

PURCHASED SCRAP SPECIFICATION

1. **PURPOSE:** To define the specification for scrap aluminum purchased by Matalco.
2. **SCOPE:** This specification applies to all scrap aluminum, RSI, and prime purchased by, and being tolled by Matalco.
3. **Procedure:**
 - 3.1. Purchase orders will be issued per confirmed agreement with the buyer. A line will be noted for each material type purchased. The alloy, material type, and volume shall be specified. The supplier will notify Matalco of any discrepancies on the purchase order within 24 hours of receipt. Verbiage on supplier's documents must match that of Matalco's PO verbiage. All incoming loads are subject to inspection in regard to this specification, verification of material type, and chemical composition. Matalco may break apart, mechanically separate, dump from boxes or utilize any means necessary to properly inspect incoming material. Matalco recognizes that the verbiage used in the supplier's system may be different than that of Matalco.
 - 3.2. Shipments with multiple items/material types will be accepted subject to the following conditions:
 - 3.2.1. Items are to be physically separated within the trailer or container by alloy. The pieces (box, pallet, coil, super sac, etc.) shall be clearly identified by alloy and grouped by material type on the trailer. If the items are not separated, identified, and grouped by alloy, the load may be rejected.
 - 3.2.2. The suppliers packing slip must be in English and delineate the material type and weight (gross/tare/net) in US pounds of each item as noted on the purchase order. If a detailed packing list is not supplied with each alloy detailed (totaled gross/tare/net by alloy), Matalco standard tares and weights will apply. The standard tares will be 32 lbs. for a box, 50 lbs. for a pallet, and 2 lbs. per four steel bands. The suppliers packing slip is preferred to be received 24 hrs. prior to delivery. If a detailed packing slip listing the gross/tare/net of each piece is not supplied by email from the supplier or by the driver, the load may be put on hold. If the load is put on hold, the load becomes a work in for the day and not guaranteed to be offloaded. Matalco will not pay detentions for loads put on hold.
 - 3.2.3. Necessary changes to a purchase order must be approved by a buyer and made at least 24 hours prior to delivery by e-mail to the purchasing team. Contact the Matalco location for office hours. Any changes to a purchase order for the following day delivery will need to be completed by close of business the day prior. Deliveries that do not include a detailed packing list that references the purchase order, delivery number, and materials will be placed on hold or rejected. If the load is put on hold, the load becomes a work in for the day and not guaranteed to be offloaded. Matalco will not pay detentions for loads put on hold.
 - 3.3. Matalco's receiving hours are by appointment only. If the load has missed the appointment time, contact the scheduling department for reschedule. Appointments are required for all deliveries of

scrap. Deliveries not checked in by appointment time are subject to delay or rescheduled delivery. Delivery appointments may be made utilizing Matalco's online scheduling system.

A purchase order number, material type shipping, and method of shipment (van, flatbed, etc.) must be provided when scheduling a delivery appointment. Bluffton deliveries will require a delivery confirmation number or an SRA number when the driver checks in the day of delivery. If the driver cannot provide the delivery confirmation number or SRA number that matches the scheduled appointment, the load will be placed on hold until the delivery number or SRA number can be supplied. All trucks that are put on hold or check-in late will be considered a work in and there is no guarantee the load will be offloaded the same day. Matalco will not pay detentions for loads put on hold.

3.4. Matalco will accept the material types listed in Section 5, Terms and Definitions, in the following forms as applicable:

3.4.1. Loose Scrap: Loose scrap must be of one alloy, not longer than:

7' – Brampton, Canton

10' – Bluffton, Lordstown, Wisconsin Rapids

and all loose. No boxed, coils or bundled scrap can be shipped in a loose load. Loose scrap trailers are dumped using a hydraulic lift truck and must meet the following requirements for unloading:

- a) Any baled material can be stacked no more than three high.
- b) Trailer length shall not exceed 48'. (53' flat beds allowed only in Brampton)
- c) The trailer must have fully sliding tandems (axles).
- d) The rear bumper must have 24" of ground clearance. Landing gear must be in good working order.
- e) All loose material to be free of banding or packaging (paper, plastic, cardboard, etc.).
- f) Matalco will make every attempt to dump or free loose material tightly packed with current equipment. If material is unable to be loosened for unloading, the material will remain in the trailer and not be received to the account of Matalco.
- g) Trailers must be deemed safe to unload. The rear doors have to be free of straps, pressure from scrap and in safe working condition.
- h) Any tarps must be able to be moved out of the way or removed for inspection and safety.
- i) Trailers that cannot be unloaded due to material or trailer limitations, including 53 ft. trailers, will be rejected.

