Technical delivery terms for steel and cast iron waste deliveries valid for ŽĎAS, a.s.

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<tr><td>Version
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……
Ing. Ladislav Kopecký
DME MOI</td></tr>
<tr><td colspan="2">Approved by

……
Ing. Martin Balcar, Ph.D.
Operations Manager
Ocelárna a Ingotárna
ŽĎAS, a.s.</td><td>Approved by

……
Jakub Šindelka
Purchasing Manager
Metallurgy
ŽĎAS, a.s</td><td>Approved by

……
Jana Jůzlová, DiS.
Purchasing Director
ŽĎAS, a.s</td><td>Approved by

……
Ing. Pavel Cesnek
CEO
ŽĎAS, a.s.</td></tr>
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A. DELIVERY TERMS

1. Unless agreed otherwise with the Seller, we require the following delivery terms for Metal Waste (hereinafter referred to as Goods) delivered under the Purchase Agreement, which is to be transported by rail (wagons) or road (Heavy Goods Vehicle):
   a) For rail deliveries – **DAP ŽĎAS, a.s., destination station Žďár nad Sázavou, own siding 323352** according to INCOTERMS 2010.
   b) For road deliveries – **DAP ŽĎAS, a.s., Žďár nad Sázavou, cargo gate Jihlavská ul.**
2. If the rail delivery is to be weighed officially at the departure station, then weight differences of up to 1% of the transported Goods total weight determined by the official weighing at the Buyer's will not be subject to a claim. In the event of higher weight differences, the entrance control employees and the Žďár nad Sázavou Railway Station will write a "Commercial Record" in relation to the missing transported Goods, on the basis of which the Seller will claim damages from the "Carrier". The "Commercial Record" will be sent to the Seller for information within two working days of being recorded.
3. Goods will only be loaded into cleaned wagons. In the event of contamination of the wagon or Goods with non-metallic materials (soil, aggregates and others), the contaminated wagon will be weighed after being unloaded and subsequently cleaned from non-metallic materials. Specifications of non-metallic materials are given in Part B. Delivery quality. The determined weight of polluting material in the delivery is then deducted from the weight of delivered Goods. The Buyer must prove the polluted material's presence with photographic documentation and prove its weight with weighing slips. Photographic documentation and weighing slips will be sent to the Seller no later than two working days after its discovery and will be a document used in the initiated claim procedure. **If the delivery or wagon is polluted in the volume of> 1% of the transported Goods total weight, the Seller will be charged a contractual penalty amounting to 2,000 CZK per ton of pollutant material for cleaning the wagon.**
4. When delivering Goods by road, the Seller must comply with the set time frame for acceptance of Goods during the working week in accordance with the information provided by the Buyer. When Goods are delivered by HGV, the Seller is obliged to deliver **two original delivery notes**, which must contain the mandatory data:
   – **delivery note number**
   – **purchase agreement number**
   – **the seller and consignor’s name**
   – **notified type of Goods**
   – **the date of the consignment's removal and the delivery note's issue date**
   – **the name of the driver who enters ŽĎAS, a.s. (legible), signature**
5. In the case of carrier charges for suspended wagons, the Buyer is not responsible for costs related to the following causes:
   a) Goods won't meet the specifications according to the purchase agreement.
   b) Goods delivery won't contain accurate or complete accompanying documentation.
   c) Goods will not be delivered within the specified time frame.
6. Buyers and Sellers will only recognise the official weight at the destination station referred to in point 1 when delivering by rail or road.
7. Only one type of Goods must be loaded in each wagon / Heavy Goods Vehicle.

8. Advanced notification must be given for each delivery. When delivering the Goods by wagon, the Seller must state the wagon's dispatch date, in the case of HGV deliveries, the Seller reports the consignment the day before delivery to Žďas, a.s.
9. Individual deliveries must be documented by a radioactive safety protocol (max. 0.1 Bq/g) and a non-explosive certificate.

