

## **GENERAL TERMS AND CONDITIONS OF SCRAP METAL COLLECTION OF CMC Poland Sp. z o.o. – Mill in Zawierciu**

### **I. GENERAL PROVISIONS**

1. Scrap metal collection shall be performed by CMC Poland Sp. z o.o.- Mill in Zawierciu (hereinafter: **Buyer/CMC**) in accordance with the General Terms and Conditions of Scrap Metal Collection (hereinafter: **GT&C**), CMC Company Standard for Processed Steel Scrap and Unprocessed Steel Scrap (hereinafter: **CS**) available at [www.cmc.com](http://www.cmc.com) and the terms and conditions of a given order.
2. The basis for scrap metal collection by the Buyer is the conclusion of the order as described in Article II below and delivery of scrap metal compliant with the terms and conditions of the order placed by CMC to the Supplier. In case of discrepancies between the content of the Buyer's order and the content of the GT&C or CS, the provisions of the order shall prevail.
3. Terms used in the remainder of this GT&C shall mean:
  - “**Scrap Metal**” – post-production steel waste generated in the manufacturing processes of metal products, including post-depreciation steel products – of the types and characteristics specified by the technical specifications of the respective scrap metal grades indicated in the CS and in the respective order.
  - “**Supplier**” – the entity that sells Scrap Metal to the Buyer.
  - “**Supplier's email address**” – the electronic mail address to which CMC directs orders and other statements related to the order and modifications thereto, including documents for Scrap Metal collection or complaints. The Supplier shall provide its email address for effective delivery of the above documentation by CMC;
  - “**address: CMCP\_POS\_CONFIRM@cmc.com**” – is the e-mail address from which CMC only sends orders. This address is not for the receipt of emails by CMC. An order sent from this e-mail address shall constitute a statement made by CMC Poland Sp. z o.o.

### **II. TERMS AND CONDITIONS OF ORDER CONCLUSION AND MODIFICATION**

1. It is stipulated that conclusion and modification of a purchase order for Scrap Metal requires a document-like form. In order to conclude an order, the Buyer sends an order that specifies at least the quantity, price and delivery time of the Scrap Metal to the Supplier's e-mail address.
2. The acceptance of the terms and conditions of purchase of Scrap Metal by CMC is confirmed by sending the order to the Supplier's e-mail address from **CMCP\_POS\_CONFIRM@cmc.com**. The Article 68<sup>2</sup> of the Polish Civil Code shall not apply.
3. The moment of concluding the Scrap Metal sales contract is the moment when the Supplier could get acquainted with the statement mentioned in item 2 above (order), unless it immediately objects to its content in a document sent to the email address of the CMC employee cooperating with the Supplier.
4. A modification of an order requires a document-like form. The CMC's approval of an order modification is confirmed by sending an order with the same number again to the Supplier's e-mail address from **CMCP\_POS\_CONFIRM@cmc.com**. Subsequent orders with the same number replace the previous one in its entirety and constitute the complete and final content of the Scrap Metal sales contract between the Parties.
5. The Supplier warrants that any person who sends e-mail correspondence from the Supplier's mailboxes is a person authorized to make declarations of will on its behalf and for its benefit, including amendments to the content of the concluded contract in the agreed form.
6. The Attachments indicated in the contents of the order constitute its integral part.

### **III. PRICE**

1. The basis for Buyer's payment for Scrap Metal is a VAT invoice duly issued and submitted by the Supplier with respect to all order terms and conditions. In case of delivery to the Buyer of VAT invoices containing errors or terms and conditions not included in the order, the Buyer may withhold payment until the Supplier submits a correction of the disputed invoice. The payment period for the delivery confirmed by an incorrect VAT invoice shall start for the Buyer from the date of delivery of the correction for the VAT invoice.
2. If the Scrap Metal is sent for transport on the date of a given order, even if it has not arrived at the Buyer within this period, it shall be settled in accordance with the content of this order, unless the Parties agree otherwise. If the Scrap Metal is shipped after the completion date specified in the given order, the Buyer shall have the right to refuse to receive the delivered Scrap Metal.
3. The Supplier shall not be entitled to set off any liabilities against the Supplier's amounts due arising from the agreements concluded between the Parties.
4. Scrap Metal collection by the Buyer shall take place on the basis of
  - a) as regards the quantity of the Scrap Metal – indications from weighing machines located at CMC's premises, subject to other terms and conditions in the content of a given order.
  - b) as regards the quality – the quality classification of Scrap Metal made by the Buyer in accordance with the FAQ, GT&C and/or terms and conditions of the respective order, including the amount of impurities or results of inspection of the content of hazardous materials/waste in the Scrap Metal.
5. From the collection activities carried out, the Buyer shall draw up the confirmation of Scrap Metal receipt in the document-like form – the Weighing-In Document, indicating, in the content of the electronically generated document, the final quantity of Scrap Metal received in a given delivery and confirm the quality of Scrap Metal receipt in the tabular document – the Delivery Confirmation.
6. Documents confirming the receipt conditions referred to in item 5 above shall be sent each time to the indicated e-mail address of the Supplier (via the CMC Platform or directly by means of electronic correspondence between representatives of the Parties) and constitute a basis for issuance by the Supplier of a VAT invoice in accordance with the terms and conditions confirmed therein.
7. Acceptable tolerance of quantity of ordered Scrap Metal for orders fulfilled by the Supplier is +/- 5%, approval of other quantities requires prior consent of the Buyer.

