

Title: <b>Purchased Scrap Specification</b>		Document ID: <b>WI-7.4.3.1-01</b>
Effective Date <b>07/15/16</b>	Revision: <b>1</b>	Process Owner: <b>VP of Procurement</b>

1. **PURPOSE:** To define the specification for scrap Aluminum purchased by Alexin, LLC.
2. **SCOPE:** This specification applies to all scrap Aluminum and RSI purchased by Alexin, LLC.
3. **TERMS AND DEFINITIONS:** The following descriptions define the scrap material types purchased by Alexin, 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.
  - 3.1. **1000 Series Sheet / Clip:** To consist of 1000 series alloys, to be free of paper, plastic, inked sheets, and any other contaminants. Minimum size of 1" square, 0.050" minimum thickness.
  - 3.2. **E.C. (Electrical Conductor) Wire:** Shall consist of clean E.C. Aluminum wire to be baled and chopped. To be free of screening, hair-wire, iron, copper, insulation and other non-metallic items. Must be free of minus 20 mesh material. Must contain 99.45% Aluminum content.
  - 3.3. **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 acceptable. Material shall cardboard, thermal break, and dirt, wood, 6061 solids, sheet /plate / clip.be free of zinc corners, iron attachments, felt, plastic, paper.
  - 3.4. **Painted Extrusions:** Material to consist of new production and old/used 6063 painted extrusions. Must not contain other alloys of Aluminum. Material shall be free of zinc corners, iron attachments, felt, plastic, paper, cardboard, thermal break, and dirt, wood, 6061 solids, sheet /plate / clip.
  - 3.5. **6063 10/10 extrusions:** Material to consist of new production and old/used 6063 extrusions that may contain up to (but not exceed) 10 percent painted extrusions and 10 percent 6061 alloy extrusions. Must not contain other aluminum alloys, sheet/plate/clip or heavy solids or closed containers. Material shall be free of zinc corners, iron attachments, felt, plastic, paper, cardboard, wood, thermal break, and dirt and other contaminants. Material must not exceed 7' in length and 3/8" thickness.
  - 3.6. **6063 10/10 extrusions - 2%:** Material to consist of new production and old/used 6063 extrusions that may contain up to (but not exceed) 10 percent painted extrusions and 10 percent 6061 alloy extrusions. Material may contain up to 2% Fe attachments or as agreed to by buyer and noted on Purchase order. Must not contain other Aluminum alloys, sheet/plate/clip or heavy solids. Material shall be free of felt, plastic, paper, cardboard, wood, glass, thermal break, screen, foam filled extrusions, wood veneer faced extrusions, fuel tanks or other closed containers, insulation, dirt and other contaminants. Material must not exceed 7' in length and 3/8" thickness. Any irony and or extraneous material removed from the load will be deducted from the weight of the

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delivered material. The entire load or a portion of the load may be rejected for the presence of closed containers and or excessive amounts of extraneous material. The supplier is responsible for removing rejected material within 5 business days. Processing time will vary and the receiving report may be delayed.

- 3.7. **6063 Irony extrusions – 5%:** Material to consist of new production and old/used 6063 and 6061 extrusions that may contain up to 5% irony attachments or as agreed to by buyer and noted on Purchase order. Must not contain other Aluminum alloys, sheet/plate/clip or heavy solids. Material shall be free of felt, plastic, paper, cardboard, wood, glass, thermal break, screen, foam filled extrusions, wood veneer faced extrusions, fuel tanks or other closed containers, insulation, dirt and other contaminants. Material must not exceed 7' in length and 3/8" 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 closed containers and or excessive amounts of extraneous material. The supplier is responsible for removing rejected material within 5 business days. Processing time will vary and the receiving report may be delayed.
- 3.8. **Dealer Package:** Shall consist of old extruded Aluminum of one alloy; typically 6063 or 6061. Material must be free of iron, thermal break, saw chips, zinc corners, dirt, paper, cardboard, wood and other foreign contamination. Percentages of paint or other alloys to be agreed upon by buyer and seller.
- 3.9. **RSI (Remelt Secondary Ingot):** 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. Will be purchased subject to sample or analysis. Alexin will receive only single-pour low-profile sows.
- 3.10. **Sheet / Plate / Clip:** Shall consist of clean, uncoated, and unpainted Aluminum scrap of one specified alloy (6022, 6061, or 5052) with a minimum thickness of 3/8". Material to be free of hair wire, wire screen, dirt and other non-metallic items. Oil and grease not to total more than 1%. Also free from punchings less than 3/8" in size.
- 3.11. **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, grease and oil, and other non-metallic items. Loose "Not Boxed or Palletized" loads are preferred by Alexin.
- 3.12. **2XXX Series Wrought Aluminum:** Specific alloy should be verified with the Buyer. Scrap should consist of 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

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2,000lbs.