B. DELIVERY QUALITY

1. The Seller undertakes to deliver Goods to the Buyer that comply with the Federal Committee on the Environment (FVŽP) Measure No. 69/1991 Coll., Which announces the Categorisation and Waste Catalogue. The quality of delivered Goods will correspond to the specifications in accordance with the chapter **"C. Non-alloy steel and cast iron waste catalogue"** with the following arrangements.
2. Deliveries must not contain **radioactive material**. In the event of the delivery of radioactive material, the delivery will be stopped and the next procedure will be carried out in accordance with instructions from the Regional Centre for Nuclear Safety. All costs will be covered by the scrap metal supplier (handling, sorting, hazardous ionised waste disposal).
3. The delivery must not contain **"objects with closed cavities"**. Any objects with the capability of holding gas or liquid under pressure are considered to be "closed cavity objects". If there is a single object with a closed cavity in a specific delivery, then the Buyer has the right to refuse to accept the entire delivery or to issue a claim regarding an already delivered delivery.
4. The delivery of **weapon material** (weapons and ammunition) must be documented by a certificate on the exact specifications and safety of the delivered waste, issued by an authorised person. The confirmation includes a legible registration number of the person's authorisation (pyrotechnic card, etc.). If the delivery does not meet the above requirement, then the Buyer has the right to refuse to accept the entire delivery.
5. The delivery must not contain **non-ferrous metal items** (As, Sn, Sb, Cu, Pb and their alloys). If there is a single item made of non-ferrous metals or its alloys in a particular delivery, then the Buyer has the right to refuse to accept the entire delivery or to issue a claim for an already delivered delivery.
6. The delivery must meet the cleanliness quality defined as the maximum **permitted contamination of the material with harmless non-metallic substances** (clay, wood, rags, porcelain, cement, etc.). In the case of detected pollution> 0.5% in the case of heavy waste (according to ČSN 420030/1994 item 5.3) or pollution> 1.0% in the case of light waste, packages and steel chips (according to ČSN 420030/1994 item 5.3), the Buyer has the right refuse to accept the entire delivery or issue a claim for an already delivered delivery. As a solution to the claim, the Buyer can offer the Seller the possibility of selling the contaminated material to the Buyer at a discounted price.
7. The delivery must meet the required **dimensional parameters**. If a certain proportion of non-compliant pieces is found, the Buyer has the right to issue a claim. The claim will be preferentially resolved with a request for a discount from the original sale price:
    - a share of> 5 to 20% of the volume, requires a 15% discount from the sale price
    - a share of 21 to 40% of the volume, requires a 20% discount from the sale price
    - a share of 41 to 50% of the volume, requires a 25% discount from the sale price

    with a share of 51% of the volume and more, the Buyer has the right to refuse to accept the entire delivery or to issue a claim for the entire already delivered delivery.

8. The delivery must meet the required **chemical composition**. If the selected samples analysis confirms the difference compared to the ordered specification> 1.0% for individual chemicals, the Buyer has the right to refuse to accept the entire delivery or to issue a claim for an already delivered delivery. As a solution to the claim, the Buyer can offer the Seller the possibility of selling the material with unsatisfactory composition at a discounted price.
9. In the case of each closed claim to the Seller's detriment, the Buyer reserves the right to charge a one-time fine of 200 CZK per ton of the claimed material as compensation for costs associated with resolving the claim (acceptance of material including weighing, inspection and registration).
10. In the case of Buyer's claim with concern to the entire Goods delivery, which has already been deposited at the Buyer's registered office, it is a material breach of agreement by the Seller. In a case such as this, the Buyer is entitled to withdraw from the agreement, provided that the Seller undertakes to deliver the entire delivery of defective Goods at their own expense, within 3 days of delivery of the Buyer's written withdrawal from the agreement. If this defective Goods are not delivered by the specified date, the Buyer is then entitled to charge the Seller a rate for daily storage amounting to 100 CZK per ton of Goods, but not more than 100% of the price for the entire delivery of the defective Goods.
11. In the event that there are additional costs, due to unsorted waste or defective chemical composition regarding the production of steel or waste, all costs incurred will be subject to damages if the conditions of damage liability are met and the Buyer will claim compensation for such damage.

C. NON - ALLOY STEEL AND CAST IRON WASTE CATALOGUE

The following types of material are supplied in accordance with the ČSN 420030 / 3.1994 standard.

