



CMC Steel Arizona Scrap Specifications Manual

Revision 6
Effective May 2015

CMC Steel Arizona Scrap Specification Manual

TABLE OF CONTENTS

Introduction	3
General Terms & Conditions.....	4
General Raw Materials Specifications.....	7
Environmental Aspects.....	9
Closed Containers/Sealed Units	11
Radioactive Raw Materials	12
Other Unacceptable Material	13
Raw Materials Specifications	
Plate & Structural	14
Prepared Railroad	15
#1 Heavy Melt	16
Mixed #1 & #2 Heavy Melt	17
#2 Heavy Melt	18
#1 Bundles	19
#2 Bundles	20
Busheling.....	21
Shredded Scrap.....	22
Municipal Scrap	23
Mixed Turnings	24
Cast Iron Borings	25
Mixed Cast/ Heavy Breakable Cast	26
Quality/Inspection Policy And Procedures.....	27
Raw Materials Specification, Safety And Environmental Compliance And Agreement	29

Introduction

CMC Steel Arizona intends to consistently provide the best ferrous raw materials market to its suppliers. In order to pay competitive prices and provide the best market for ferrous raw materials, it is imperative that the quality of raw materials purchased by CMC Steel Arizona produces a clean, dense charge for our electric furnace. Dirty raw materials, loose bundles or loose coils, oversize raw materials, and contaminated raw materials reduce the ability of CMC Steel Arizona to produce quality finished steel products at competitive prices.

CMC Steel Arizona has created this Scrap Management Plan (hereafter referred to as “this plan”) to inform scrap suppliers of the standards for acceptable scrap quality of each raw material commodity. In addition, a list of unacceptable quality scrap is provided. Supplier’s efforts in applying these standards to every load of raw materials are expected, required, and will continually be monitored. All CMC Steel Arizona personnel involved in the purchasing, receiving, grading or unloading of raw materials resources are trained in applying the standards and policies set-forth in this plan. The success of any policy or standard is dependent upon the good judgment and fair mindedness of each person involved in its application. Our objective is to treat every supplier courteously and fairly.

The standards used in this plan are based on the specifications set forth by the Institute of Scrap Recycling Industries (ISRI) and may have been modified to meet the particular raw materials requirements of CMC Steel Arizona.

This plan will be reviewed by January 31 of each year and updated as necessary. CMC Steel Arizona will require each scrap supplier to provide documentation acknowledging the receipt of this plan as well as acknowledging the understanding and agreement of all requirements of this plan. The environmental aspects portion of this plan contains excerpts of the Title V Air Quality Operating Permit issued by Maricopa County to CMC Steel Arizona which mandates all provisions of this plan. Any questions or concerns regarding the contents of this plan should be directed to either the environmental or raw materials department.

General Terms and Conditions

- A. **PURCHASING OF RAW MATERIALS** is handled by the raw materials department of CMC Steel Arizona. The raw materials department may be contacted at: 480.396.7160.

- B. **PRICES** are quoted by CMC Steel Arizona for each raw material commodity, primarily at the beginning of each month, and may be applicable for (a) the entire month; (b) the remainder of that particular month; (c) for a given period of time to be specified; or, (d) for a specific quantity to be delivered by a specific date. A purchase contract with a corresponding purchase order number (P.O.) will be issued by CMC Steel Arizona for specific grades and quantities to be completed within a specific period of time, generally for one calendar month. Balances on any P.O. not shipped by the specified completion date may be cancelled or extended at the sole discretion of the raw materials department. **(All prices are quoted in gross tons and all quantities expressed on a P.O. are in gross tons, except when otherwise noted).**

- C. **DELIVERY** must be made in rear dump truckloads (at agreed upon minimum weights) quantities as specified at the time of purchase. Deviation from this requirement must be approved by the raw materials department.

- D. **SCALE HOUSE HOURS** will be increased as CMC Steel Arizona increases production. These changes will be communicated. Suppliers may address any questions they may have regarding receiving times, by contacting the raw materials department.

- E. **RECEIVING AND GRADING** – CMC Steel Arizona’s weights and grading will govern final settlement for all scrap purchases. A current P.O. must be on file for each shipment. No raw materials will be received at the scale unless:
 - 1. P. O. number has been issued to the supplier by an authorized raw materials department representative and must be referenced on all related correspondence and shipping documents.