#### IV. TERMS AND CONDITIONS OF DELIVERY

1. Terms and conditions of delivery of Scrap Metal are defined in each individual order – in particular the indicated Incoterms, i.e.
  - a) **DDP** (according to Incoterms 2010) – for domestic deliveries by railway and road transport subject to contrary provisions of the GT&C or the order. DDP delivery terms and conditions shall be modified by transferring to the Buyer the obligation to conclude a goods carriage contract at its own expense, whereby the risk of loss of or damage to the goods shall pass from the Supplier to the Buyer as soon as the goods are collected by the Buyer.
  - b) **CPT** (according to Incoterms 2010) for domestic deliveries by road transport; delivery terms according to CPT are modified by transferring the risk of loss or damage to the goods from the Supplier to the Buyer only as soon as they are collected by the Buyer.
  - c) **DPU/DAP** (according to Incoterms 2020) – where the Supplier each time indicates the border crossing point agreed with the Buyer, and for consignments sent in transit using the Czech carrier CD Cargo enters, in accordance with the shipping instructions, the place of consignment delivery, subject to contrary provisions of the GT&C or the order. In the case of deliveries from the Czech Republic made on trucks other than those of the Czech carrier – CD Cargo, the consignor shall be obliged to
    - 1) attach the completed waybill for the return of the empty truck;
    - 2) pay for the return of the empty truck according to the current Carrier's Freight Tariff;
    - 3) pay other amounts due which will be charged to the Buyer by carriers in connection with sending a truck other than a CD Cargo's one for transport.
2. The Supplier shall send to email addresses kacper.hojka@cmc.com and krzysztof.ajchenlaub@cmc.com all documents (statements/notes/certificates/chemical analyses) which the Buyer should receive in accordance with generally applicable law regulations, these GT&C or terms and conditions of the order, in particular
  - a) the certificate of cleanliness – i.e. a document issued by the Supplier certifying that empty packaging waste (e.g. barrels, containers) is clean in terms of receipt criteria. This document is required for each delivery of Scrap Metal for which the Supplier intends to:
    - issue a Waste Transfer Note with code 15 01 04 (Metal packaging),
    - issue a Waste Transfer Note for scrap metal (generated after the treatment of waste with code 15 01 04 – Metal packaging) with code 191202 (Ferrous metals) and/or 19 10 01 (Iron and steel waste), for which it will apply for the issuance of a Recycling Confirmation Document (RCD),
  - b) the chemical analysis – i.e. a document issued by the Supplier certifying that the chemical composition of the Scrap Metal included in the respective delivery to the CMC does not exceed the maximum permissible content of the accompanying elements indicated in the CS. This document is required for each delivery for Scrap Metal grades HZ-E2, HZ-E6, HZ-E8, unless otherwise stated in the order.
3. Deliveries of Scrap Metal should be made successively, on the stipulation that the level of completion of deliveries in the middle of the order fulfilment time limit should amount to 35-55%. Deviation from the above stipulation shall allow the Buyer to reduce the volume of the order or to withdraw from the remaining part of the order.
4. Deliveries should be made from the Supplier's branch offices or warehouses (previously indicated in writing to the Buyer) – in case of deliveries from other places, the Buyer reserves the right to refuse to accept Scrap Metal unless otherwise agreed.
5. If the ordered quantity of Scrap Metal is not delivered, the Buyer shall allow the Supplier to supplement the delivery of the Scrap Metal at the Supplier's prior request within the time limit set out by the Buyer. If an order is not filled within the agreed time limit, the Buyer shall have the right to charge the Supplier with a contractual penalty amounting to 10% of the value of the order not filled in whole or in part.
6. In the case of deliveries with lower Scrap Metal bulk weight than the minimum bulk weight specified in the Buyer's CS for Processed Scrap Metal, the Buyer has the right to charge the Supplier with a contractual penalty in the amount of PLN 50 for each missing tonne in relation to the required minimum bulk weight. Billing will be based on the quantity of Scrap Metal delivered less impurities. The said penalty shall not apply for deliveries made by road transport commissioned by the Buyer or transport organized by the Buyer if the weight of loaded Scrap Metal after the deduction of impurities is not less than 21 Mg, and the gross vehicle weight is within the limits provided for by the law of the gross vehicle weight rating, provided that it is not less than 39 Mg.
7. The Supplier shall be obliged to give prior notice (notification of required data) to the Buyer of each Scrap Metal delivery, i.e.
  - a) in the case of truck deliveries on the day of truck dispatch, by sending via e-mail a file made available by the Buyer to the Buyer's email addresses indicated for contact;
  - b) in case of deliveries by road transport, by sending a request to the CMC Logistics Platform available at the following address <https://supplier-scrap.cmcp.cmc.com> (hereinafter: **Platform**).
8. The Supplier shall be obliged to read and, in case of approval, confirm the acceptance of the Electronic Services Rules of CMC Poland Sp. z o.o., the content of which is always available when a new user first logs in on the Platform. At the Supplier's request, the Buyer shall provide the Supplier with one-time assistance in the running process.

