



Северсталь

Claim Management Severstal-metiz group of companies Support information

March, 2021



Claim Management

Claim management is a cross-functional process aimed at expeditious consideration, settlement and payment of complaints from the customers of **JSC “Severstal-metiz”, AO “Severstal Wire Ropes”, LLC “OSPAZ”**.

Claims processing mainly focuses on the following:

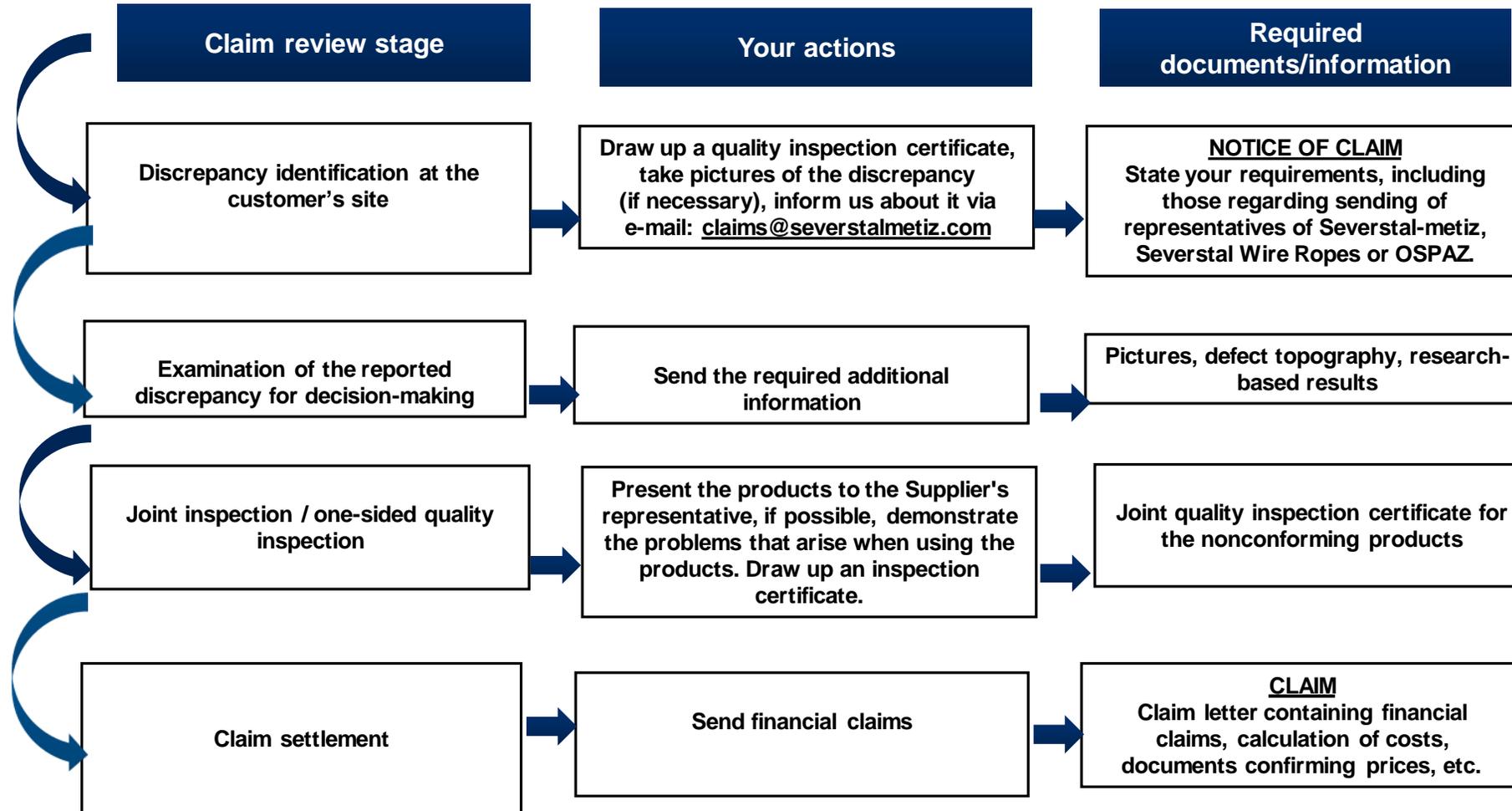
- Improving the efficiency and shortening the time taken to consider a claim
- Increasing customer satisfaction
- Development of corrective actions aimed at preventing repeating deliveries of nonconforming products



Claims processing information flow pattern

Dear Partners!

