



## Heidtman Tubular Claims Policy

Heidtman Tubular takes tremendous pride in its ability to provide tubular products that meet or exceed our customer's expectations. Heidtman Tubular strives to minimize the opportunities for nonconforming product through a robust contract review process; however, if a claim does need to be submitted, this claims policy is provided to make the review process as efficient as possible.

### **General Terms and Conditions**

Unless specifically agreed to by Heidtman Tubular, the applicable ASTM tolerances will apply to all orders. Any exceptions should be communicated by the customer prior to Sales Order Acknowledgement. Claims that are found to be valid by Heidtman Tubular will result in a credit for the purchase price of the products found to be out of specification or defective, minus applicable scrap credit. Heidtman Tubular shall not be liable for any damages, including without limitation direct, indirect, special, incidental, consequential, punitive or other damages of any nature (including any labor, downtime, processing costs or repair expenses) resulting from the sale of its products, including without limitation defective or nonconforming products.

Any subsequent forming or processing performed by the customer or others is outside the scope of Heidtman Tubular's liability and claims policy, unless specifically agreed to by Heidtman Tubular prior to Sales Order Acknowledgment or part of the customer's ordered specification.

Product that does not "bend" shall be deemed to be not defective and conforming unless the type and degree of bending required is included in the specifications submitted to Heidtman Tubular prior to Sales Order Acknowledgement.

Product that does not telescope or accept tube I.D. insertions shall be deemed to be not defective and conforming unless these qualities are included in the specifications submitted to Heidtman Tubular prior to Sales Order Acknowledgement.

Claims must be submitted within one hundred and twenty (120) days of shipment from Heidtman Tubular, unless this claims policy explicitly states otherwise. Additionally, credits or debits for accepted claims must be taken within six (6) months of notification of the claim's acceptance.

Surface imperfections such as handling marks, light die or roll marks, and weld spatter are not considered defects or nonconforming.

### **Carrier Related Claims**

The customer shall note on the bill of lading if any material arrives wet, incorrectly protected from the environment, or damaged. Claims for these matters should be filed with the carrier immediately and are not the responsibility of Heidtman Tubular.

## **Rust Claims**

Surface rust is considered normal on hot roll black or pickled dry material. For unusually heavy rust conditions on uncoated material, or for white rust or red rust on galvanized material, the following criteria applies:

1. For a white rust or red rust claim to be considered, Heidtman Tubular must be notified as soon as possible. The user should not continue using material that may be subject to a future claim without first contacting Heidtman Tubular and receiving mutual agreement from both parties.
2. If material is stored or used in an unusually harsh or corrosive environment beyond Heidtman Tubular's control, the warranty may be affected. For example, the number of days allowed from the shipment date for a claim to be considered may be reduced.
3. Rust claims for hot roll black or pickle dry material must be submitted within seven (7) days of shipment from Heidtman Tubular to be considered. Additionally, the customer must note on the bill of lading at the time of receipt if the material arrived wet or not properly protected from the environment.
4. Rust claims for hot roll material that has been pickled and oiled must be submitted within thirty (30) days of shipment from Heidtman Tubular to be considered. For transit related rust claims on pickled and oiled product, the customer must note on the bill of lading at the time of receipt that the material arrived wet or not properly protected from the environment and it must be reported within seven (7) days of shipment from Heidtman Tubular.
5. Heidtman Tubular will not be responsible for any surface rust on material produced to an order that has not been shipped within sixty (60) days of manufacture.
6. Claims for white rust on galvanized and painted material will only be considered if received within sixty (60) days from the date of shipment. Claims for red rust on galvanized and painted material will only be considered if received within six months (180 days) from the date of shipment from Heidtman Tubular. White rust on the inside diameter is not eligible for a claim. Red rust on the inside diameter in the heat-affected zone is also not eligible for a claim.
7. Claims for white rust or red rust on galvanized material that has not been painted will not be considered.

## **Information and evidence required for claim submittal and consideration:**

1. Customer name
2. Bill of lading
3. Proof of identification (including bundle tag number)
4. Quantity being rejected (weight and length)
5. Reason for rejection
6. Location of the defect in the tube
7. A representative sample piece of at least four (4) feet (additional evidence may include pictures, test results, and/or dimensional results)
8. When the defect was detected in the process

Heidtman Tubular shall be given the opportunity to investigate any claim submitted and obtain additional information that may be required, including visiting the customer's facility to inspect the claimed material and understand the customer's process flow. Any material part of a pending claim shall not be returned, scrapped, repaired, or altered without written authorization from Heidtman Tubular.

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