9. The Buyer shall grant the Supplier free access to the Platform, and the Supplier shall undertake to provide the Buyer with a list of persons, including telephone numbers and e-mail addresses, who will be users of this Platform on the Buyer's behalf.
10. The Buyer has the right to deny access to the Platform to a person indicated by the Supplier, without giving reasons.
11. The Supplier shall not provide access to the Platform to third parties, including employees who are not users of the Platform, unless the Buyer has given its prior written consent. The Supplier uses its best efforts to ensure that no unauthorised persons make use of the access to the Platform granted to it by the Buyer.
12. The Supplier is obliged to adjust the time of making transport means ready for unloading Scrap Metal on the Buyer's premises within the Unloading Windows previously adopted, booked and confirmed on the Buyer's Platform.
13. The data indicated by the Supplier in each Notification may be changed by the Supplier not later than at the moment of weighing the means of transport at the CMC's site, but not later than by the end of the Unloading Window with a +30 min. tolerance .
14. Any substitution of pre-reserved Unloading Windows by the Supplier, in the event that the Buyer has such free Unloading Windows, shall be possible no later, however, than until the beginning of the Supplier's pre-reserved Unloading Windows. In the event of a delay by the Supplier in placing a means of transport at the entrance gate during its Unloading Window, the reservation of another Unloading Window in the same day is at the sole discretion of the Buyer, upon receipt of a request to that effect from the Supplier.
15. The Unloading Window reserved by the Supplier shall be such that the Supplier shall be fully prepared to unload the Scrap Metal at the Buyer's site at the beginning of the Unloading Window.
16. The Supplier is entitled to register the means of transport at the Buyer's entrance gate and enter the CMC premises between 6 am and 8 p.m. with a tolerance of +/- 30 minutes in relation to the reserved Unloading Window, with the proviso that, for the first Unloading Window between 6 a.m. and 7 a.m., the tolerance of -30 minutes shall not apply, while for the Unloading Window between 7 p.m. and 8 p.m. the tolerance of +30 minutes shall not apply.
17. The aforementioned conditions of road transport service remain uniform for all Suppliers, being a procedure adopted by CMC to ensure that the Buyer's handling and organizational capabilities are fully utilized.
18. For road transport of Scrap Metal to CMC, the Supplier shall be obliged to use only means of transport equipped with steel sides. Safe unloading of Scrap Metal delivered on means of transport equipped with aluminium sides is not ensured by the Buyer.
19. The Supplier shall be obliged to notify the carrier to whom it commissions the transport of Scrap Metal to CMC of the requirement indicated in item 18 above and to conclude with it the appropriate provisions in the carriage contract, warning that the delivery of the Scrap Metal by a vehicle with aluminium sides may result in possible damage.
20. In case of damage to the means of transport (aluminium sides) during unloading of the Scrap Metal by the Buyer, the Supplier shall indemnify the Buyer against all damages, including lost profits, costs, expenses and other claims of the Supplier and claims submitted to CMC by third parties.
21. The Supplier, acting as a shipper, shall be obliged to fulfil any and all obligations resulting from the provisions of the road traffic law with respect to determining whether a vehicle has become an oversize vehicle after loading. Deliveries of the Scrap Metal by vehicles exceeding the total weight of 41 tonnes shall not be accepted for collection by CMC and shall be returned to the Supplier, unless, in accordance with the above mentioned legal provisions, the driver proves that the gross vehicle weight rating, load capacity or axle load are not exceeded. The Supplier is liable for the actions of its carrier as for its own actions.

## **V. RAILWAY TRANSPORT**

1. Truck deliveries according to DDP and DPU/DAP can be made only on the basis of shipping instructions sent by the Buyer. In case the provisions of Shipping Instructions are not respected or the entries are incorrect – transport costs shall be settled according to 100% of the carrier's freight tariff rates from the day of shipping the consignment for transport and shall be invoiced to the Supplier.
2. If it is necessary to change the address after shipping the Scrap Metal or to ship it again without reloading on the way – the cost of transport shall be settled according to 100% of the carrier's freight tariff rate valid on the day of shipping.
3. The Supplier shall be obliged to ship consignments so that each consignment consists of no less than 4 Ea trucks (one waybill plus one attachment to the waybill – regardless of the assortment loaded into individual trucks), while keeping the net weight of Scrap Metal loaded onto the trucks included in the consignment (total net weight) above 120 tonnes. No additional lists shall be completed.
  - a) If less than 120 net tonnes are shipped in one consignment (waybill + attachment), CMC Poland Sp. z o.o. shall charge the Supplier with an additional fee calculated as the product of the design weight (sum of design weights of all trucks making up the consignment) and the rate specified each time in the shipping instruction for particular locations.
  - b) If less than 30 net tons are loaded into a truck, an additional fee will be charged in the amount indicated in point a above for each underloaded tonne.
4. If less than 4 trucks are shipped in one consignment (waybill + attachment), the Buyer may charge the Supplier with an additional fee calculated as the product of the design weight (sum of design weights of all trucks making up the consignment) and the price rate specified in Attachment 1 to the shipping instructions.
5. The fee referred to in Article V(4) above may be waived in the following cases:

