



## Section 1:

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# Terms and Conditions of Sale

### American Nickeloid Company TERMS AND CONDITIONS

1. There are no warranties which extend beyond the description on the face hereof, seller makes no warranty, express or implied, as to merchantability, fitness or otherwise, not expressly set forth herein.
2. No claim by buyer on account of defective material, imperfect manufacturing, shortage in count or any other cause whatsoever shall be valid unless notice thereof in writing is received by seller within 15 days after buyer's receipt of the goods and/or services. Title shall pass to buyer and risk of loss shall be upon buyer from and after delivery by seller f.o.b. to common carrier. **No claim of any kind will be considered on materials which have been converted, changed, processed or used in manufacture.**
3. All dates quoted for shipment are estimates only and are not guaranteed. Seller will endeavor to meet the quoted shipment dates, but shall have no liability for any delay in shipment or delivery. Seller may make partial deliveries of the goods and/or services ordered. Seller shall not be liable for delays in performance caused by act of God, fire or other casualty, accident, strike, shortage of labor or materials, governmental action or other cause beyond seller's reasonable control; and the time for seller's performance shall be extended by the period of any such delay. Seller reserves the right to apportion its production among its customers as it may determine.
4. Seller shall not be liable for any incidental or consequential damages hereunder, and seller's liability in no event shall exceed the sum of the transportation charges and price paid by buyer for that portion of the goods and/or services sold to buyer hereunder with respect to which liability is asserted. Any action against seller for any claim asserted hereunder must be commenced within one (1) year after such cause of action shall have accrued.
5. Except to the extent otherwise expressly set forth, products and/or services ordered shall be produced in accordance with the seller's standard practice. All products and/or services, however, shall be produced subject to seller's mill tolerances and variations in respect to dimension, weight, straightness, section, surface conditions, composition, mechanical properties, internal conditions, and quality; to deviations from such tolerances and variations consistent with practical testing and inspection methods; and to regular practice on over and under shipments. All representations and certifications on the part of the seller with reference to such products and/or services shall be limited by the foregoing.
6. **Finished goods held in seller's possession for buyer's convenience at buyer's request may be subject to monthly storage charges of 2% of invoice value beginning 30 days after the later of buyer's initial delivery request date or the date the order is ready for shipment.**
7. Seller's obligation to produce or deliver hereunder is conditioned upon maintenance by buyer of credit standing at least as high as when order was accepted, and upon buyer's prompt payment when due of any sum owing by buyer to seller under any agreement between them. If, in seller's opinion, buyer is incapable of paying for merchandise and/or services ordered, seller may halt shipment, but the buyer shall remain liable to pay for any such merchandise and/or services ordered. Unless otherwise provided on the face hereof, payment hereunder shall be due net 30 days from date of shipment. **All amounts past due shall bear interest at the rate of 2% per month from the date due until paid.**
8. Until seller receives full payment for any merchandise and/or services ordered by buyer, seller shall retain a security interest in such merchandise and/or services and may, at its option and without any further agreement or signature by buyer, file evidence of such security interest in accordance with the provisions of the Uniform Commercial Code. So long as seller retains a security interest in such merchandise and/or services, buyer shall

keep the merchandise and/or services in good condition and free from any other liens or encumbrances. Seller may avail itself to all of the remedies afforded to it by the Uniform Commercial Code for the breach of a contract for the sale of goods and/or services and for the enforcement of the security interest herein granted.