Catalogue contents:

TYPE 02 – CAST IRON WASTE

TYPE 04 – CAST IRON WASTE

TYPE 11 – NEW HEAVY STEEL WASTE

TYPE 12 – OLD HEAVY STEEL WASTE

TYPE 13 – OLD HEAVY STEEL WASTE

TYPE 14 – OLD HEAVY STEEL WASTE

TYPE 33 – NEW STEEL WASTE PACKAGES

TYPE 38 – STEEL CHIP BRIQUETTES

TYPE 51 – SHORT STEEL CHIP

TYPE 52 – LONG STEEL CHIPS

TYPE 61 – SMALL STEEL WASTE LIGHT

TYPE 71 – HEAVY STEEL WASTE

TYPE 72 – HEAVY STEEL WASTE

TYPE 73 – SMALL STEEL WASTE HEAVY

TYPE 02 - CAST IRON WASTE

Description: Modified cast iron piece waste.

Maximum size: 400 mm

Minimum weight: 30 kg

Additional restrictions: The proportion of pieces weighing up to 1 kg is allowed up to 15% of the delivery weight

Maximum alloying and accompanying elements content for cast iron with flake graphite:

Chemical element	Content in wt. %
Carbon	2.7 – 3.8
Silicone	0.9 – 3.0
Manganese	0.5 – 1.0
Phosphorus	max. 1.5
Sulphur	max. 0.15
Copper	max. 0.30
Tin	max. 0.005
Arsenicic	max. 0.010
Antimony	max. 0.010
Lead	max. 0.005

Maximum alloying and accompanying elements content for spheroidal graphite cast iron:

Chemical element	Content in wt. %
Carbon	1.7 – 4.0
Silicone	1.0 – 4.0
Manganese	0.1 – 1.5
Phosphorus	max. 0.25
Sulphur	max. 0.030
Copper	max. 0.30
Tin	max. 0.005
Arsenic	max. 0.010
Antimony	max. 0.010
Lead	max. 0.005

TYPE 04 - CAST IRON WASTE

Description: Modified cast iron piece waste.

Maximum size: 700 mm

Minimum weight: 100 kg

Additional restrictions: The proportion of pieces weighing up to 2 kg is allowed up to 15% of the delivery weight.

Maximum alloying and accompanying elements content for cast iron with flake graphite:

Chemical element	Content in wt. %
Carbon	2.7 – 3.8
Silicone	0.9 – 3.0
Manganese	0.5 – 1.0
Phosphorus	max. 1.5
Sulphur	max. 0.15
Copper	max. 0.30
Tin	max. 0.005
Arsenic	max. 0.010
Antimony	max. 0.010
Lead	max. 0.005

Maximum alloying and accompanying elements content for spheroidal graphite cast iron:

Chemical element	Content in wt. %
Carbon	1.7 – 4.0
Silicone	1.0 – 4.0
Manganese	0.1 – 1.5
Phosphorus	max. 0.25
Sulphur	max. 0.030
Copper	max. 0.30
Tin	max. 0.005
Arsenic	max. 0.010
Antimony	max. 0.010
Lead	max. 0.005

TYPE 11 - NEW HEAVY STEEL WASTE

Description: The material must be from new waste, heavy, treated and clean. Material cut or fired. May contain rope with a min. 3 mm diameter, tied and formed into circles with a maximum diameter of 700 mm.

Maximum size: (1.20 x 0.50 x 0.50) m

Minimum thickness: 3 mm

Additional restrictions:

It must not contain scrap from cars or agricultural equipment. Cannot contain cast iron, bearing housings, chips, painted material, tin sheet metal, electrical equipment, motors, transformers, electrical switch drives, gearboxes, differentials, electrical distribution boxes. May not contain Manganese steel (Mn> 8%).