- a) for a delivery made in 3 trucks – if the net weight loaded on trucks comprising the consignment (total net weight) is greater than 120 tonnes and
- b) for a consignment consisting of less than 4 trucks, the Supplier shall send to the Buyer (to the e-mail address pawel.pelan@cmc.com and damian.odrobinski@cmc.com) a copy (scan) of the order for trucks placed with a given carrier, which will indicate that for this delivery the Supplier ordered at least 4 trucks together with a note from a given carrier stating that, despite such an order, the carrier has provided less than 4 trucks.
6. Wherever possible, deliveries by truck should be made in truck groups or block trains. Block trains should be agreed with the Buyer at least 7 days before planned shipment in order to report the consignment to PKP Cargo S.A. transport schedule. Sending a Block Train (at least 1000 net tonnes) is possible with the consent of the Buyer on the basis of individual shipping instructions.
7. In rail deliveries, the Supplier shall be obliged to provide the minimum truck load, which is determined independently of the Scrap Metal grade on a 4-axle truck, not less than 30 Mg. However, in deliveries by road transport performed upon the Buyer's order or by means of transport organised by the Buyer, the Supplier is obliged to ensure the minimum load for a single means of transport in the amount of 21 Mg, regardless of the Scrap Metal grade.
8. Waybills for rail deliveries should be properly filled out and contain at least the following data
  - a) Supplier company name,
  - b) order number,
  - c) declared Scrap Metal grade and weight,
  - d) number of the Buyer's carriage contract with the rail carrier.

## VI. QUALITY COMPLAINTS

1. In the event of finding a different grade of Scrap Metal than that declared by the Supplier in whole or in part of the delivery, the Buyer shall reserve the right to reclassify the whole delivery to the lowest discovered grade in the delivery. Such delivery shall be placed at the Supplier's disposal, of which the Supplier shall be notified in accordance with item 6 below.
2. In the event of contamination estimated by the Buyer at up to 3% of the delivered Scrap Metal weight, the Buyer shall reserve the right to unload the delivered Scrap Metal (excluding grades HZ-E2, HZ-E6, HZ-E8) without making it available to the Supplier.
3. In case of contamination estimated by the Buyer above 3% of the delivered Scrap Metal weight, the truck/vehicle shall be put at the disposal of the Supplier, who will be notified in accordance with item 6 below.
4. All costs related to the parking of the means of transport at the Supplier's disposal (above the periods free of charge for CMC) shall be charged to the Supplier as from the moment of sending the notice to the Supplier under items 1 and 3 above. – until the terms of accepting the Scrap Metal or re-dispatching the means of transport are agreed upon.
5. The Buyer shall reserve the right to re-dispatch the Scrap Metal at the Supplier's expense according to its shipment instructions in the case of
  - a) delivery not ordered by the Buyer,
  - b) expiry of the order fulfilment time limit,
  - c) lack of agreement between the Parties as to the terms and conditions of receipt of Scrap Metal by CMC following the complaint procedure specified in item 6 below.
6. Complaint procedure:
  - a) In case of discrepancies between the quality of the Scrap Metal with CS and/or GT&C or with the order terms and conditions, the Buyer shall make a complaint to the Supplier (which is also a notice to place the means of transport on which the Scrap Metal was delivered at the Supplier's disposal) – by
    - i. making a call from the business phone of an employee of the CMC Scrap Metal Quality Office to the phone number indicated by the Supplier and present the terms and conditions of the reported complaint and/or
    - ii. sending an e-mail with the terms and conditions of the complaint from the e-mail address BJJ\_Reklamacje@cmc.com to the Supplier's e-mail address and/or
    - iii. sending a text message from the business phone of an employee of the CMC Scrap Metal Quality Office to the phone number indicated by the Supplier and present the terms and conditions of the reported complaint if the Supplier does not answer the phone.
    - iv. together with a complaint notification by phone or e-mail, photographs of the consignment, "snapshots" of the image from the cameras etc. may be sent to the Supplier.
    - v. terms and conditions of receipt/re-dispatch/unloading in the presence of a committee agreed with the Supplier – after a complaint previously notified by phone (including text messages) are confirmed by an employee of the CMC Scrap Metal Quality Office to the Supplier in an email on a given working day until all unloading is completed.
  - b) The Supplier shall be obliged to provide the Buyer with an immediate response as to the disposal of the consignment after the complaint has been addressed to it as provided for in item a) above, i.e. whether it agrees to the proposed reclassification terms, whether it is to be returned, or whether the shipment is to be sent for the unloading in the presence of a committee no later than within
    - i. **up to 2 hours** from submitting a complaint in case of deliveries by road transport and reported to the Supplier on working days from 7.00 a.m. until completion of unloading, provided that for claims submitted after 8.00 p.m. the Supplier's reply should arrive not later than 9.30 p.m. Lack of the Supplier's reply within the aforementioned time limit shall be construed as acceptance of the conditions for the Scrap Metal receipt or re-dispatch of the vehicle as proposed by the Buyer in the complaint;