9. The price stipulated does not include any taxes in the nature of sales or use taxes unless such tax be described and shown separately on the face hereof. Buyer shall bear all such taxes, if any, applicable to this sale, whether or not so described and shown.
10. If the goods and/or services sold hereunder are to be manufactured or prepared in accordance with plans or specifications supplied by buyer, then buyer warrants that the goods and/or services so manufactured or prepared will not infringe upon any patent, copyright, trademark or the like and buyer agrees to indemnify seller against any loss, damage, expense (including attorney's fees), and/or cost arising from any claim of infringement.
11. **No terms or conditions appearing in buyer's order form that are in variance with the terms and conditions of seller's acknowledgement shall be binding upon seller and such terms or conditions in variance with the terms and conditions of seller's acknowledgement shall be deemed waived by buyer. The terms and provisions of seller's acknowledgement shall be controlling.** If these are material variances between the terms and conditions of seller's acknowledgement and the terms and conditions in buyer's order form, the acknowledgement shall be deemed a counter-offer to buyer's order form, which shall be deemed accepted by buyer, if buyer does not object in writing within five days of buyer's receipt of seller's acknowledgement. If buyer shall make timely objection to any material variance seller shall have the right to withdraw its acceptance and acknowledgement. **If buyer raises no objection to any material variance prior to shipment by seller, buyer shall conclusively be deemed to have accepted all of the terms, conditions and provisions of seller's acknowledgement.** Any provision of this paragraph to the contrary withstanding, if seller's acknowledgement is in confirmation of an order consisting of seller's written quotation (on seller's printed quotation form) and buyer's written acceptance thereof, no objection may be raised by buyer.
12. **Coil weight guidelines:** A full weight coil, with or without welds, is any coil weighing more than 50% of the specified or required maximum coil weight. Orders will not be accepted for a minimum coil weight or exact coil weight. Light weight coils accruing from production will be shipped up to 20% of the ordered item weight. A light weight coil is any coil between 50% and 75% of the maximum coil weight
13. The acknowledgement shall be governed by and construed and enforced in accordance with the laws of the State of Illinois. Seller and buyer each agree to the exclusive jurisdiction of any state or Federal court within the city of Chicago, with respect to any claim or cause of action arising under or relating to the purchase of goods and/or services from seller by buyer, and waives personal service of any and all process upon it, and consents that all services of process be made by registered mail, and service so made shall be deemed to be completed when received. Seller and buyer each waives any objection based on forum non conveniens and waives any objection to venue of any action instituted hereunder. Nothing herein shall affect the right of seller and buyer to serve legal process in any other manner permitted by law. If any provision of the acknowledgement shall be prohibited by or be invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of the acknowledgement.
14. **No addition or alteration to the following terms and conditions shall be valid and enforceable unless specifically agreed to in writing by seller. All stenographic and clerical errors contained in an acknowledgement may be corrected by seller.**

## Section 2:

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### Delivery, Receipt and Storage

American Nickeloid Company  
2900 Main ST  
Peru Illinois 61354

Phone 815-223-0373  
Fax 815-223-5344

Shipping Hours	8AM to 6PM	Monday thru Friday - Except legal holidays
Receiving Hours	7AM to 2PM	Monday thru Friday - Except legal holidays

American Nickeloid Company  
131 Cherry ST  
Walnutport PA 18088

Phone 610-767-3842  
Fax 610-767-6070

Shipping Hours	7AM to 2PM	Monday thru Friday - Except legal holidays
Receiving Hours	7AM to 2PM	Monday thru Friday - Except legal holidays

Incoming Freight charges on customer owned materials are to be prepaid and third party billed to the owner of the material. Any collect freight charges will be billed back to the owner plus a \$75.00 billing charge.

### Incoming Inspection

*The following checks will be performed upon receipt of material*

1. Obvious transit damage or mill damage
2. Proper identification (material must be labeled with owners name, gauge, width, alloy and temper) is required ..... Discuss proper widths, minimum and maximum lengths to be supplied for an order with your customer representative prior to shipment
3. Coils plating and polishing coil may not exceed 9200 lbs or maximum od of 46" whichever is smaller
4. Coils for laminated and coating may not exceed 24000 lbs or maximum od of 60" whichever is smaller
5. Vinyl rolls for laminating may not exceed 1000 yds in length or 26 inch OD whichever is smaller and 62 inches in width maximum
6. Protective masking may not exceed 3000 ft in length or 14 inch OD whichever is smaller or 62 inches in width maximum

## Customer Supplied Materials

Policies and Procedures for Customer Supplied Base Metals for Plating, Polishing, Laminating and Coating, Films for Laminating and Protective Films

This section defines American Nickeloid Company standards and procedures for processing customer's base metals. In order to help assure the quality of material delivered to our customers, we have defined incoming inspection procedures as well as in-process procedures. This will provide a higher standard for finish, and will allow the customer to have more input in the case of marginal materials.

