

GENERAL TERMS AND CONDITIONS

1) Validity of General terms and conditions of purchase

These General Purchase Terms apply to companies performing their commercial or independent professional activities and legal entities under public law. They apply exclusively to the placing of orders by Confal a.s., its suppliers and contracts concluded on their basis. General terms and conditions or other additional or different supplier terms and conditions from these General Purchase Terms apply only if they have been expressly acknowledged in writing by Confal a.s.

2) Content of purchase order

Based on the EU standard EN – 13920, the order data must define aluminum waste and, in order to achieve direct dealing, should contain the following aspects:

- waste class with reference to the relevant part of this EU standard;
- state of waste, e.g. moisture and contamination by other materials, size; physical properties of pieces or particles, if required;
- gross weight and estimated percentage of foreign materials;
- the state in which the waste is to be delivered (loose, packaged, etc.);
- expected min. metal (aluminum) yield;
- required chemical composition, if not specified otherwise;
- any available certificates and inspection documents;
- delivery documents required by regulations.

The contract must contain a confirmation of the deadline in which the waste must be delivered. Deliveries of aluminum waste delivered outside this time must not be accepted, because the customer insists on delivery based on the contractual conditions.

3) Delivery terms

3.1. Delivery terms are interpreted in accordance with the latest version of Incoterms. If the conditions deliveries will not be agreed in detail, material deliveries will be made on the basis of DDP conditions in accordance with the gradual schedule as proposed by the supplier.

3.2. Deliveries are made according to the agreed delivery dates. The supplier will announce the delivery of the material in advance no later than three days before the day of delivery.

3.3. The supplier will deliver the agreed quantity in kg. The range of tolerance is $\pm 5\%$, but no more than 3,000 kg compared to the agreed quantity (in accordance with EU standard 13920). Weight measured at Confal a.s. is decisive for the calculation of the weight and is the weight invoiced to the supplier, regardless of the weight declared by the supplier. The supplier is entitled to be present during the weighing, which must be specified when signing the contract. Confal a.s. cannot be held responsible for delivered products in quantities larger than agreed or delivered before the agreed date.

3.4. Each individual delivery can contain only one type of material. The material must not be delivered wrapped in plastic or other packaging. Exceptions are allowed in the case of a previous agreement with the trader, on behalf of Confal a.s., such an agreement will be defined in the delivery note.

3.5. The supplier shall immediately notify Confal a.s. in writing or in any way about unknown or unexpected events that may lead to non-compliance with the delivery date, and immediately informs Confal a.s. on the estimated date of actual delivery.

4) Quality of raw material

4.1. The delivered material must be of the same type as agreed in writing with the responsible buyer at Confal a.s. and must meet the class and quality agreed in the contract. Sampling and analysis will be performed upon receipt of the material. The supplier is entitled to be present during the sampling, but this must be specified when signing the contract.

4.2. Upon delivery, the material must meet the conditions according to the internal regulation PN 11_1 Input control of the class of materials. Mechanical impurities mean any other material/substance than those agreed in the contract. For the supply of mixed alloy sawdust / clips, any mixture of oil, moisture, grease and dust exceeding 5% by weight as measured by Confal a.s. will be deducted from the payment. All products must be completely free of explosive substances.

4.2.1. In accordance with the EU standard EN 13920, if the sawdust / veneer mixture contains a group 7xxx alloy, the supplier must notify the customer and obtain his consent before sending the waste. The waste must not be oxidized and the following deviations in weight apply:

- 0.5% (mass fraction) of magnetic iron;
- 5% (weight ratio) of moisture and oil;
- 3% (mass fraction) of fine metal particles that pass through a sieve (1 mm opening) after drying; The waste must not contain any other foreign material.

4.2.2. In accordance with the EU standard EN 13920, the subject of the sampling procedure is to take a representative sample from the controlled delivery, on which the following basic representative tests can be performed for the entire controlled mass:

- determination of the average chemical composition;
- determining the percentage of each foreign material;
- determination of metal yield.

Defining a controlled delivery must be left to the customer. Confal a.s. uses a sampling procedure based on the EU standard EN 13920. This procedure is carried out by taking a sample from a lot of material, during or immediately after unloading the material after a visual control. A representative sample must represent all parts of the waste, of a size and composition that represents the complete supply, including any extraneous materials present. In the case of turnings, a representative sample is taken immediately after unloading the material by taking it from four different places.