- ii. **up to 2 hours** from submitting a complaint in the case of deliveries carried out by rail transport, reported to the Supplier from 7.00 a.m. to 6.00 p.m. on working days and
  - iii. **by 9 a.m. of the next working day** – for deliveries carried out by rail transport notified to the Supplier after 6 p.m. on working days. The Buyer shall notify the Supplier on or before the first working day for deliveries made on public holidays. Lack of the Supplier's reply within the aforementioned time limits shall be construed as acceptance of the conditions for the Scrap Metal receipt or re-dispatch of the truck as proposed by the Buyer in the complaint;
  - c) The Supplier is obliged to provide the Buyer with the phone number of a person authorised to make declarations of will on behalf of the Supplier in matters of conditions covered by the Buyer's complaints, regardless of the Supplier's e-mail address for contact in complaint matters.
  - d) Should the Supplier do not accept the proposed reclassification and the request to carry out the Scrap Metal unloading in the presence of a committee – the Buyer shall notify the Supplier about setting up a complaint committee in which a representative of the Supplier is entitled to participate. The Buyer shall agree with the Supplier on the date and time for the committee meeting to be held, so that the time limit does not exceed three working days.
  - e) Minutes shall be drawn up of the activities of the complaint committee, including the scope of examination of defects in the consignment.
  - f) The Buyer shall provide a copy of the report of the complaint committee to the Supplier, receipt/return of the Scrap Metal takes place under the terms and conditions included in the report of the complaint committee.
7. All the costs of the parking of the means of transport connected with re-dispatch shall be borne by the Supplier. The costs will be calculated from the moment of sending the notification to the Supplier about placing the means of transport at its disposal until the time of returning the means of transport.
  8. If it is found that the Scrap Metal grade is too high and the Buyer receives the Scrap Metal after reclassification – the Buyer is entitled to charge the Supplier with a contractual penalty of PLN 10 for each reclassified tonne of Scrap Metal.
  9. In the case of finding in a given delivery materials defined in the CS as contamination remaining in a truck/vehicle with three weighing cycles – after unloading, defined as weighed contamination – in an amount exceeding 0,5 Mg after cleaning, the Buyer has the right to charge the Supplier with a contractual penalty in the amount of PLN 1000/tonne (calculated proportionally for each amount of weighed contamination).
  10. In case of delivery inconsistent with the CS, GT&C or terms and conditions of a given order, resulting in a necessity of re-dispatch, the Buyer is entitled to charge the Supplier with a contractual penalty in the amount of PLN 1500 for re-dispatch of a truck delivery and PLN 500 for re-dispatch of a vehicle delivery.
  11. Should the impurities specified in item 3.3 of the CS be discovered in a given delivery of Scrap Metal, in particular in the form of: slag soil, scale, clotting – in a balanced amount indicating at least 10% in relation to the weight of the vehicle/truck delivery, the Buyer has the right to charge the Supplier with a contractual penalty in the amount of PLN 25 000 in case of delivery by vehicle or PLN 50 000 PLN in case of delivery by truck.

## VII. HAZARDOUS MATERIALS AND WASTE

1. The parties agree that the term Hazardous Materials, as used in these GT&C, means materials that may have the form of hazardous waste as referred to in the Polish Waste Act of 14 December 2012, any substance or item that may have properties that endanger health, safety, property or the environment, and hazardous objects as referred to in the Regulation of the Minister of Entrepreneurship and Technology of 8 November 2018 on occupational safety and health when eliminating dangerous objects, including explosives, from dumping sites for metals. (hereinafter: "**Regulation**"). Hazardous materials, by virtue of their properties (chemical, physical, or biological, among others), may have characteristics or forms of:
  - a) inflammable or explosive materials, ammunition and shells (in whole or in part, or only waste ammunition),
  - b) pressurised, closed or insufficiently open tanks of any origin; in winter also tanks and vessels filled with water or ice that can cause explosions,
  - c) radioactive materials in sealed containers, even when no significant external radioactivity is detected due to protective shielding or placement in the delivered Scrap Metal batch,
  - d) materials containing or emitting substances hazardous to the environment, or steel manufacturing technology;
  - e) emit hazardous radiation, in particular materials whose radioactivity exceeds the natural background level for CMC Poland Sp. z o.o,
  - f) materials that may be irritating, corrosive, toxic or carcinogenic.
2. In particular, the following hazardous waste is not allowed in the Scrap Metal:
  - a) packaging of hazardous substances with markings (pictograms), e.g. barrels, containers, cans, or without pictograms, however, indicating that they may have come into contact with hazardous materials/substances,
  - b) hydraulic fluid filters,