#### 4. PROCEDURE

- 4.1. Purchase orders will be issued monthly for each material type purchased. The material type, where applicable the alloy and volume shall be specified. The purchase order shall reference this document and compliance with this specification is required.
- 4.2. All incoming loads are subject to inspection in regard to this specification, verification of material type and verification of chemical composition. Alexin may break apart, mechanically separate, dump from boxes or means necessary to properly inspect incoming material.
- 4.3. Shipments with multiple items / material types will be accepted subject to the following conditions:
  - 4.3.1. No more than (3) items per shipment will be accepted unless outlined in the PO.
  - 4.3.2. Items are to be physically separated within the trailer or container, clearly identified and grouped by material type.
  - 4.3.3. Each package, bale, or bundle must be clearly identified with the material type / alloy
  - 4.3.4. The suppliers packing slip must delineate the material type and weight of each item as noted on the Purchase order. The suppliers packing slip must be delivered to Alexin prior to physical delivery.
  - 4.3.5. Necessary changes to a purchase order must be made prior to delivery. Deliveries that do not include a packing list that matches the Purchase Order and materials that do not match the Purchase Order and packing list will be delayed or rejected.
- 4.4. Alexin's receiving hours are 7:00 am to 3:00 pm EST. Appointments are required for all deliveries of scrap. Delivery appointments may be made utilizing Alexin's online scheduling system, calling 260-846-0780, or emailing TBaatz@alexinllc.com. A purchase order number must be provided when scheduling a delivery appointment.
- 4.5. Alexin will accept the material type's listed in Section 3, Terms and Definitions, in the following forms as applicable:
  - 4.5.1. **Loose Scrap:** Loose scrap must be of one alloy, not longer than 12' and all loose. No baled, boxed 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:

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- a) Trailer length shall not exceed 48'
- b) The trailer must have sliding tandems (axles)
- c) The rear bumper must have 36" of ground clearance
- d) Trailers that cannot be unloaded due to material or trailer limitations will be rejected.

Note: **Alexin will not be responsible for any trailer damage**

4.5.2. **Package Loads:** Package loads consist of boxed, baled, or bundled material and cannot be wrapped in cardboard, plastic, other nonconforming materials. Each bundle, bale or box must be clearly identified, grouped in the trailer by item, and loaded securely for efficient unloading. Clearance of 8" from the top of the trailer and at least 3" on each side of the trailer side is required for unloading. Bales cannot be loaded vertically. Improperly secured or stacked loads may be rejected. **Alexin will not be responsible for trailer damage due to improper loading or inadequate unloading clearance.**

4.5.2.1. The maximum weight per individual bale, box, or bundle is 7,500 lbs.

4.5.2.2. The maximum bundle length shall be 20' unless specified on the purchase order.

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

4.6.1. Supplier

4.6.2. Alexin's purchase order number

4.6.3. Delivery appointment number

4.6.4. Gross, net, and tare weight

4.6.5. Description of the load to be received (as outlined on Alexin's purchase order) with each item / material type included on the shipment listed separately. A packing list may be substituted for the load description.

4.7. Alexin will weigh all loads upon receipt to ensure accurate receipt weight. Alexin's weight will govern for payment purposes. If Alexin's scales detect a deviation of 1.1% or more, the truck will be held until the supplier is contacted to resolve the deviation.

4.8. 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. Downgraded material will be placed on hold until agreement is reached with supplier.

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- 4.8.1. When upgrading or downgrading individual bales or bundles, Alexin 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. A reloading fee may be charged for any load that is rejected after unloading.
- 4.9. All incoming material will be tagged at Alexin to identify Supplier name, PO number and material type.
- 4.10. The following conditions may be cause for immediate rejection of an incoming shipment:
  - 4.10.1. Containers, canisters, tanks, cans or bottles in the load
  - 4.10.2. Bundled scrap longer than 20' in length
  - 4.10.3. Loose scrap longer than 12' in length
  - 4.10.4. Crimped "both ends" pipe pieces in the load
  - 4.10.5. Fertilizers, salt, or other hygroscopic material in the load
  - 4.10.6. Detection of radioactive material in the load
  - 4.10.7. Lead or Beryllium bearing material in the load
  - 4.10.8. Excessive dirt, grease, gravel, or other foreign material or contamination
  - 4.10.9. Excessive saw fines
  - 4.10.10. Material shipped in plastic, steel containers, or other non-disposable containers.
  - 4.10.11. Material that does not meet the Alexin specification for material types listed in "Terms and Definitions."
- 4.11. Alexin will take the following standard deductions:
  - 4.11.1. Gaylord boxes – 32 lbs. per box plus an additional handling and disposal fee of \$10 per box.
  - 4.11.2. Pallets – 50 lbs. for each pallet (Total standard tare for a box and pallet is 82 lbs total).
  - 4.11.3. Steel Wire banding – 2 lbs. per bale or bundle.
  - 4.11.4. Saw Fines – Deducted weight will be estimated upon receipt. Alexin will contact suppliers prior to deductions in excess of 100 pounds. Any deductions over the standard require pictures to support the extra deduction.

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4.11.5. Other non-Aluminum material – (cardboard, trash, steel or other metals, dirt, gloves, etc.) Deducted weight will be estimated upon receipt. Alexin will contact suppliers prior to deductions in excess of 100 pounds. Pictures will be provided for deductions over 250 pounds.

4.11.6. Water, Snow, Ice – Deducted weight will be estimated upon receipt. Alexin will contact suppliers prior to deductions in excess of 100 pounds. Any deductions over the standard require pictures to support the extra deduction.

4.11.7. If the vendor’s shipping documents adequately and accurately describe tare weights, said weights may be used in lieu of the standard deductions. Use of said weights shall be at Alexin’s discretion and should be noted on the PO prior to receiving and as agreed to with the buyer.

4.12. All metal purchased by Alexin is Hedged. Alexin’s expectation is that all purchase orders will be filled during the ordered month. Unfulfilled orders will be subject to any hedge loss incurred by Alexin.

#### 5. REVISION HISTORY:

Rev#	Rev Date	Explanation	Revised By
0	11/11/15	Original	VP of Procurement
1	07/15/16	Update lines 3.5;3.6;3.7	VP of Procurement