Note: Matalco will not be responsible for any trailer damage.

3.5. Package Loads: Package loads consist of boxed, baled, or bundled material and cannot be wrapped in cardboard, plastic, or other nonconforming materials. The material may be rejected or

deductions for time and labor may be taken. Each bundle, bale, or box must be clearly identified, grouped in the trailer by item, and loaded securely for efficient unloading. If the package is not clearly identified, it is up to Matalco's discretion for the material type. Clearance of 8" from the top of the trailer and at least 3" on each side of the trailer side is required for unloading unless otherwise approved in advance by the delivery location. Bales cannot be loaded vertically. Improperly secured or stacked loads may be rejected. **Matalco will not be responsible for trailer damage due to improper loading or inadequate unloading clearance.**

3.5.1. The maximum extrusion bundle length, shipping on a flatbed shall be 20' with material uniformly bundled. Canton does not accept long scrap. Any other shipping would need to be agreed on with the buyer and specified on the purchase order. The maximum total stack weight is:

	Van	Flat bed
Brampton	5000 lbs.	4500 lbs.
Bluffton	6000 lbs.	8000 lbs.
Canton	4000 lbs.	6000 lbs.
Lordstown	6000 lbs.	8000 lbs.
Wisconsin Rapids	6000 lbs.	8000 lbs.

3.5.2. The maximum sheet/coil length dimension, reference 5.8. Any other shipping would need to be agreed on with the buyer and specified on the purchase order. The maximum total stack weight is 6,000 lbs. in a van and 8,000 lbs. on a flat bed, including skid weight.

3.5.3. Flatbed/Conestoga - Material needs to be placed toward the side of the trailer with forklift pockets facing to the outside of the trailer for side offload. Material placed in the center of the trailer is not accessible with our unloading equipment. Material loaded down the center could result in a rejection due to inability to gain access to the material with our equipment. The total stack weight, including the skid weight, cannot exceed 8,000 lbs.

3.5.4. Matalco will not receive any loads delivered on trailers with roll-up doors. Any trailers that arrive with roll-up doors will be rejected.

3.6. A Bill of Lading must accompany all incoming shipments. The following information must be included:

3.6.1. Supplier.

3.6.2. Matalco's purchase order number.

3.6.3. Delivery appointment number (confirmation number or SRA number).

3.6.4. Gross, tare, and net weight of each individual bale/box/pallet. Tares listed must be actual tare weights and will be at the discretion of Matalco. If gross, tare, and net weights of each package are not listed, Matalco counts and standard tare weights will govern. If the vendor's shipping documents adequately and accurately describe tare weights, said weights may be used in lieu

of the standard deductions. The tare weights must be listed individually and the total tare weights for each item totaled.

- 3.6.5. Description of the load to be received (as outlined on Matalco's purchase order) with each item/material type included on the shipment listed separately.
- 3.7. Matalco will weigh all loads upon receipt to ensure accurate receipt weight. Matalco's weight will govern for payment purposes. If Matalco's scales detect a deviation of 1.1% or more, the truck will be held until the supplier is contacted to resolve the deviation.
- 3.8. Incoming material that does not pass inspection in regard to material type or chemistry as specified on the purchase order, will be rejected or downgraded.
 - 3.8.1. Downgraded material will be placed on hold until agreement is reached with supplier. When downgrading individual bales or bundles, Matalco may use the weights listed on the packing list or may use the total net weight of the delivered load divided by the number of bales to develop a bundle or bales average weight.
 - 3.8.2. It is to Matalco's discretion to store rejected material. Any stored rejected material must be picked up within 3 business days. After 3 business days, a storage fee of \$200 per day will be charged. A reloading fee may be charged for any load that is rejected after unloading. The reloading fee is to Matalco's discretion and is dependent upon piece counts.
- 3.9. The following conditions may be cause for downgrade or immediate rejection of an incoming shipment:
 - 3.9.1. Containers, canisters, tanks, cans, bottles, paint or aerosol cans, cigarette lighters or saw fines in the load
 - 3.9.2. Bundled extrusion scrap longer than 20' in length delivered via flatbed.
 - 3.9.3. Bundled sheet that exceeds 60"x60" in size
 - 3.9.4. Loose scrap longer than previous stated lengths
 - 3.9.5. Crimped "both ends" pipe pieces in the load
 - 3.9.6. Fertilizers, salt, or other hygroscopic material in the load
 - 3.9.7. Detection of radioactive material in the load
 - 3.9.8. Lead, beryllium, boron, or lithium bearing material in the load
 - 3.9.9. Excessive dirt, grease, gravel, or other foreign material or contamination
 - 3.9.10. Closed containers, radiators, closed ended pipe or any scrap that could hold water/liquids.
 - 3.9.11. Material shipped in plastic, steel containers, or other non-disposable containers.
 - 3.9.12. Material that does not meet the Matalco's specification for material types listed in "Terms and Definitions."