4.3. Before the delivery of the skimmings, the supplier is obliged to take photos of the delivery of the smears before loading them into the truck, where the sales department, in cooperation with production, will assess the suitability of the material for processing. The photo documentation must contain a view from three sides of the heap (with a spacing of 90 degrees), where the contents of the portion of the debris below 1 mm will be visible.

4.3.1. During the incoming inspection, the delivery will undergo an inspection, which will include a protocol that will include: chemical analysis, photos of the delivery and an estimate of yield and dust content below 1 mm, where the internal document PN 11_1 will be used.

4.3.2. If the delivery will contain more than 5% of the fine fraction below 1 mm, the sales department will consult with the supplier about this fact within 48 hours. The material will be processed only after approval by the sales department.

4.3.3. The fine fraction of smears below 1 mm is considered to be an infusible fraction of oxides, which increases the cost of remelting and at the same time increases burnout/loss of the alloy contained in the smears. This % share of the dust share is deducted from the total yield of the metal from the supply.

4.3.4. If the supply of smears contains more than 5% of the fraction below 1 mm and the sales department cannot estimate the amount, it can, after agreement with the supplier, rework the supply at the supplier's expense at the Majer - B. Bystrica facility. The portion below 1 mm is separated from the delivery, which is intended for landfill, and the portion above 1 mm can be melted in a rotary furnace, on the basis of which the % yield of metal from the scraps is determined.

4.3.5. Delivery of smears, where the proportion below 1 mm is over 10%, processing and separation of the fine proportion is necessary. The proportion below 1 mm above 10% already adversely affects the economic and energy conditions in the rotary furnace and it is not possible to guarantee the yield of the metal.

4.3.6. After separation of the part below 1 mm, a 6 t test is carried out from the rest of the delivery in a rotary furnace to determine the yield of the metal, and the dust part is disposed of by landfilling at the supplier's expense, and the cost of landfilling is included in the processing costs. The sales department consults with the supplier about the amount of smear processing to separate the fine part below 1 mm.

4.3.7. By agreement, the supplier is allowed to monitor the progress of the test and, in cooperation with the sales department, the metal yield from the entire delivery is calculated. The date of the test in the rotary furnace is agreed according to the needs and capacity of the smelter operation.

4.3.8. If, during the smear processing campaign, the content of fine fractions in the delivery fluctuates and the batches are qualitatively different, the sales department consults this fact with the supplier within 48 hours, and the smelter operation suspends the processing of deliveries that do not reach the range of the agreed/prescribed yield.

- 4.3.9. For the processing of different types of scrap in the rotary furnace, the yield of the delivery of scraps is also calculated by extrapolation on the basis of the already known yield of the other scraps melted together in the rotary furnace.
- 4.3.10. Based on the high percentage of fine fractions (also estimated) and the assumed low metal yield below 35-40%, the commercial department may refuse processing in a rotary kiln without further processing - the separation of fine fractions of slurry at the slurry processing plant Majer B. Bystrica at the supplier's expense. The sales department will notify the supplier of this fact with an officially issued claim with photo documentation within 48 hours of delivery.
- 4.3.11. If the supplier and the sales department do not agree on the procedure for resolving the complaint, the supplier is obliged to take over the delivery and take it away at his own expense within 4 calendar days from the conclusion of the delivery complaint by Confal, otherwise Confal may charge costs / storage for each day of delay in collection supplies in the amount of €12/day.
- 4.4.** The company Confal a.s. has approved the relevant product specification / sampling and the supplier may not change the function, appearance, properties, materials or manufacturing location of the products without the prior written consent of Confal.

5) Termination of cooperation

- 5.1.** If the material is delivered after the agreed delivery date or is not replaced within a reasonable period of time, Confal a.s. is entitled to fully or partially terminate the agreement without affecting other rights of Confal a.s.
- 5.2.** If the Supplier fails to fulfill its obligations arising from the Contract, Confal a.s. is entitled to terminate the agreement with immediate effect, including all outstanding orders.

6) Confidentiality of information

- 6.1.** If requested by the transferring Party, the receiving Party shall return all documentation and accessible computer data, including copies, received by the notifying Party. Copies made by any of the contracting parties, or on behalf of any of the contracting parties immediately must be immediately destroyed.
- 6.2.** The supplier cannot announce or otherwise provide information that the supplier is a supplier or has been commissioned to deliver products to Confal a.s. without the prior written consent of Confal. The supplier may not use Confal's name, logo, brand or identification elements without the prior written consent of Confal.