- c) batteries,
  - d) capacitors,
  - e) complete and incomplete waste electrical and electronic equipment and parts from waste equipment.
3. During collection of Processes Scrap Metal, the opening level of tanks by the Supplier shall be considered as insufficient if they do not have two openings with minimum dimensions of 40x40 mm or  $\varnothing$ 40 mm in places where it can be unquestionably established that the tank is open and free of undesired contents. In the case of gas or liquid cylinders, central heating furnaces, it is necessary to divide them into at least two parts.
  4. In the case of deliveries of Scrap Metal to be processed manually by burning or mechanically by cutting or shredding, the following materials are exempted from the requirement to open the container: fire extinguishers, boilers, compressed air tanks, hydraulic tanks, central heating furnaces, provided that they have unobstructed technological openings.
  5. Suppliers are forbidden to deliver Scrap Metal containing any waste that is subject to the reclassification of hazardous waste (in particular military-related from war zones) into non-hazardous waste by diluting or mixing it with each other or with other waste, substances or materials. In case of this type of waste, a decision on the reclassification of hazardous waste into non-hazardous waste shall be issued by the competent Marshal of the Voivodship in the form of a formal written decision and its delivery shall require individual order arrangements, provision of relevant decisions and test results. Depending on the form of the Hazardous Materials discovered in a given delivery of Scrap Metal, the Buyer is entitled to charge the Supplier with the costs of consignment segregation in the amount of PLN 1,000 per truck/vehicle and with a contractual penalty in the amount of PLN 1,500 for each discovered Hazardous Material, subject to separate penalty rates adopted for
    - a) PLN 600/item – fire extinguisher,
    - b) PLN 5,000/item – LPG tanks, gas cylinders above 3 kg, cylinders for storing technical gases (including oxygen, acetylene, gas cylinders),
    - c) PLN 15,000/item – ammunition, shells and other material of military origin, including parts thereof.
  6. Radioactivity control:
    - a) Each delivery of Scrap Metal is subjected to dosimetry testing to assess its radioactivity level by passing through dosimetric gates located at the entrance to the plant/Scrap Metal unloading site.
    - b) In case of road transport – finding out that the level of radioactivity on the dosimetric gate is exceeded – repeated sound alarm and reading below the measurement level specified as “DANGER” – the road delivery shall not be accepted by CMC and shall be returned to the Supplier, whereas reading above the measurement level specified as “DANGER” exceeded four times – the vehicle shall be set aside for control unloading. Selected Scrap Metal that reveals high radiation doses above the natural background level for CMC Poland Sp. z o.o. shall be transferred to the Radioactive Waste Neutralisation Plant.
    - c) In the case of railway transport – exceeding the radioactivity level on the dosimetric gate – repeated sound alarm – the truck shall be set aside for control unloading. Selected Scrap Metal that reveals high radiation doses above the natural background level for CMC Poland Sp. z o.o. shall be transferred to the Radioactive Waste Neutralisation Plant.
    - d) Should the radiation dose measurement result be above the natural background level for CMC Poland Sp. z o.o., the Buyer shall notify the Supplier and the National Atomic Energy Agency, which shall decide on further procedure to be followed with respect to the Scrap Metal.
    - e) The Buyer shall notify the Supplier about the necessity to put the truck/vehicle at the control unloading site designated by the Buyer until the proper services arrive. The costs of truck/vehicle parking related to the time necessary for inspection/selection and possible return shipment of Scrap Metal shall be borne by the Supplier.
    - f) If the contaminated material has been separated, the Buyer may decide to accept the remaining delivery of Scrap Metal or, at the Supplier's expense, to re-dispatch it.
  7. If radioactive material is found in a given Scrap Metal delivery, the Buyer has the right to charge the Supplier with the costs of shipment segregation in the amount of PLN 1,000/ truck/vehicle and a contractual penalty in the amount of
    - a) up to 20  $\mu$ Sv/h – PLN 5200,
    - b) above 20  $\mu$ Sv/h – PLN 7000,,
    - c) objects marked with symbol indicating radioactive radiation – PLN 50,000

### VIII. DELIVERY INSPECTION

1. The Supplier warrants and guarantees that it conducts ongoing inspections of Scrap Metal to ascertain that it does not contain any hazardous objects and that all types of closed or partially closed containers, vessels, closed pipes of unknown content and origin, pressurized tanks understood as various types of fire extinguishers, pressure cylinders, aerosol cans have been prepared for scrapping, taking into account the risk assessment carried out in relation to hazards for Scrap Metal delivered to CMC in accordance with the Regulation.

2. The Supplier shall be obliged to confirm the inspection of the content of each delivery of Scrap Metal by sending to the Buyer, via the Platform, the relevant **INSPECTION CERTIFICATE FOR METAL SCRAP DELIVERY** (pdf file), a sample of which is available each time on the Platform when the delivery is notified as referred to in article **IV(7) above**.
3. Upon collection of the Scrap Metal, the Buyer shall inspect the contents of the Scrap Metal to determine whether it contains any hazardous objects. The **INSPECTION CERTIFICATE FOR METAL SCRAP DELIVERY RECEIPT**, copies of which (pdf file) are submitted by the Buyer to the Supplier to the e-mail address indicated by the Supplier.
4. It is assumed that the certificates referred to in sections 2 and 3 above for their validity require only a document-like form, and the persons signed the above-mentioned certificates have been authorized to make declarations of will on behalf of the Parties within the scope of the inspection carried out.
5. Without prejudice to the provisions of the GT&C, the Supplier undertakes, in the event of a breach of the warranty referred to in section 1 above or a breach of the prohibition on delivering Hazardous Materials, to cover any damage caused directly or indirectly by such Supplier's conduct, including such damage which may arise as a result of or in connection with the use of the Scrap for the Buyer's production processes. In particular, the Supplier shall be obliged to cover all costs of unloading and stabling of trucks, as well as the costs of re-dispatching all or part of the delivery. The Supplier shall indemnify the Buyer against all liabilities to third parties which arise in connection with the Supplier's delivery of Scrap Metal containing Hazardous Materials/Waste.
6. Irrespective of contractual penalties indicated in the above sections imposed by the Buyer, the Buyer shall be entitled to charge the Supplier with any costs related to the undertaken actions of disposal of hazardous materials, as well as with costs of overlong parking/stay of means of transport.