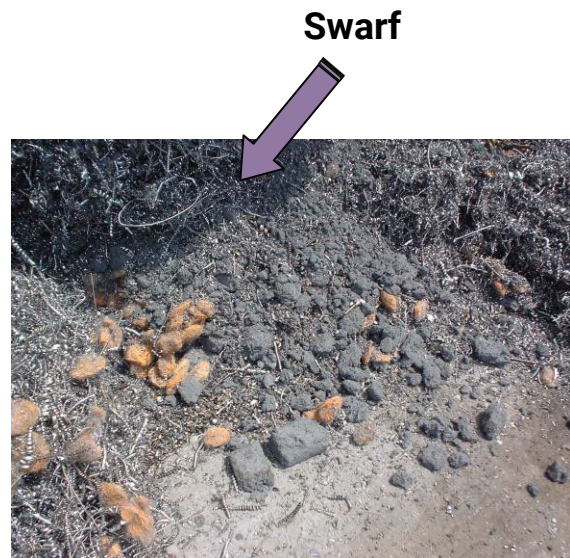
2. In the case of truck delivery, the driver must provide the scale administrator with:
 - a. P.O. number
 - b. Yard of origin
 - c. Grade being delivered
 - d. Bill of lading number
3. The scale administrator on duty is responsible for inspecting the top of every scrap shipment and determining if it conforms to the supplier's statement as to what grade shipped, in addition to adherence to the established CMC Steel Arizona scrap quality guidelines. The scale administrator will note the grade (i.e. shredded, #2HMS, etc.) on the scale ticket.
4. The scale administrator will inform the raw materials department of any substandard raw materials shipment. The supplier will then be notified by the raw materials department which will decide, at its sole discretion and without incurring any liability whatsoever, whether to hold the raw materials for downgrading (with the supplier's consent) or reject the shipment. In all cases, shipments held for disposition (downgrade/radiation) must be cleared within (24) hours except weekends or holidays, with any detention, demurrage, or other charges being the sole responsibility of the supplier.
5. After a shipment is weighed in, it will be the responsibility of the scrap inspector or his designee and the crane operator on duty to inspect the remainder of the shipment and determine whether it meets the quality standards as set forth herein.
6. Disputes over substandard material, contracts, grading, unloading, etc., on raw materials delivered after normal business hours (8:00am to 5:00pm, Monday through Friday) will be handled during the next business day's normal business hours, before the shipment is unloaded. If unloading has begun, the unloading will not be completed until the appropriate personnel have been contacted and have had an opportunity to inspect the load during normal daylight hours and come to a decision regarding acceptability.

7. Rejected truckloads of scrap become the supplier's responsibility at the time of notification. The raw materials department will assist the supplier from the perspective of minimizing any negative effects of a problem shipment.
 8. All freight charges or demurrage charges resulting from a rejected shipment shall be borne by the supplier. CMC Steel Arizona will either invoice such charges to the supplier, or deduct charges from a current or future payment.
- F. **WEIGHING PROCEDURES/WEIGHT DISCREPANCIES** – Scale administrators will compare the net gross weights provided by the supplier with CMC Steel Arizona's weights.
1. Trailers with differences in net weights of 1,000 lbs. or more will be verified to ensure that they have been weighed properly and that readings are correct. Differences in tare or net weights will alert the scale administrator to investigate and record contributing factors such as dirt, rocks, etc. on the scale ticket. (See GENERAL TERMS & CONDITIONS – Page 4 Paragraph E)
- G. **TRUCK UNLOADING** will be accomplished as carefully as possible with respect to the driver's safety and care of his truck and trailer and surrounding people and property.
- H. **SAFETY** is paramount at CMC Steel Arizona. Only the driver will be allowed into the raw materials storage area. The driver must have and use approved head and eye protection (**hard hat, safety glasses**) at all times while on CMC Steel Arizona property. Shorts and open toed shoes are not permitted at CMC Steel Arizona. The driver must not leave the immediate area surrounding his truck, and must stay ~~near~~ of the crane unloading his truck as well as other equipment operating in the area. The driver's strict attention to his surroundings is mandatory.
- I. **PAYMENTS** are made by check or ACH (EFT) and are issued within 30 thirty days of the date of invoice. During the end of month closing periods, there could be a slight delay in issuing checks.