3.9.13. Matalco will take the following standard deductions:

3.9.13.1 5% deduction for moisture in saw chips.

3.9.13.2 Gaylord boxes – 32 lbs. per box plus an additional handling and disposal fee of \$8 per box.

3.9.13.3 Pallets – 50 lbs. for each standard pallet (Total standard tare for a box and pallet is 82 lbs. total, Odd sizes will be weighed).

3.9.13.4 Steel Wire banding – 2 lbs. per four bands. Additional deductions may be applied for material bundles with more than four bands.

3.9.13.5 Saw Fines – Deducted weight will be estimated upon receipt. Matalco will contact suppliers prior to deductions. Any deductions over the standard require pictures to support the extra deduction.

3.9.13.6 Other non-Aluminum material – (cardboard, trash, steel or other metals, dirt, gloves, etc.) Deducted weight will be estimated upon receipt. Matalco will contact suppliers prior to deductions in excess of 200'. Any deductions over the standard require pictures to support the extra deduction.

3.9.13.7 Water, Snow, Ice – Deducted weight will be estimated upon receipt. Matalco will contact suppliers prior to deductions in excess of 200'. Any deductions over the standard require pictures to support the extra deduction.

4. All metal purchased by Matalco can be hedged. Matalco's expectation is that all purchase orders will be filled during the ordered month or no later than 60 days. Unfulfilled purchase orders older than 60 days may be closed. If the delivered weight is within 5% over/under the purchase order volume, Matalco will consider the hedge to be complete and the purchase order closed. Unfulfilled orders will be subject to any hedge loss incurred by Matalco. All rejected loads will need to be replaced or hedge loss based on Matalco decision.

5. **TERMS AND DEFINITIONS:** The following descriptions define the scrap material types purchased by Matalco, LLC. Any variation to these material types shall be agreed to prior to issuing the purchase order and will be noted on said purchase order.

5.1. 1000 Series Sheet / Clip: To consist of 1000 series alloys, to be free of copper, iron, cardboard, dirt, plastic, rubber, grease, oil, corrosion, oxidation, paper, plastic, wood, felt, fertilizer, putty/caulking, insulation, burnt residue, inked sheets, and any other contaminants. Minimum size of 1' pieces, 0.050" minimum thickness.

5.2. E.C. (Electrical Conductor) Wire/Straws/Sheet: Shall consist of clean E.C. Aluminum wire/sheet to be baled, boxed or palletized. To be free of screening, hair-wire, iron, copper, cardboard, dirt, grease, oil, corrosion, oxidation, paper, protect, plastic, rubber, wood, putties/caulking, felt, fertilizer, insulation, containers, burnt residue and other non-metallic items. Must be free of minus 20 mesh material. Must contain 99.45% Aluminum content. Bluffton is not accepting EC chops.

5.3. Bare Extrusion / Press Scrap: Shall consist of one alloy. Material may contain "butt ends" from the extrusion process but must be free of any foreign contamination. Anodized material is purchased

as bare material. If any anodized material contains painted material it will be downgraded as painted and priced accordingly. All material shall be free of iron, zinc, copper, felt, protect, cardboard, plastic, grease, foam, oil, corrosion, oxidation, paper, rubber, wood, putty/caulking, containers, thermal break, dirt, wood, 6061 high Iron solids, sheet /plate / clip or any other off grade material.

