

Title: Purchased Scrap Specification		Document ID: WI-PC-003
Effective Date 3/1/18	Revision: 4	Process Owner: Metal Purchasing Manager

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, and being tolled 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 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 1in. pieces, 0.050" minimum thickness.
 - 3.2. 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. Alexin is not accepting EC chops unless agreed to by the buyer and noted on the purchase order.
 - 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 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 solids, sheet /plate / clip or any other off grade material.
 - 3.4. 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, 6061 solids, sheet /plate / clip or any other off grade material.
 - 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, fuel tanks and or containers. Material shall be free of zinc corners, iron attachments, felt, plastic, foam, paper, cardboard, grease, oil, corrosion, oxidation, putty/caulking, cardboard, wood, thermal break, wood veneer faced extrusions, dirt and other contaminants. Material must not exceed 6' in length, 2' wide and ¼" thickness. Material must be a minimum of 1' in length.

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- 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 must be at least 1' in length, no cut off ends. 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 zinc corners, felt, plastic, foam, paper, rubber, cardboard, wood, grease, oil, corrosion, oxidation, putties/caulking, thermal break, wood veneer faced extrusions, glass, thermal break, screen, foam filled extrusions, fuel tanks or 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 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 (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 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, felt, plastic, zinc corners, dirt, paper, rubber, wood, glass, thermal break, screen, plate, putty/caulk, cardboard, wood veneer faced extrusions, insulation, foam filled extrusions, fuel tanks or other containers and other foreign contamination. Percentages of paint or other alloys to be agreed upon by buyer and seller. Material must not exceed 6' in length, 2' in width and 1/4" thickness.

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- 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. All RSI or Ingot 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. Alexin will receive only single-pour low-profile sows.
- 3.10. 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 Alexin and the supplier and reflected on Alexin'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.
- 3.11. Coils: Shall consist of single alloy of 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 Alexin and the supplier and such agreement is reflected on Alexin's purchase order. Coils shall be free of steel sleeves, cores, plastic wrapping and paper interleaved in wraps. The max shipping weight on a flatbed is 8,000 lbs. and in a van 6,000 lbs., this is a combined weight of material and pallet. 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.
- 3.12. Skids of pup coils, slitter trim, or other scrap: Maximum skid dimensions are 60" x 60". Maximum skid weight is 6,000 pounds.
- 3.13. 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.
- 3.14. 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 1,000lbs. Any other weight per piece would need to be approved by the scrap purchasing team.
- 3.15. 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,

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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.

3.15.1. 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.

4. Procedure:

4.1. Purchase orders will be issued per confirmed agreement with the buyer. A line will be noted 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. The supplier will notify Alexin on any discrepancies on the purchase order within 24 hours of receipt. Verbiage on Supplier’s documents must match that of Alexin’s PO verbiage. All incoming loads are subject to inspection in regard to this specification, verification of material type and chemical composition. Alexin may break apart, mechanically separate, dump from boxes or any means necessary to properly inspect incoming material. Alexin recognizes that the verbiage used in the suppliers’ system may be different than that of Alexin.

4.2. Shipments with multiple items/material types will be accepted subject to the following conditions:

4.2.1.No more than (3) items per shipment will be accepted unless outlined in the PO.

4.2.2.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.

4.2.3.The suppliers packing slip must delineate the material type and weight (gross/tare/net) 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), Alexin standard tares and weights will apply. The standard tares will be 32 lbs. for a box and 50 lbs. for a pallet. The suppliers packing slip is preferred to be received 24 hrs. prior to delivery. Once the truck is checked in, Alexin will not accept a detailed packing list, at this time Alexin weights will govern.

4.2.4.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. Alexin maintains 8:00 a.m. – 4: 30 p.m., Eastern Time, 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 packing list that matches the Purchase Order and/or materials will be placed on hold

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or rejected. If the load is put on hold, the load becomes a work in for the day and not guaranteed to be offloaded.

- 4.3. Alexin’s receiving hours are 7:00 am to 3:00 pm EST., with the last check in at 2:30 p.m. If the driver has failed to check in by 2:30 p.m., 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 Alexin’s online scheduling system, calling 260-846-0780, or emailing TBaatz@alexinllc.com. A purchase order number, material type shipping and method of shipment (van, flatbed, etc.) must be provided when scheduling a delivery appointment. All deliveries will require a delivery confirmation 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 put on hold or show up late will be considered a work in and there is no guarantee the load will be offloaded the same day.
- 4.4. Alexin will accept the material types listed in Section 3, Terms and Definitions, in the following forms as applicable:
- 4.4.1. Loose Scrap: Loose scrap must be of one alloy, not longer than 10’ 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:
- a) Trailer length shall not exceed 48’.
 - b) The trailer must have fully sliding tandems (axles).
 - c) The rear bumper must have 36” of ground clearance.
 - d) All loose material to be free of banding or packaging (paper, plastic, cardboard, etc).
 - e) Alexin will make every attempt to dump or free loose material tightly packed with current equipment. If material is unable to be loosen for unloading, the material will remain in the trailer and not be received to the account of Alexin.
 - f) Trailers must be deemed safe to unload. The rear doors have to be free of straps, pressure from scrap and in safe working condition.
 - g) Trailers that cannot be unloaded due to material or trailer limitations, including 53 ft. trailers, will be rejected.

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

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- 4.5. 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.**
- 4.5.1. The maximum weight per individual bale, box, or bundle is 6,000 lbs. in a van and 8,000 lbs. on a flat bed, including skid weight. Max packaging 60x60.
- 4.5.2. The maximum bundle length, shipping on a flatbed shall be 20' with material uniformly bundled. Any other shipping would need to be agreed on with the buyer and specified on the purchase order.
- 4.5.3. 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.
- 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 of each individual bale/box/pallet.
- 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 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 10' 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. Closed containers, closed ended pipe or any scrap that could hold water.

4.10.11. Material shipped in plastic, steel containers, or other non-disposable containers.

4.10.12. Material that does not meet the Alexin specification for material types listed in "Terms and Definitions."

4.10.13. Alexin will take the following standard deductions:

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

4.10.13.2 Pallets – 50 lbs. for each pallet (Total standard tare for a box and pallet is 82 lbs. total).

4.10.13.3 Steel Wire banding – 2 lbs. per bale or bundle.

4.10.13.4 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

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standard require pictures to support the extra deduction.

4.10.13.5 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.

4.10.13.6 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.

5. 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.
6. All metal purchased by Alexin is Hedged. Alexin’s expectation is that all purchase orders will be filled during the ordered month or no later than 60 days. If the delivered weight is within 5% over/under the purchase order volume, Alexin will consider the hedge to be complete. Unfulfilled orders will be subject to any hedge loss incurred by Alexin. All rejected loads will need to be replaced or hedge loss invoiced respectfully.

7. 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
2	04/28/17	Updated for IATF 16949	Senior Metals Buyer
3	12/18/17	Multiple revisions/additions submitted by Purchasing Dept.	Metal Purchasing Manager
4	3/1/18	Revised length @ 3.7 & 3.15	Metal Purchasing Manager