General Raw Materials Specifications

In order to better understand the terms used in this plan, the following definitions are provided:

CLEANLINESS: All grades shall be free of dirt, non-ferrous metals, excessive rust and corrosion, or foreign material of any kind. However, the terms “free of dirt, non-ferrous metals, excessive rust and corrosion, or foreign material of any kind” are not intended to preclude the accidental inclusion of negligible amounts where it can be shown that the amount is unavoidable in the customary preparation and handling of the particular grade involved. CMC Steel Arizona will not accept any non-metallic or steel by-products such as mill scale, slag, grinding dust or swarf.



RESIDUAL ALLOYS: Wherever the term “free of alloys” is used in the classifications given herein, it shall mean that any alloys contained in the steel are residual and have not been added for the purpose of making alloyed steel.

OFF-GRADE MATERIAL: The inclusion in a shipment of a particular grade of iron or steel raw materials of a negligible amount of metallic material which exceeds, to a minor degree, the applicable size limitations or which fails, to a minor extent, to meet the applicable requirements as to quality or kind of material, shall not change the classification of the shipment, provided it can be shown that the inclusion of such off-grade material is unavoidable in the customary preparation and handling of the grade involved. The final determination of these occurrences are at the sole discretion of appropriate CMC Steel Arizona personnel involved in the inspection, grading and unloading of raw materials.

DRUMS: Drums of any size are not accepted.

DEVIATIONS: Deviations from the general classifications of iron and steel scrap given herein may be allowed by mutual written agreement between CMC Steel Arizona Raw Materials Department and the supplier.

Environmental Aspects

CMC Steel Arizona practices Guiding Principles which includes, caring about the needs of the community, beginning with the environment. Environmental aspects are managed at CMC Steel Arizona by on-site staff under the direction of the environmental manager. Any environmental concerns should be directed to the Environmental Department at: 480.396.7120.

The terms used in this Scrap Management Plan shall have the same definitions as those enumerated in EPA's Final Area Source Rule found at 40 CFR Part 63 Subpart YYYYY. As outlined in the final rule, the term "mercury switch" denotes only mercury switches that are part of a convenience light switch mechanism installed in a vehicle.

Contaminants such as chlorinated plastics, free organic liquids, lead (except for leaded steel) and mercury are not appropriate or desired for the production of steel in EAF facilities. However, these contaminants are found in the scrap metal that is the basic feedstock for the production of new steel.

EPA has identified EAF facilities as potential sources of HAP emissions and, on December 28, 2007, promulgated final regulations (codified at 40 CFR Part YYYYY) intended to control or minimize such emissions.

The regulations require EAF facilities, among other things, to restrict the use of certain scrap or follow a Pollution Prevention Plan for scrap purchased as production feedstock to minimize the amount of specified contaminants in such scrap.

CMC Steel Arizona is committed to complying with the requirements of the EAF Area Source Rule and to the goal of removing at least 80% of mercury convenience-light switches from motor vehicle scrap. CMC is also committed to minimizing to the extent practicable the presence of other contaminants in scrap that may result in the emission of hazardous air pollutants.

Accordingly, CMC has adopted and will comply with the provisions of this plan as part of the Pollution Prevention Plan. The following restrictions apply to all scrap steel purchased or used by CMC in its EAF steelmaking process.

Scrap materials must be depleted to the extent practicable of undrained used oil filters, chlorinated plastics, and free organic liquids at the time of charging to the furnace.

Lead-containing components of scrap, such as batteries, battery cables, and wheel weights, must be removed, to the extent practicable, prior to charging in the furnace unless the scrap is used to produce leaded steel.

Motor vehicle scrap must be purchased from providers that have minimized the presence of mercury in scrap through participation in the NVMSRP or another EPA-approved program.

PLEASE PAY STRICT ATTENTION TO THIS ISSUE.

Closed Containers/Sealed Units

SAFETY of our employees comes first and foremost along with protecting our property/equipment. Closed containers and sealed units are a serious explosion hazard, which may result in the loss of life, limb, and/or property. Any supplier that fails to address this issue may result in the suspension or termination as an approved scrap supplier to CMC Steel Arizona.

NO acetylene cylinders of any kind (pressurized or depressurized) can be accepted by CMC Steel Arizona because they typically contain asbestos.