#### **IX. MONITORING SYSTEM FOR ROAD AND RAIL TRANSPORT OF WASTE**

1. Scrap shipment on the territory of Poland, in cases mentioned in the Act on the monitoring system for road and rail transport of goods and trading heating fuels of 9 March 2017 (JoL of 2021, item 1857, as amended) and in implementing regulations thereto (hereinafter called Act on SENT) requires notification in the Electronic Transport Monitoring System (SENT) and obtaining a reference number for particular delivery.
2. Supplier is obliged to fill the form provided by CMC (Data registration in SENT) and send it at the e-mail address [SENT\\_SCRAP@CMC.COM](mailto:SENT_SCRAP@CMC.COM) within the deadline indicated by CMC. Without prior notification and obtaining a reference number for particular delivery initiation of Scrap movement to the territory of Poland, which is subject to the Sent Act, despite the existence of valid Order is strictly forbidden.
3. Should the Supplier initiate Scrap movement without meeting the requirements defined in point 2 above, providing wrong data or occurring circumstances which may cause the necessity of rejecting the acceptance of Scrap by CMC, the Supplier shall hold CMC harmless from any liabilities for failure to comply with the required procedures and the Supplier shall be obliged to pay to CMC the equivalent of all fines, fees and costs incurred in relation thereto.

#### **X. FORCE MAJEURE**

1. CMC shall not be liable for non-performance or improper performance of the contract in whole or in part if circumstances of "force majeure" occur.
2. Within the meaning of these GT&C, force majeure shall be understood as an external event that could not have been foreseen or prevented by the Party while exercising due diligence and that makes the performance of the contract partially or totally impossible, such as war, fire, strike, embargo, earthquake, breakdown of equipment not resulting from its poor maintenance.
3. If, as a result of force majeure, either Party to the contract is unable to perform any of its obligations in whole or in part, it must immediately notify the other Party in writing.
4. In the event that, due to force majeure, CMC is unable to accept the delivery of Scrap Metal in whole or in part by the agreed date then either party may withdraw from the Contract in the part not performed.

#### **XI. SANCTIONS**

1. The Supplier represents and warrants that it does not and shall not violate throughout the term of the Contract (orders) and, that all its affiliated companies (owners, employees, directors, officers, consultants, agents and/or representative and its beneficial owners) will not violate any economic or financial sanctions, trade embargoes, bans on introduction or movement of goods originating from Russia or Belarus or any sanctions laws or regulations, restrictive measures, or other similar instruments, which restrict dealings with certain countries or individuals, prohibit trade of particular goods or services (collectively the "Sanctions") imposed, administered and/or enforced from time to time by the US Department of Treasury's Office of Foreign Assets Control (OFAC), the United Nations, the United Kingdom, the European Union including Poland and member States, or any other relevant government authority in any applicable jurisdiction (each a "Sanctions Authority"), each foresaid Sanctions Authority as supplemented or substituted from time to time.
2. The Supplier further represents and warrants that neither Supplier nor any of its affiliated companies, owners, employees, directors, officers, consultants, agents and/or representatives or beneficial owners is the target of Sanctions (any such Person a "Sanctioned Person"), including by virtue of being:
  - a. a Person which appears on the list of Specially Designated Nationals and Blocked Persons (the "SDN List") or any other sanctions list maintained by any other Sanctions Authority, as may be amended and/ or supplemented from time to time, including lists of terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction;

- b. resident in or organized under the laws of any country or territory that is or whose government is the subject of comprehensive Sanctions from time to time (a "Sanctioned Country"); or
  - c. directly or indirectly owned or controlled by or acting for or on behalf of any of the foregoing.
3. The Supplier further represents and warrants that:
- a. none of its subcontractors, sub-suppliers or Person in Supplier's supply chain is a Sanctioned Person and performance of the Contract involving such persons does not violate any Sanctions,
  - b. no product, component part or raw material originating in Sanctioned Countries or regions will be used by Supplier in the performance of the Contract ,
  - c. no bank, or person associated with any such bank, that is involved in the performance of the Contract or in the transfer of money or in the settlement of the Contract, is a Sanctioned Person and performance of the Contract involving such bank or person shall not violate any Sanctions.
  - d. the performance of the Contract does not violate prohibitions on providing any technical assistance, intermediation or any other services related to sanctioned goods and technologies or their modifications/ amendments in the future,
  - e. the performance of the Contract does not violate prohibitions on introduction and movement on the territory of Poland of goods originating from Russia and Belarus included under the code 2701 and 2704 of the Combined Nomenclature referred to as "coal", including other goods which may be subject to modifications/ amendments of Sanctions. The Supplier shall maintain and provide, at each request of the CMC, documents confirming country of origin of coal as well as other goods which may be subject to modifications/ amendments of Sanctions
  - f. it is not the party of any contract, does not submit any purchase orders and does not purchase any services which would involve sanctioned Persons/ goods.
4. Should new sanctions become applicable, including but not limited to sectoral sanctions, or previously applicable sanctions be reinstated, in each case so that performance under the Contract becomes unlawful, the CMC may unilaterally terminate the Contract.
5. The Supplier shall notify CMC immediately if any of the representations made under provision from 1. to 3 become untrue while the Contract is in force.
6. If, in the reasonable opinion of the CMC, any provision from 1. to 5. has been violated, then CMC shall be entitled to suspend and/or terminate the performance of its obligations under the Contract at any time with immediate effect and without liability to the Supplier. The Supplier will also indemnify CMC on demand and hold the CMC harmless against any losses, costs, fines or payments which the CMC may be required to make as a result of any breach by the Supplier of his representation made under any provision from 1. to 3 or any of its obligation under provision 5. This provision shall survive any termination of the Contract.
7. "Person" shall mean any individual, corporation, partnership, joint venture, association, trust, unincorporated organization or government or any agency, department or political subdivision hereof.