Maximum alloying and accompanying elements content:

Chemical element	Content in wt. %
Phosphorus	0.040
Sulphur	0.050
Copper	0.15
Nickel	0.15
Chromee	0.20
Molybdenumum	0.05
Tin	0.005
Arsenic	0.010
Antimony	0.010
Lead	0.005
Vanadiumium	0.02
Silicone	1.00

TYPE 12 - OLD HEAVY STEEL WASTE

Description: The material can be from old waste, heavy, treated, clean. The material may contain rope with a min. diameter 6 mm, tied and formed into circles with a diameter of max. 700 mm.

Maximum size: (1.20 x 0.50 x 0.50) m

Minimum thickness: 6 mm

Additional restrictions: It must not contain scrap from cars or agricultural equipment. It must not contain cast iron, bearing housings, chips, painted material, tinplate, electrical equipment, motors, transformers, electrical switch drives, gearboxes, differentials, electrical distribution boxes. May not contain Manganese steel (Mn> 8%).

Maximum alloying and accompanying elements content:

Chemical element	Content in wt. %
Phosphorus	0.040
Sulphur	0.050
Copper	0.15
Nickel	0.15
Chrome	0.20
Molybdenum	0.05
Tin	0.005
Arsenic	0.010
Antimony	0.010
Lead	0.005
Vanadium	0.02
Silicone	1.00

TYPE 13 - OLD HEAVY STEEL WASTE

Description: Material can be old waste, heavy, treated, and clean. The material may contain rope with a diameter of min. 4 mm, tied and formed into circles with a maximum diameter of 700 mm.

Maximum size: (1.20 x 0.50 x 0.50) m

Minimum thickness: 4 mm

Additional restrictions: It must not contain scrap from cars or agricultural equipment. May not contain cast iron, bearing housings, chips, painted material, tin sheet metal, electrical equipment, motors, transformers, electrical switch drives, gearboxes, differentials, electrical distribution boxes. May not contain Manganese steel (Mn > 8%).

Maximum alloying and accompanying elements contents:

Chemical element	Content in wt. %
Phosphorus	0.040
Sulphur	0.050
Copper	0.15
Nickel	0.15
Chrome	0.20
Molybdenum	0.05
Tin	0.005
Arsenic	0.010
Antimony	0.010
Lead	0.005
Vanadium	0.02
Silicone	1.00

TYPE 14 - OLD HEAVY STEEL WASTE

Description: The material can be from old waste, heavy, treated and clean. A maximum of 25% of material with a thickness of less than 6 mm and a maximum of 2.0% of the volume of cast iron waste is permitted in the delivery.

Maximum size: (1.20 x 0.50 x 0.50) m

Minimum thickness: 6 mm

Additional restrictions: May not contain scrap from cars or agricultural equipment. It must not contain bearing housings, chips, painted material, tinplate, electrical equipment, motors, transformers, electric switch drives, gearboxes, differentials, electrical distribution boxes. May not contain Manganese steel (Mn> 8%).

Maximum alloying and accompanying elements content:

Chemical element	Content in wt. %
Phosphorus	0.040
Sulphur	0.050
Copper	0.15
Nickel	0.15
Chrome	0.20
Molybdenum	0.05
Tin	0.005
Arsenic	0.010
Antimony	0.010
Lead	0.005
Vanadium	0.02
Silicone	1.00

TYPE 33 – NEW STEEL WASTE BRIQUETTES

Description: Scrap from new steel sheets and cuttings pressed into briquettes.

. Maximum size: (0,60 x 0.60 x 0.60) m

Minimum specific weight: 1.500 $kg \cdot m^{-3}$

Additional restrictions: May not contain coated sheets.

Maximum alloying and accompanying elements content:

Chemical element	Content in wt. %
Phosphorus	0.030
Sulphur	0.030
Copper	0.10
Nickel	0.10
Chrome	0.15
Molybdenum	0.03
Tin	0.005
Arsenic	0.010
Antimony	0.010
Lead	0.005
Vanadium	0.01
Silicone	1.50

TYPE 38 – STEEL CHIP BRIQUETTES

Description: Chip briquettes. The briquettes must be compact and must not fall apart during handling. Weight: 1 to 30 kg per piece

Additional restrictions: It must not contain oils, emulsions, grease.