CLOSED CONTAINERS: Any scrap shipments found to contain one or more closed containers including but not limited to: freon canisters, auto/truck drive shafts, shock absorbers, struts, torque converters, gear boxes, conveyor rollers, compressed gas cylinders, fire extinguishers, hydraulic cylinders, munitions scrap, air compressor tanks, fuel tanks, sheared pipe (has to be open on one end), oxygen/propane bottles, or any sealed units designed for containing pressurized gas, liquid or substances, which have NOT been emptied and cut-in-half lengthwise, WILL BE REJECTED.



PLEASE PAY STRICT ATTENTION TO THIS ISSUE.

Radioactive Raw Materials

CMC Steel Arizona protocol requires that any shipment of raw materials that alarms our radiation detection equipment will be rejected and any expenses incurred will be charged to the account of the supplier. This may result in the supplier being forbidden to ship raw materials to CMC Steel Arizona until the supplier demonstrates that efforts have been made to correct the problem. In addition, CMC Steel Arizona will not purchase any “decontaminated” raw materials regardless if the supplier has a “certificate of decontamination” by the U.S. Government or a U.S. Government approved contractor.

Any material that creates a radioactive alarm must be reported to the Arizona Radiation Regulatory Agency for their disposition and all related costs are the responsibility of the supplier. We encourage suppliers to install and properly maintain radiation detection equipment and establish a protocol to eliminate radioactive raw materials from being purchased at their facility. If you have any questions or need assistance with your procedures, please contact our environmental manager at 480.396.7120.

The Arizona Radiation Regulatory Agency will be notified prior to returning any load to the supplier pursuant to United States Department of Transportation, Pipeline and Hazardous Material Safety Administration rule DOT-SP 10656 (eleventh revision).

Potential Radiation Alarms

CMC Steel Arizona utilizes radiation detection equipment designed to detect any radiation activity, which may occur when incoming shipments of raw materials are delivered.

CMC Steel Arizona has a policy prohibiting off-loading any type of raw materials triggering the radiation detector.

Other Unacceptable Material

- NO lead containing materials** (i.e. battery cables, wheel weights, etc.)
- NO mill scale, slag, grinding dust or swarf.**
- NO asbestos** - typically in brake shoes, pipe insulation and hose insulation material.
- NO tires** (or tire pieces) of any type.
- NO free-flowing oil** (either on the surface of raw materials or containerized in the raw materials) undrained used oil filters, chlorinated plastics, and free organic liquids.
- NO units containing PCB's** of any type (this includes capacitors, transformers, ballast, etc.).
- NO batteries** of any type. This also includes Nickel Cadmium, Mercury, Lithium and other rechargeable batteries.
- NO Motor vehicle scrap** (i.e. shredded) from providers that have not minimized the presence of mercury in scrap through participation in the NVMSRP or another EPA-approved program.
- NO items containing freon** (i.e. charged AC units or other type of CFC's).
- NO other types of refrigerants** (e.g. ammonia).
- NO hazardous wastes** and no material containing hazardous wastes or hazardous waste residues.
- NO transformers.**
- NO offensive odors** (mercaptan coated natural gas lines or propane lines/tanks).
- NO flammable material** (oil, grease, fuel, etc.).
- NO liquids of any type.**
- NO foreign materials/ non-metallics** (i.e. wood, insulation, concrete, dirt, plastic, etc.).
- NO closed containers or sealed units, such as compressors, shock absorbers, etc.** (See pg. 11 for detailed instructions).
- NO electric motors**
- NO concrete**
- NO munitions or ordinance related items of any type**

RAW MATERIALS SPECIFICATIONS

GRADE:	Plate and Structural
GRADE CODE:	1503
DIMENSIONS:	36" x 18" maximum ¼" minimum thickness 4" maximum thickness
MINIMUM DENSITY: (Lbs. per cubic ft.)	55
MAXIUM WEIGHT PER PIECE:	95" - 200 lbs. or less 500 LB maximum



DESCRIPTION:	Very dense, clean, new or obsolete steel plates (includes torch cut plate or skeleton plate), structural shapes or crop ends. Should be free of non-ferrous metals and other contaminants.
MAY INCLUDE:	Welded structural steel tubing. Heavy wall pipe and if over 8" o.d. must be split in half. Please be sure to check all pipe for concrete.
RESTRICTIONS:	No railcar sides. No cast-iron or steel castings. No rebar or light structural steel. No torched heavy machinery. No cut machine housings. No cut truck frames.

RAW MATERIALS SPECIFICATIONS

GRADE: Prepared Railroad
GRADE CODE: 1527

DIMENSIONS: 36" x 18"

MINIMUM DENSITY: 55
 (Lbs. per cubic ft.)