Please note that the more information about the problem you provide, the sooner we will be able to settle it.





Steps to be taken when a defect is found

Dear Partners!

Here is the list of key moments that will help us to fast-track your claim.

1. DOCUMENT/RECORD discrepancies found (take pictures) including visible marking/labels. Measure the size or pitch of a defect if possible and enclose relevant pictures.
2. DRAW UP THE FOLLOWING DOCUMENTS and send them via e-mail claims@severstalmetiz.com:
 - INSPECTION REPORT for the non-conforming products containing detailed information (please specify the following details for identification: Specification No., Invoice No., Certificate No., Batch No., weight of rejected part of the product, as well as rail car/truck No. if necessary). Indicate total weight of rejected products in the report.
 - CLAIM containing financial requirements for the rejected rolled steel (based on the joint inspection certificate).
Note Volume of the rejected products, identification data, defect description specified in the claim shall be the same as those indicated in the report.
 - Detailed calculation of costs.
3. DO NOT PROCESS/SHIP rejected products without relevant decision of Severstal-metiz / Severstal Wire Ropes / OSPAZ.
4. KEEP IDENTIFICATION TAGS/LABELS of rejected products for submission: a tag containing coli number (it is glued on top of the package or on the product itself); identification tag containing a barcode, production line/drawing machine number (fixed on the product itself); packager identification mark; sticker (it is glued to a turn of spring wire). Pictures of identification tags on the wire of JSC "SSM" are given in the Annex.
5. MAKE rejected products specified in the notice AVAILABLE for joint inspection.
6. FOR ALL QUESTIONS, PLEASE CONTACT personnel mentioned in the communication diagram

Communication Diagram



Dear Partners!

Please inform us about any nonconformances of the products produced by Severstal-metiz, Severstal Wire Ropes or OSPAZ via:

- **e-mail: claims@severstalmetiz.com;**
- **regular mail: JSC “Severstal-metiz”, 1/33 ul. 50-letiya Oktyabrya, Cherepovets, Vologda region, 162600, Russia, AO “Severstal Management”.**

Senior manager of Claims Consideration Group
Anastasiya Vikhрева van@severstal.com

For all questions regarding claim consideration (decisions, payments or processing status) please contact the following personnel:

- Anastasiya Vikhрева, Senior Manager tel.: +7 (8202) 56 00 06; ext=11276 van@severstal.com
- Natalija Kovarda, Specialist tel.: +7(8202) 56-00-06 ; ext=11285 nvkovarda@severstal.com



NOTIFICATION procedure as per supply agreement

All terms of acceptance procedure are specified in the supply agreement.

The Buyer accepts the Goods in respect of quality in accordance with the current law of the Russian Federation, the terms of the agreement, in accordance with GOSTs, technical specifications or quality characteristics additionally agreed between the Parties and listed in the specification.

The Buyer accepts the Goods in respect of quantity in accordance with the current law of the Russian Federation, according to the weight of the goods specified in the Railway bill/CMR and/or in the certificate of quality and quantity forwarding with the cargo.

Shall the quality or quantity of the goods received not comply to the data specified in the shipping documents, the buyer within twenty four (24) hours following the moment of discrepancy detection will invite a representative of Severstal-metiz/Severstal Wire Ropes/OSPAZ by notification via e-mail claims@severstalmetiz.com as well as in written form to participate in further acceptance of the goods and making of a bilateral inspection report (claim protocol).

The notification shall contain the number of the supply agreement as well as the following information:

quality:

No.	Specification (order), Invoice	Rail car/truck No.	Quality certificate	Heat No.	Batch No.	Weight of defective portion in tons	Defect description
1							

quantity:

No.	Specification (order)	Rail car/truck No.	Quality certificate	Heat No.	Batch No.	Weight as per the documents in tons	Actual weight in tons
1							



Порядок предъявления ПРЕТЕНЗИИ согласно договору поставки

Claim procedure is described in the supply agreement.

Following the acceptance procedure and making of an inspection report the Buyer shall prepare and send their claim to Severstal-metiz.

The inspection report can be drawn up with the participation of the Supplier's representative (bilateral report), unilaterally or involving an independent expert organization (depending on the terms of the supply agreement)

The Buyer shall set clear claim requirements and amount in the claim letter. Claims can be sent via e-mail (claims@severstalmetiz.com).