- 5.4. Painted Extrusions: Material to consist of new production and old/used 6063 painted extrusions. Must not contain other alloys of Aluminum and must be free of any foreign material. Extrusions shall be free of zinc corners, iron attachments, felt, plastic, paper, protect, foam, cardboard, grease, oil, corrosion, oxidation, putty/caulking, fertilizer, insulation, burnt residue, rubber, thermal break, containers, dirt, wood, sheet /plate / clip or any other off grade material.
- 5.5. 6063 Irony extrusions – 5%: Material to consist of new production and old/used 6063 and 6061 extrusions that may contain up to (but not exceed) 10 percent painted extrusions and 10 percent 6061 alloy extrusions with up to 5% irony attachments or as agreed to by buyer and noted on Purchase order. Material must be at least 1' in length with no cutoff ends. Must not contain other Aluminum alloys, sheet/plate/clip or heavy solids. Material shall be free of zinc corners, felt, plastic, foam, rubber, paper, cardboard, wood, grease, oil, corrosion, oxidation, putties/caulking, glass, thermal break, screen, foam filled extrusions, wood veneer faced extrusions, insulation, fuel tanks or other containers, insulation, dirt and other contaminants. Material must not exceed 6' in length, 2' in width and 1/4" thickness. Any irony and or extraneous material removed from the load will be deducted from the weight of the delivered material. The entire load or a portion of the load may be rejected for the presence of containers and or excessive amounts of extraneous material. The supplier is responsible for removing rejected material within 3 business days. Processing time will vary and the receiving report may be delayed.
- 5.6. RSI (Remelt Secondary Ingot) and Prime: Shall consist of Aluminum scrap which has been sweated or melted into a form or shape such as an ingot, sow or slab for convenience in shipping; to be free from corrosion, dross or any non-Aluminum inclusions. All RSI shall ship with sample buttons that are representative of each heat and an analysis sheet providing the heat number, listing of sows/ingots by weight and by chemical analysis for complete shipment. The buttons and analysis will need to be provided to the scale house upon delivery. If the proper buttons, analysis and weights are not provided this could result in a rejection. All prime shall ship with chemical analysis for complete shipment. The analysis will need to be provided to the scale house upon delivery. If the proper analysis and weights are not provided this could result in a rejection. Matalco will receive only single-pour low-profile sows.
- 5.7. Clip/Sheet: Shall consist of clean, uncoated, and unpainted Aluminum scrap of one specified alloy (6022, 6016, 6061, 6005, 6111 or 5052) with a minimum thickness of .051". Other alloys or thicknesses may be acceptable if specified by agreement between Matalco and the supplier and reflected on Matalco's purchase order. Material to be free of hair wire, wire screen, oil, grease, cutting solvents, paper, poly, felt, dirt, fin stock, foil, litho, fuel tanks or other containers, iron, stainless and other non-metallic items. Material must be at least 1" in size. Must not contain coated material or plastic wrapped material.
- 5.8. Coils: Shall consist of single alloy of 5052, 6111, 6016, or 6022 bare, uncoated coils with a minimum thickness of .051". Other alloys or thickness may be acceptable if specified by agreement between

Matalco and the supplier and such agreement is reflected on Matalco's purchase order. Coils shall be free of steel sleeves, cores, plastic wrapping and paper interleaved in wraps. The max shipping weight is:

	Van	Flat bed
Brampton	4500 lbs.	4500 lbs.
Bluffton	6000 lbs.	8000 lbs.
Canton	4000 lbs.	6000 lbs.
Lordstown	6000 lbs.	8000 lbs.
Wisconsin Rapids	6000 lbs.	8000 lbs.

This is a combined weight of material and pallet and the total stack weight. The Max coil size dimensions is 48" in height and 64" wide. The max skid size is 60" x 60". All coils shipped on a flatbed must be oriented with the coil center hole facing out to the sides of the trailer "eye to the side" to facilitate side unloading.

- 5.9. Skids of pup coils, slitter trim, or other scrap: Maximum skid dimensions are 60" x 60".
- 5.10. Wheels: Shall consist of clean, single-piece, unplated Aluminum wheels of a single specified alloy (A356 or 6061), free of all inserts, steel, wheel weights, valve stems, tires, chrome, plastic, grease and oil, and other non-metallic items. No unshredded wheel deliveries can be made from November to April.
- 5.11. 2XXX Series Wrought Aluminum: Specific alloy should be verified with the Buyer. Scrap should consist of solids or sheet, clean, uncoated wrought alloy with a minimum thickness of 0.050". Material to be free of dirt, oil and non-metallic material. The individual weight of each piece shall not exceed 1,000 lbs. Any other weight per piece would need to be approved by the scrap purchasing team.
- 5.12. Thermal Extrusion/Thermo Extrusion will consist of new bare 6063 or new painted 6063 extrusions. All material must be free of contamination other than thermal fill. The following contamination could result in a downgrade or rejection: Zinc corners, iron attachments, felt, plastic, paper, protect, foam, cardboard, grease, oil, corrosion, oxidation, putty/caulking, fertilizer, insulation, burnt residue, rubber, containers, dirt, wood, 6061 solids, sheet/plate/clip or any other off grade material. Must not contain other alloys of Aluminum and must be free of any foreign material.
 - 5.12.1. Material must be at least 1' in length with no cut off ends. Material greater than 6' will need to be shipped on a flat bed and will require shearing before processing. Verify with your buyer the price for shearing as it will be at an additional cost compared to clean, prepared thermo fill. The delivery location for long length will be confirmed at time of booking.