MAXIUM WEIGHT PER PIECE: 95% - 200 lbs. or less
 500 LB maximum



DESCRIPTION: Cut allow-free railroad scrap to include track, spikes, tie plates, wheels, drawbars, knuckles, etc. Car sides are specifically excluded. Wheels must be pressed or cut off axles or axles cut flush with wheels.

MAY INCLUDE:

Springs	1% max
Wheels, drawbars, knuckles	20% max
Track, spikes, tie plates	20% max

RESTRICTIONS: **No** railcar sides.

RAW MATERIALS SPECIFICATIONS

GRADE: #1 Heavy Melt
GRADE CODE: 1501

DIMENSIONS: 36" x 18" maximum
1/4" minimum thickness
4" maximum thickness

MINIMUM DENSITY: 50
(Lbs. per cubic ft.)

MAXIMUM WEIGHT PER PIECE: 95% - 200 lbs. or less
500 lbs. maximum



DESCRIPTION: Very dense, clean, new or obsolete carbon steel scrap.

MAY INCLUDE: Railroad raw materials (wheels must be cut in half). Machine housings must be cut open and not to exceed 500# per piece. Light structural steel (1/4" angles, small beams, channel). Heavy wall pipe (must be split if over 8" in diameter) and up to 20% of a load is acceptable. **Heavy truck** wheels/frames.

RESTRICTIONS: **No** rebar.
No cast.
No automobile scrap, except crankshafts.
No rail car sides under 1/4".
No sheet steel.
No brake drums.
No crimped or un-crimped car rims.
No highly alloyed steel.

RAW MATERIALS SPECIFICATIONS

GRADE: Mixed #1 / #2 Heavy Melt

GRADE CODE: 1505

DIMENSIONS: 36" x 18" maximum
1/8" minimum thickness

MINIMUM DENSITY: 40
(Lbs. per cubic ft.)

**MAXIUM WEIGHT
PER PIECE:** N/A

DESCRIPTION: Clean, new or obsolete carbon steel scrap.

MAY INCLUDE: Must conform to requirements of #2 steel grade with sufficient #1 steel (minimum 40%) included for price adjustment. Also may include car rims.

RESTRICTIONS:

- No** turnings.
- No** cast-iron.
- No** appliances.
- No** porcelain coated materials.
- No** alloyed steel.
- No** non-ferrous material (i.e. copper, aluminum, etc.)
- No** rebar.
- No** wire coils or bundles.



RAW MATERIALS SPECIFICATIONS

GRADE:	#2 Heavy Melt
GRADE CODE:	1505
DIMENSIONS:	36" x 18" maximum 1/16" minimum thickness
MINIMUM DENSITY: (Lbs. per cubic ft.)	35
MAXIMUM WEIGHT PER PIECE:	N/A



DESCRIPTION: Clean, new or obsolete carbon steel scrap.

MAY INCLUDE: All properly prepared automobile scrap and obsolete appliances (stripped of non-ferrous and non-metallics), pipes (less than 6" in diameter) or light structural steel, thin gauged steel sheeting and thin gauged material. Also may include car rims. Rebar must not exceed 10% of the load.

RESTRICTIONS:

- No** turnings.
- No** cast-iron.
- No** porcelain coated material.
- No** alloyed steel.
- No** non-ferrous material (i.e. copper, aluminum, etc.)
- No** tangled rebar.
- No** wire coils or bundles.

RAW MATERIALS SPECIFICATIONS

GRADE: #1 Bundles

GRADE CODE: 1504

DIMENSIONS: 24" x 24" x 24"
Other sizes may be considered by the buyer on a case by case basis.

MINIMUM DENSITY: 70
(Lbs. per cubic ft.)

MAXIMUM WEIGHT PER PIECE: N/A

DESCRIPTION: New steel sheet scrap, clippings or skeleton scrap compressed into a small bundle.

MAY INCLUDE: N/A

RESTRICTIONS: **No** tin coated material.
Must be alloy-free.
20% maximum painted or galvanized material by Volume.
Loose or unsecured coils will subject entire load to rejection.

RAW MATERIALS SPECIFICATIONS

GRADE: #2 Bundles

GRADE CODE: 1506

DIMENSIONS: 24" x 24" x 24"
Other sizes may be considered by the buyer on a case by case basis.

MINIMUM DENSITY: 70
(Lbs. per cubic ft.)

