no yield guarantee** on coils < 10,000 lbs. Coils supplied at below standard quality will be subject to higher allowed yield losses and special handling fees.

Losses Included in Scrap Reconciliations

- Croppings of coil heads and tails
- Splices
- Line Stops
- Miscellaneous Croppings
- Coil Rejects < 2,500 lineal feet if Steelscape is at fault
- Coil Rejects > 2,500 lineal feet if Steelscape is at fault may be considered when the incoming coil weight is < 15,000 lbs.

Scrap Factor

The scrap factor is based on a % of **total quantity ordered by sales order line item**.

Scrap Reconciliation Reports

Steelscape will process the scrap reconciliation by the 20th of each month for the previous month's scrap. Credits/payments will be processed once per quarter for any scrap in excess of the allowed yield loss.

Non-Allowable Rejections

If during the processing of material, difficulties are encountered which result in an individual coil loss outside the normal operating allowance, Steelscape will be responsible for the reimbursement of the agreed upon metal value for that coil, regardless of throughput quantity. Steelscape will retain ownership of the material and credit the customer's account for the material involved regardless of yield performance.

Material Value

The customer will be reimbursed at the original metal value for the coils for all losses determined to be caused by Steelscape that exceed the stated yield allowance. Proof of original metal value for each coil will be required by Steelscape prior to customer reimbursement.