

STEEL DYNAMICS, INC.
SCRAP SPECIFICATIONS
Revision 2
August 25, 2004

GENERAL SPECIFICATIONS—The following specifications apply to all of the scrap purchased by Steel Dynamics, Inc.

1. All grades of scrap shall be “clean steel”, also free of oil, grease and tin plate. See ISRI Guidelines for Ferrous Scrap: FS-2003 under General Information Section a. for a definition of “clean steel”.
2. Material containing lead will not be accepted. This includes batteries, lead based paints, gas tanks, metal guttering and other lead plated material, mufflers and tail pipes, wheel weights, babbit, radiators, lead joints in soil pipe, etc.
3. All grades of scrap must be free of radioactive material.
4. Tanks, cylinders, or other sealed units may be included in shipments only if the ends are cut open or they have a minimum of two large holes in them.
5. Cars and trucks must not be top dressed with material that does not constitute a major portion of the material and precludes visual inspection of the car or truck. This will result in rejection of the material.
6. Cast iron in any amount of the material will constitute rejection.
7. All material must be magnet loaded. If material is to be received by truck, the trailer must have a frame. No frameless trailers will be allowed to unload at Butler.
8. All material is to be suitable and acceptable to Steel Dynamics, Inc. based on inspection. Upon inspection the material will be given a rating of quality.
9. Steel Dynamics, Inc. must approve any exceptions to these specifications and the exceptions so noted on the purchase order.
10. ISRI Guidelines for Ferrous Scrap: FS-2003 may be used to determine the type of scrap that is to be sold to Steel Dynamics, Inc. This specification overrides the ISRI Guidelines and Steel Dynamics, Inc. reserves the right to classify scrap as Steel Dynamics, Inc. sees fit.

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Plate & Structural/#1 Railroad Steel

Clean steel plate and structural shapes, 1/4" minimum thickness, cut to 4'X2' maximum. Heavy walled pipe is acceptable not exceeding 20% of the load. Pipe over 8" in diameter must be cut lengthwise in half. **For plate and structural steel scrap, ISRI Code Nos. 231, 232, 236, 237, and 238 were referenced.**

Clean steel railroad car scrap should include cut bolsters, truck sides and frames. May include railroad wheels. A maximum of 20% car sides by weight in any shipment. **For Railroad Steel Scrap, ISRI Code Nos. 9, 24, 27, 28A, 28B, 28C, 29, 42, 45, and 45A were referenced.**

Material causing rejection: die blocks, cut up machinery, cam shafts, crank shafts, torque converters, cables, chains, springs, gears or gear boxes, transmissions, electrical panels, motors or motor blocks of any kind, counter weights, and rebar. Material will be rejected if delivered in a frameless trailer.

#1 Heavy Melt

Clean steel scrap that is a 1/4" minimum thickness cut to 4'X2'. Maximum 10% alloy steel by weight. **For #1 Heavy Melt, ISRI Code Nos. 201, 229, and 230 were referenced.**

Material causing rejection: die blocks, cut up machinery, cam shafts, crank shafts, torque converters, cables, chains, springs, gears or gear boxes, transmissions, electrical panels, motors or motor blocks of any kind, counter weights, and rebar. Material will be rejected if delivered in a frameless trailer.

#1 Busheling

Clean steel scrap that does not exceed 4'X2' and a maximum thickness of ¼". May include black, galvanized and zinc coated material. Material must not exceed the following maximum chemistry limits:

0.10% max Cu	0.03% max Mo
0.10% max Cr	0.50% max Si
1.50% max Mn	0.03% max P
0.10% max Ni	0.05% max S
0.01% max Sn	

For #1 Busheling, ISRI Code Nos. 207 and 207A were referenced.

Material causing rejection: electrical steel unless otherwise accepted by Steel Dynamics, Inc. Material will be rejected if delivered in a frameless trailer.

#1 Bundles

Steel sheet scrap, clippings or skeleton scrap compressed into a bundle with a density of not less than 75 lbs/ft³. May include black, galvanized and zinc coated material. The material dimensions are not to exceed 4'X2'X2'. Material must not exceed the following maximum chemistry limits:

0.10% max Cu	0.03% max Mo
0.10% max Cr	0.50% max Si
1.50% max Mn	0.03% max P
0.10% max Ni	0.05% max S
0.01% max Sn	

For #1 Bundles, ISRI Code Nos. 208, 217, and 235 were referenced.

Material causing rejection:terne plate, tin plate or chemically detinned material, tubing, steel wire, rebar, or material that has been Cu plated. Material will be rejected if delivered in a frameless trailer.

#1 Industrial Bundles

New production, low-carbon steel sheet scrap, clippings or skeleton scrap compressed into a bundle with a density of not less than 75 lbs/ft³. May include black, galvanized and zinc coated material. The bundle dimensions are not to exceed 4'X2'X2'. Material must not exceed the following maximum chemistry limits:

0.10% max Cu	0.03% max Mo
0.10% max Cr	0.50% max Si
1.50% max Mn	0.03% max P
0.10% max Ni	0.05% max S
0.01% max Sn	

For #1 Industrial Bundles, ISRI Code No. 208 was referenced.

Material causing rejection: terne plate, tin plate or chemically detinned material, tubing, steel wire, rebar, or material that has been Cu plated. Material will be rejected if delivered in a frameless trailer.

Shredded

Homogenous shredded steel scrap magnetically separated originating from automobiles, unprepared steel, and miscellaneous sheet iron. Shredded scrap will have a minimum density of 55 lbs/ft³. All shredded material is to be less than 10" in any direction. The maximum Cu content of the shredded scrap is not to exceed 0.15%. **For Shredded scrap, ISRI Code No. 211 was referenced.**

Material causing rejection: tin cans, tin plated material, incinerator scrap, municipal scrap, electrical motors, windings, and computer boards or electrical wiring. Material will be rejected if delivered in a frameless trailer.

Flashings

Steel flashings 1/8" minimum thickness, and 3' maximum size. Must be suitable for magnetic handling (non-tangling). The flashing will have a minimum density of 50 lbs/ft³. Flashing steel chemistry must be pre-approved by the EAF metallurgist. Material will be rejected if delivered in a frameless trailer. **For Flashing scrap, ISRI Code Nos. 242 and 243 were referenced.**