MAXIMUM WEIGHT PER PIECE: N/A

DESCRIPTION: Clean, new or obsolete scrap compressed into a small bundle.

MAY INCLUDE: Clean, new or obsolete sheet metal scrap, i.e. fenders, filing cabinets, industrial shelving, etc.

RESTRICTIONS:

- No** turnings.
- No** cast-iron.
- No** porcelain coated material.
- No** alloyed steel.
- No** non-ferrous material (i.e. copper, aluminum, etc.)

NOTE: Loose or unsecured coils will subject entire load to rejection.
Coils/ bundles must be free of insulation, plastics and non-ferrous.



RAW MATERIALS SPECIFICATIONS

GRADE: Busheling

GRADE CODE: 1524

DIMENSIONS: 12" x 12" maximum
¼" minimum thickness

MINIMUM DENSITY: 50
(Lbs. per cubic ft.)

**MAXIUM WEIGHT
PER PIECE:** N/A

DESCRIPTION: Clean, new production steel scrap including sheet clippings, stamping, etc.

MAY INCLUDE: N/A

RESTRICTIONS: **No** Tin Plate material.

NOTE: May not include old auto body or fender stock. Free of metal coated, vitreous enameled and electrical sheet containing over 0.5% Silicon. Must be alloy-free.



RAW MATERIALS SPECIFICATIONS

GRADE: Shredded Scrap

GRADE CODE: 1507

DIMENSIONS: N/A

MINIMUM DENSITY: 70
(Lbs. per cubic ft.)

**MAXIMUM WEIGHT
PER PIECE:** N/A

DESCRIPTION: Extremely dense, clean, homogenous iron and steel scrap, magnetically separated originating from automobiles, unprepared #1 and #2 steel and miscellaneous baling and sheet scrap, essentially free of non-metallic and non-ferrous material. Automotive scrap used to produce shredded scrap must be purchased ONLY from suppliers that are active members of an EPA approved mercury switch removal program such as National Vehicle Switch Removal Program (NVMSRP).

MAY INCLUDE: N/A

RESTRICTIONS:

- No** municipal scrap.
- No** tin cans.
- No** turnings or cast borings.
- No** fluff.
- No** Mercury contaminated scrap.



All automotive shredded scrap must be shredded at a facility participating in the National Mercury Switch Removal Program (NVMSRP) and currently registered in the End of Life Vehicle Solutions program (ELVS). Periodic audits on shredded scrap suppliers will be done in order to encourage and corroborate active participation in the NVMSRP and ELVS programs.

RAW MATERIALS SPECIFICATIONS

GRADE:	Municipal Scrap
GRADE CODE:	1518
DIMENSIONS:	N/A
MINIMUM DENSITY: (Lbs. per cubic ft.)	50
MAXIUM WEIGHT PER PIECE:	N/A
DESCRIPTION:	Steel scrap from a municipal waste facility that have been magnetically separated from residential and commercial waste and processed through shredders or other acceptable means.
MAY INCLUDE:	N/A
RESTRICTIONS:	Must not contain ash, non-ferrous or any non-metallic.

RAW MATERIALS SPECIFICATIONS

GRADE: Mixed Turnings

GRADE CODE: 1508

DIMENSIONS: N/A

MINIMUM DENSITY: 50
(Lbs. per cubic ft.)

**MAXIMUM WEIGHT
PER PIECE:** N/A



DESCRIPTION: Clean, dense steel turnings from fresh production. May not be **springy, bushy, tangled or matted**. No long, stringy pieces. Turnings that are not easily handled by a magnet will be rejected.

MAY INCLUDE: N/A

RESTRICTIONS: **No** CAST-IRON BORINGS.
No non-ferrous metals, mill scale, slag, grindings, swarf, or dirt.
No oxidized or oily turnings.
No leaded or high sulfur turnings.

NOTE: Please do not ship turnings that will cling together in long clumps because when the material is matted up, it will become an issue when trying to load the ECS (Conveyor).

RAW MATERIALS SPECIFICATIONS

GRADE: Cast-Iron Borings

GRADE CODE: 1522

DIMENSIONS: N/A

MINIMUM DENSITY: N/A
(Lbs. per cubic ft.)

MAXIUM WEIGHT PER PIECE: N/A

DESCRIPTION: Fresh production; originating from the machining of cast-iron and must be free-flowing.