The following documents shall be enclosed to the claim letter: quality/quantity acceptance certificate for the goods, calculation of incurred losses, documents confirming such losses, as well as other necessary documents required to consider the claim.

Claims concerning violation of delivery time shall contain the following information:

Specification No.	Item No.	Certificate No.	Delivery date in accordance with the Specification	Actual delivery date*	Delayed tons	Delayed days	Penal sum

* The actual delivery date is the date of transfer of ownership according to the delivery conditions (listed in specification).

Claims concerning truck detention time shall contain the following information:

Specification No.	Invoice No.	Delivery date as per specification	Actual delivery date*	Penalty for truck idle time

* An actual delivery date becomes a title transfer date according to supply conditions (as settled in specification). The complaint shall be accompanied with a consignment document with a receipt acknowledgement mark, an invoice issued by a transport company, a contract with a transport company.



How to prepare a Notification if you discover a discrepancy/defect

Draw up a quality inspection certificate and inform us about it via e-mail: claims@severstalmetiz.com

Acceptance stage	Situation	Actions to be taken	Pictures to be taken that may help to fast-track your claim	How to describe a discrepancy/defect in a notification
Acceptance procedure for a rail car/truck	The products are displaced compared with the loading plan and/or unfastening elements are out of order	Bilateral inspection report shall be drawn up between the client and a forwarder, photos of the goods in a vehicle shall be taken and an appropriate record shall be made in consignment documents wherever possible. Loss and damage certificate/carrier's statement shall be drawn up with a representative of an arrival station in case of delivery by railway. The supplier shall be immediately informed.	<ul style="list-style-type: none"> • General view of a rail car/truck including its number plate. • Products in a rail car/truck before unloading so that labels can be seen; displacement of products, unfastening elements out of order. • Each damage to the product (packaging). File name shall contain the batch number. 	<p>Nonconformity to the loading plan / Packaging damage</p> <p>Please specify the following: rail car/truck no., specification no., invoice no., quality certificate no., net weight.</p>
	The products are not displaced compared with the loading plan, unfastening elements are not out of order, but the products (products packaging) are damaged and have such mechanical defects as indentations, tears.	Bilateral inspection report shall be drawn up between the client and a forwarder, photos of the goods in a vehicle shall be taken and an appropriate record shall be made in consignment documents wherever possible. Loss and damage certificate/carrier's statement shall be drawn up with a representative of an arrival station in case of delivery by railway.	<ul style="list-style-type: none"> • General view of a rail car/truck including its number plate. • Products in a rail car/truck before unloading so that labels can be seen. • Each damage to the product (packaging) in a rail car or above it before it is put in storage. File name shall contain the batch number. 	<p>Mechanical damages to the products caused by transportation / Mechanical damages to the packaging caused by transportation</p> <p>Please specify the following: rail car/truck no., specification no., invoice no., quality certificate no., net weight.</p>



How to prepare a Notification if you discover a discrepancy/defect

Draw up a quality inspection certificate and inform us about it via e-mail: claims@severstalmetiz.com

Acceptance stage	Situation	Actions to be taken	Pictures to be taken that may help to fast-track your claim	How to describe a discrepancy/defect in a notification
Acceptance procedure for a rail car/truck	Packaging is wet / ice-covered / water runs out of the package	Bilateral inspection report shall be drawn up between the client and a forwarder, photos of the goods in a vehicle shall be taken and an appropriate record must be made in consignment documents wherever possible. Loss and damage certificate/carrier's statement shall be drawn up with a representative of an arrival station in case of delivery by railway. The supplier shall be immediately informed.	<ul style="list-style-type: none"> • General view of a rail car/truck including its number plate. • Products in a rail car/truck before unloading so that labels can be seen. • Wet product units in a rail car or above it before putting in storage. File name shall contain the batch number. 	<p>Trace of atmospheric precipitations on the products</p> <p>Please specify the following: rail car/truck no., specification no., invoice no., quality certificate no., net weight.</p>
	Short delivery / extra amount delivery / re-sorting of the products	Bilateral inspection report shall be drawn up between the client and a forwarder and an appropriate record must be made in consignment documents wherever possible. Loss and damage certificate/carrier's statement shall be drawn up with a representative of an arrival station in case of delivery by railway.	<ul style="list-style-type: none"> • General view of a rail car/truck including its number plate. • Identification tags (all of them) • Technical passport and verification certificate for weight scale (scanned copies) 	<p>Short delivery / extra amount delivery / re-sorting</p> <p>Please specify the following: batch no., specification no., invoice no., quality certificate no., net weight, difference in weight between actual value and the one mentioned in the quality certificate.</p>