Maximum alloying and accompanying elements contents:

Chemical element	Content in wt. %
Phosphorus	0.030
Sulphur	0.030
Copper	0.15
Nickel	0.20
Chrome	0.30
Molybdenum	0.08
Tin	0.005
Arsenic	0.010
Antimony	0.010
Lead	0.005
Vanadium	0.02
Silicone	1.50

TYPE 51 – SHORT STEEL CHIP

Description: Machining chips. Maximum length 50 mm.

Additional restrictions: It must not contain oils, emulsions, grease.

Maximum alloying and accompanying elements content:

Chemical element	Content in wt. %
Phosphorus	0.030
Sulphur	0.030
Copper	0.15
Nickel	0.20
Chrome	0.30
Molybdenum	0.08
Tin	0.005
Arsenic	0.010
Antimony	0.010
Lead	0.005
Vanadium	0.02
Silicone	1.50

TYPE 52 – LONG STEEL CHIPS

Description: Machining chips. Length over 50 mm.

Additional restrictions: It must not contain oils, emulsions, grease.

Maximum alloying and accompanying elements content:

Chemical element	Maximum content in wt. %
Phosphorus	0.030
Sulphur	0.030
Copper	0.15
Nickel	0.20
Chrome	0.30
Molybdenum	0.08
Tin	0.005
Arsenic	0.010
Antimony	0.010
Lead	0.005
Vanadium	0.02
Silicone	1.50

TYPE 61 – SMALL STEEL WASTE LIGHT

Description: The material must be treated, clean scrap.

Maximum size: (0.10 x 0.05 x 0.05) m

Maximum thickness: 3 mm

Additional restrictions: Plated and enamelled waste is not allowed.

Maximum alloying and accompanying elements content:

Chemical element	Content in wt. %
Phosphorus	0.030
Sulphur	0.030
Copper	0.15
Nickel	0.20
Chrome	0.30
Molybdenum	0.08
Tin	0.005
Arsenic	0.010
Antimony	0.010
Lead	0.005
Vanadium	0.02
Silicone	1.50

TYPE 71 – HEAVY STEEL WASTE

Description: The material must be heavy, tidy and clean. The proportion of pieces weighing up to 2.5 kg can amount to a maximum of 15% of the delivery weight.

Maximum size: (0.50 x 0.30 x 0.20) m

Minimum thickness: 6 mm

Additional restrictions: May not contain wires, ropes. Plated and enamelled waste is not allowed.

Maximum alloying and accompanying elements content:

Chemical element	Content in wt. %
Phosphorus	0.030
Sulphur	0.030
Copper	0.15
Nickel	0.20
Chrome	0.30
Molybdenum	0.05
Tin	0.005
Arsenic	0.010
Antimony	0.010
Lead	0.005
Vanadium	0.02
Silicone	1.50

TYPE 72 – HEAVY STEEL WASTE

Description: The material must be heavy, tidy and clean. The proportion of pieces weighing up to 1.5 kg can amount to a maximum of 15% of the delivery weight.

Maximum size: (0.25 x 0.20 x 0.15) m

Minimum thickness: 6 mm

Additional restrictions: May not contain wires, ropes. Plated and enamelled waste is not allowed.

Maximum alloying and accompanying elements content:

Chemical element	Content in wt. %
Phosphorus	0.030
Sulphur	0.030
Copper	0.15
Nickel	0.20
Chrome	0.30
Molybdenum	0.05
Tin	0.005
Arsenic	0.010
Antimony	0.010
Lead	0.005
Vanadium	0.02
Silicone	1.50

TYPE 73 – SMALL STEEL WASTE HEAVY

Description: The material must be heavy, treated, and clean scrap.

Maximum size: (0.10 x 0.05 x 0.05) m

Minimum thickness: 3 mm

Additional restrictions: Plated and enamelled waste is not allowed.

Maximum alloying and accompanying elements content:

Chemical element	Content in wt. %
Phosphorus	0.030
Sulphur	0.030
Copper	0.15
Nickel	0.20
Chrome	0.30
Molybdenum	0.08
Tin	0.005
Arsenic	0.010
Antimony	0.010
Lead	0.005
Vanadium	0.02
Silicone	1.50