MAY INCLUDE: N/A

RESTRICTIONS: Free of any other material.
No oxidized or oily turnings.



RAW MATERIALS SPECIFICATIONS

GRADE: Mixed Cast
Heavy Breakable Cast

GRADE CODE: 1523

DIMENSIONS: 36" x 18" maximum
¼" minimum thickness
4" maximum thickness

MINIMUM DENSITY: N/A
(Lbs. per cubic ft.)

**MAXIMUM WEIGHT
PER PIECE:** 95% - 200 lbs. or less
500 lbs. maximum

DESCRIPTION: Clean heavy cast-iron machinery scrap that has been broken under a drop.

MAY INCLUDE: N/A

RESTRICTIONS: Free of any other material.



Raw Materials Quality/Inspection Policy and Procedures

Raw material quality is key to the success of CMC Steel Arizona, and therefore, maintaining strict control standards is a priority. We clearly understand that a raw material by its nature, is a unique commodity, and will work with all of our suppliers to ensure our standards are fair and equitable.

1. A strict inspection procedure. Every truck or railcar which enters our facility will be pass through radiation detection, be visually inspected by trained personnel at the scales and further inspections will take place by trained crane operators at the time of unloading and processing.
2. Any loads failing to meet our standards, as outlined, will be rejected. If the load is acceptable scrap but does not match the intended purchased grade, it will be at the discretion of CMC Steel Arizona whether to accept the load as a downgrade or to reject the load. If CMC Steel Arizona chooses to downgrade the load, then the supplier must determinewhether to return the load or accept the downgraded price.
3. Ongoing rejections and downgrades are costly and inefficient for bothsuppliers and CMC Steel Arizona. Recommendation to disqualify a supplier will be based on serious or repeated rejections and the results of audits and/or poor order completion. The number of warnings and rejections that will result in disqualification of a vendor depends on the amount of raw materials supplied and the seriousness of the incident(s).

The following is considered serious and requires all suppliers' attention:

1. Top dressing and mill scale additions, "salting the load", are deliberate misrepresentations of the material being supplied.
2. Sealed units/closed containers represent an explosion hazard.
3. A significant amount of non-ferrous can result in off-grade chemistry of the steel.
4. Radioactive material.

To be returned to approved supplier status, the Raw Materials Supplier must meet/discuss with the Raw Materials Buyer, and/or the Operations Management of CMC Steel Arizona with an outline (either verbal or written) for corrective action including:

1. Internal control standards necessary to meet CMC Steel Arizona's Scrap Management Plan and corrective action steps.
2. A record of this communication, whether verbal or written, will be entered to a supplier's activity record.



Scrap Management Plan, Safety And Environmental Compliance and Agreement

The undersigned Seller has read CMC Steel Arizona's Scrap Management Plan. This includes General Terms and Conditions, Environmental Aspects, Closed Containers/Sealed Units, Radioactive Raw Materials, Other Unacceptable Material and Raw Materials Specifications.

Seller acknowledges that CMC Steel Arizona may not accept any shipment in whole or in part that does not meet the conditions and specifications described in the specification document. Seller also acknowledges that vendors found to violate this Agreement may be disqualified from supplying scrap materials to CMC Steel Arizona.

Although CMC Steel Arizona will exercise reasonable effort to inspect scrap shipments, materials supplied can contain constituents not readily detected during normal inspection, which expose the company to hazards associated with use. Such constituents may include, for example, sealed containers, radiation sources, hazardous volatiles, etc. In all cases, CMC Steel Arizona's acceptance of any shipment shall not constitute any waiver of its rights to pursue a claim of damages if subsequent use results in damage or injury to people or property. Seller shall indemnify and defend Buyer from and against all costs, claims, losses, liabilities, and any other expenses (including court costs, and reasonable attorney's fees) resulting from damages caused to Buyer or any third party due to the defective Materials, except to the extent that such damages are caused by misuse of the Materials or negligence of Buyer.

I, the undersigned Seller, or authorized representative of Seller, do hereby acknowledge receipt and understanding of the aforementioned specifications and conditions.

PLEASE COMPLETE AND RETURN Original signed document to:
CMC Steel Arizona
C/O Scrap Purchasing Agent 11444 East Germann
Mesa, AZ 85212

Seller's Name: _____

Company Name: _____

Address: _____

City/State/Zip: _____

Phone: _____

E-Mail: _____

Signature: _____

Title: _____