## XII. FINAL PROVISIONS

1. Each time a delivery of Scrap Metal enters CMC's premises, the Supplier agrees and undertakes to observe the instructions on the pass system, rules of staying on the site and rules of material movement for CMC Poland sp. z o.o. (abbreviated: **Movement Manual**), as well as the **Occupational Health and Safety Manual** available at [www.cmc.com](http://www.cmc.com).
2. Each and every time the Supplier cooperates with CMC, they agree and undertake to comply with the Buyer's Supplier Code of Conduct and Workplace Conduct and Human Rights Policy available at [www.cmc.com](http://www.cmc.com)
3. The Supplier may not, without the Buyer's written consent, transfer to a third party any amounts due to which it is entitled against the Buyer under an order. The above prohibition shall also apply to rights related to receivables, in particular claims for overdue interest according to Article 509 of the Polish Civil Code.
4. The Buyer represents that it has the status of a large enterprise, within the meaning of the Act of 8 March 2013 on Preventing Excessive Delays in Commercial Transactions (Journal of Laws of 2019, item 118, consolidated text, as amended).
5. The lack of Supplier's objection to the content of the order shall be deemed as its representation and warranty that if it has issued a VAT invoice (in the scope of VAT without the remark on subjective exemption)
  - a) on the day of the conclusion of the order and throughout its fulfilment period, and during issuance of the invoice, it shall be registered by the Head of the Tax Office as an active VAT taxpayer, and
  - b) possesses all legally required licences, permits and entries in registers of regulated activity and undertakes to present original documents confirming this fact at each request of the Buyer;
6. If the Supplier issues a VAT invoice to the Buyer, without being an active VAT taxpayer on the day of issuing the invoice, as understood by the act dated 11 March 2004 on the tax on goods and services, the Buyer shall be entitled to a contractual penalty from the Supplier in the amount corresponding to the amount of VAT due for delivery of the Goods, which the Buyer shall be entitled to deduct from the price for the Goods.
7. Should the Supplier be obliged to apply the mechanism of split payment, mentioned in the Act on tax on goods and services, the Supplier shall be obliged to include appropriate entry on the VAT invoice, required by Article 106E(1)(18a) of the Act on tax on goods and services.
8. The Supplier hereby warrants that the bank account, which shall be indicated as the payment account on the VAT invoice, shall be the settlement account within the meaning of the banking law regulations, included in the List referred to in Article 96b(1) of the Act on tax on goods and services ("White List of VAT Taxpayers").
9. In case the bank account indicated by the Supplier is not included in the List referred to in item 6 or the VAT invoice has not been



issued in accordance with item 5, the Buyer shall be entitled, at its option, to

- a) make a payment to the bank account indicated by the Supplier with simultaneous notification of payment to the Head of the Tax Office competent for the Buyer, or
  - b) make a payment to another bank account of the Supplier shown in the List referred to in item 6, or
  - c) suspend payments until the Supplier removes the irregularities or
  - d) impose a contractual penalty for the Supplier in the amount equal to the amount of VAT due for delivery of these Goods, which the Buyer is entitled to deduct from the price for Scrap Metal, or
  - e) withdraw from the contract for reasons attributable to the Supplier.
10. Exercising by the Buyer of the rights indicated in item 9(d) or 9(e) shall be made after a prior request has been sent to the Supplier setting an additional period of time to remove the irregularities, which shall not be shorter than 3 days.
11. The Buyer, pursuant to Article 13(1) and (2) and Article 14 of the GDPR, informs that it will process the Supplier's personal data in accordance with the principles described in detail in the information clauses available on the website:  
<https://www.cmc.com/pl/global/contact/personal-data-protection>.
12. The Supplier, by authorising any person to act for and/or on behalf of it, undertakes to inform them that in the performance of deliveries covered by these GT&C, their personal data has been made available to another Controller i.e. CMC POLAND SP. Z O.O. with its registered office in Zawiercie, at ul. Piłsudskiego 82, 42-400 Zawiercie (contact details of the Personal Data Protection Officer [iod@cmc.com](mailto:iod@cmc.com)) and in connection with the performance of the deliveries/services, the principles of personal data processing at that Controller are available on the aforementioned website.
13. These GT&C are valid from 1 October 2022 and constitute the exclusive and complete agreement of the terms and conditions of purchase and delivery of Scrap Metal between the Parties. As of this date, all previous terms, conditions and instructions with respect to orders placed after the aforementioned date shall cease to be valid.