How to prepare a Notification if you discover a discrepancy/defect



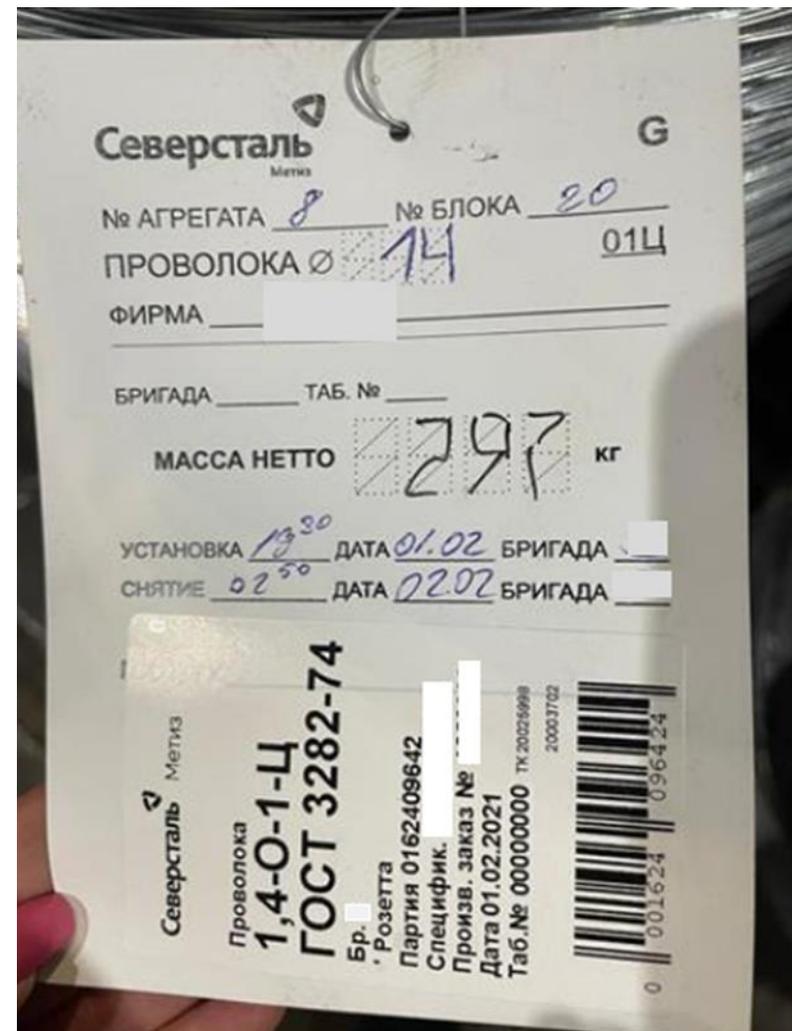
Acceptance stage	Situation	Actions to be taken	Pictures to be taken that may help to fast-track your claim	How to describe a discrepancy/defect in a notification	
Unpacking	Products are wet under its packaging / instances of corrosion	Internal report shall be drawn up. Photos of the goods shall be taken. The supplier shall be immediately informed.	<p>Pictures of measurements performed, defects:</p> <ul style="list-style-type: none"> Wet product units or product units containing instances of corrosion during unpackaging. Packaging paper Identification tags (all of them including those on and under the wrap) Areas containing instances of corrosion. File name shall contain the batch number. 	<p>Atmospheric corrosion White rust corrosion on galvanized wire</p> <p>Please specify the following: batch no., specification no., invoice no., quality certificate no., net weight.</p>	
	Mechanical damages of the products under package (package is not damaged).	Internal report shall be drawn up. Photos of the goods shall be taken. The supplier shall be immediately informed.	<p>Pictures of measurements performed, defects:</p> <ul style="list-style-type: none"> Damaged product units during unpackaging. Removed package and packaging paper. Each damage to the product. Measurement of defect dimensions. Identification tags (all of them including those on and under the wrap) File name shall contain the batch number as well as product number. 	<p>Mechanical damages such as scratch marks, tears.</p> <p>Please specify the following: batch no., specification no., invoice no., quality certificate no., net weight.</p>	
Acceptance control	Laboratory controlled product parameters do not meet requirements.	Internal report shall be drawn up. The supplier shall be informed and provided with test reports	Pictures are not required	<p>Mechanical properties do not meet the requirements; Chemical composition does not meet the requirements; Microstructure does not meet the requirements.</p>	
	Surface characteristics do not meet the requirements	Internal report shall be drawn up. The supplier shall be informed.	<p>Pictures of measurements performed, defects.</p> <p>File name shall contain the batch number as well as certificate number.</p>	<p>Defect description in accordance with the classification</p> <p>Please specify the following: batch no., specification no., invoice no., quality certificate no., net weight.</p>	
	Quality certificate information fails to meet the order requirements or is inconsistent with the products delivered.	Submit a request to the supplier indicating nonconforming parameters, requiring possible correction of certificates or confirmation to use the products for another purposes. Enclose quality certificate.	Pictures are not required		<p>Marking noncompliance</p> <p>No information in the quality certificate</p>
			<p>Pictures of weighing process. Identification tags (all of them including those on and under the wrap). Technical passport and verification certificate for weight scale (scanned copies)</p>		<p>Short delivery / extra amount delivery</p> <p>Please specify the following: batch no., quality certificate no., net weight, difference in weight between actual value and the one mentioned in the quality certificate.</p>



How to prepare a Notification if you discover a discrepancy/defect

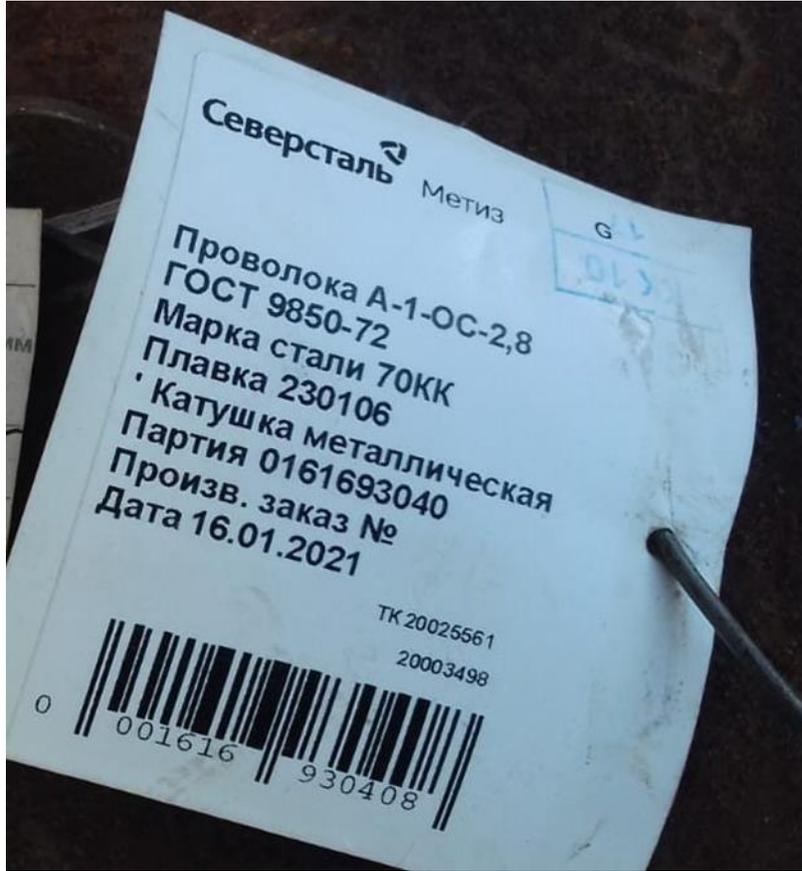
Acceptance stage	Situation	Actions to be taken	Pictures to be taken that may help to fast-track your claim	How to describe a discrepancy/defect in a notification
Putting into processing	Product characteristics are unacceptable for processing	Internal report shall be drawn up. Photos shall be taken if necessary. Measure the product and send the results to the supplier.	Product state, issues turning up during processing, results, etc. Identification tags (all of them including those on and under the wrap)	Defect / discrepancy description Please specify the following: batch no., specification no., invoice no., quality certificate no., net weight.
Processing	Surface defects are identified	Internal report shall be drawn up. Photos of the goods shall be taken Measure the product and send the results to the supplier.	Pictures of the defect for each product unit. File name shall contain the batch number. Identification tags (all of them including those on and under the wrap)	Defect description Please specify the following: specification no., invoice no., quality certificate no., net weight.
	Issues emerging during processing (breaks/cracks appearing during heading, etc.)	Internal report shall be drawn up. Photos of the goods shall be taken The supplier shall be informed.	Pictures of an issue enabling its assessment. Identification tags (all of them including those on and under the wrap)	Simple description of the problem. Please specify the following: batch no., specification no., invoice no., quality certificate no., net weight.

Annex: an identification tag containing a barcode, production line/drawing machine number (fixed on the product itself). Steel Wire Workshop No.1 JSC SSM

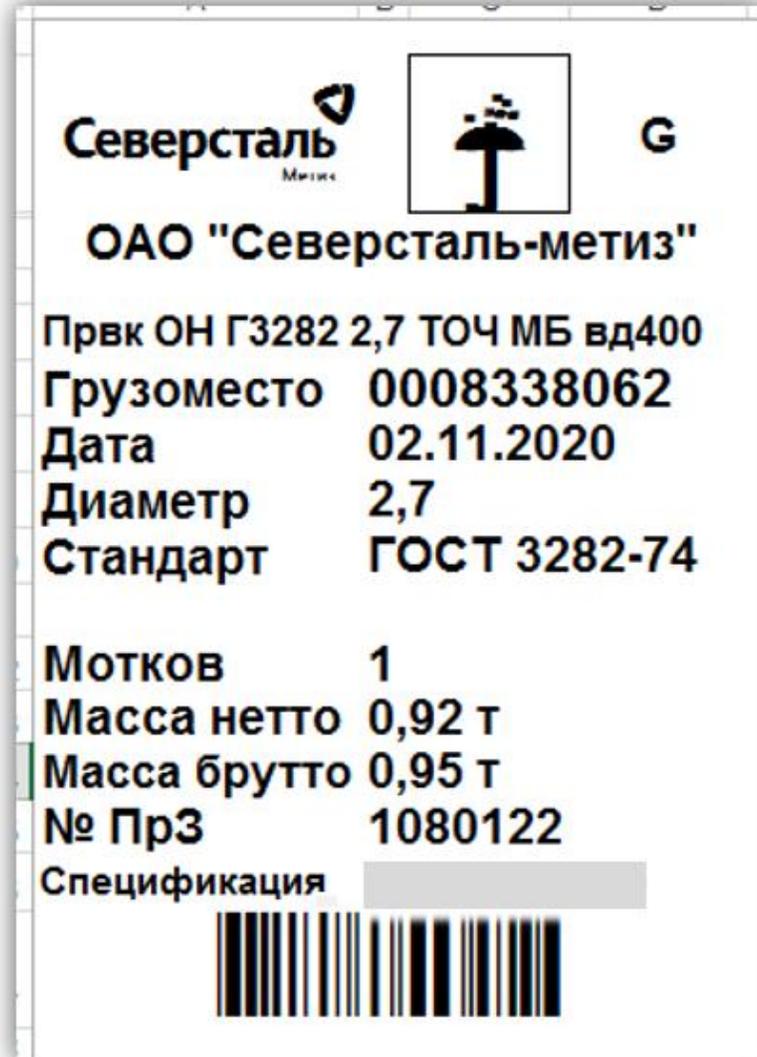


Annex: an identification tag containing a barcode, production line/drawing machine number (fixed on the product itself).

Steel Wire Workshop no.1, Steel Wire Workshop No.2 JSC SSM



Annex: a tag containing coli number (it is glued on top of the package or on the product itself).



Annex: packager identification marks. Steel Wire Workshop No.1 JSC SSM



Северсталь Метка Coil _____ - Non heat- (ТермоНЕобработанная)
 - Heat- (Термообработанная)
 - Heat-Galvanized (Оцинкованная)

DIAM 2,5 mm (Диаметр)

NET WEIGHT 975 kg (Вес НЕТТО)

GROSS _____ kg (БРУТТО)

DATE 01.01.21 (Дата)

ТАБ. №

			0	0	0
--	--	--	---	---	---

Северсталь Метка Coil _____ - Non heat- (ТермоНЕобработанная)
 - Heat- (Термообработанная)
 - Heat-Galvanized (Оцинкованная)

DIAM 6,0 mm (Диаметр)

NET WEIGHT 564 kg (Вес НЕТТО)

GROSS _____ kg (БРУТТО)

DATE 9.02.21 (Дата)

ТАБ. №

			0	0	0
--	--	--	---	---	---

Annex: a sticker (it is glued to a turn of spring wire).





**Thank you for
your attention!**