The importance of quality raw materials cannot be overemphasized. The finishing process cannot overcome the problem that can be found in low-grade base metals. The shape of a coil, the structure of the metal and a variety of rolling defects cannot be corrected by processing. The following measures are designed to inform customers of raw material conditions that cannot be overcome by processing.

### Base metal Pre-production Inspection:

*The following checks will be performed as customer's material is prepared for production:*

1. Proper Alloy. The alloy of the material will be VISUALLY assessed against order requirements and must be a reasonable match to the specifications ordered. Chemical content will not be checked.
2. Proper Finish. The finish of the coil will be checked against customer paperwork.
3. Width Tolerance. Coils will be measured for width, and must be within 0.000 inches and +.250 inches (or as specified by the customer).
4. Gauge. Coils must be checked for gauge, and must meet customer's requirements.
5. Coils must have an outside diameter less than 46 inches.
6. Coils must have an inside diameter no less than 16 inches (INCLUDING CARDBOARD CORE MATERIAL) and no more than 20 inches.
7. Cores. Peru  
Non Ferrous material must be shipped in on cardboard cores. Any inside diameter damage on material received without cores will be processed as prime and returned to the customer.  
  
Cores. Walnutport  
Material SHOULD NOT be shipped on cores. Material received on core will be subject to a \$50.00 coil charge for removing cores prior to processing.
8. Plating and polishing Coils must be a minimum of 8 inches wide and a maximum of 34 inches wide for Peru production and 37 inches for Walnutport production.

If material is rejected during incoming or pre-production inspection, the entire lot of suspect material will be rejected and the customer will be notified. Processing will continue only with the customer's permission. If such a rejection results in returning material un-processed, the customer will be charged \$2.00/Cwt. on the entire amount rejected to defray handling and packaging costs.

In-Process Inspection:  
*During the processing of customer's material  
the following items will be monitored:*

1. Scratches. Material with scratches visible to the naked eye after processing will be rejected if the scratches are:
  - a. Over ½ inch in length
  - b. Continuous
  - c. Repeating
  - d. Found to exceed 2 per lineal foot of strip
2. Scale. Same rules as scratches.
3. Rolling Lines. Rolling lines visible after processing will be cause for rejection. Rolling lines are defined as continuous straight lines.
4. Rolled-in Dirt. Any rolled-in dirt visible while the strip is moving will be cause for rejection.
5. Excessive Oxide. This is defined as surface deposit that cannot be removed by our conventional processing capabilities. Material with excessive oxide will be rejected.
6. Dullness. Poor rolling practices that result in material that cannot be processed to an acceptable level of luster will be cause for rejection.
7. Flatness. All materials must be flat within .500 inch. Material beyond this specification will be rejected.
8. Cross Breaks. Creases running perpendicular to the machine direction will be cause for rejection. Such cross breaks normally have a repeating pattern.
9. Bumps and Dents. Bumps and dents visible in the raw material revealed after processing will be cause for rejection if they:
  - a. Repeat
  - b. Exceed more than 1 per 6 linear feet
10. Chatter Lines. Material with optical chatter visible in the raw will be rejected.
11. Orange Peel. Material with excessive "orange peel" will be rejected.
12. Rust on steel based products. Rust of any kind or amount is unacceptable.

Once material is started into production and we find any of the 12 rejectable conditions listed above, we will, of necessity, process the entire coil. Further processing will be cancelled, and the order will be removed from the production schedule. Additionally, the entire lot of suspect material will be rejected. In the case of multiple coil orders, we will not process additional coils. We will then provide the customer with samples of the rejectable condition. The customer will be invoiced for the accumulated processing, plus a \$350.00 handling charge. At this point, the customer may reject the material or he may waive the quality requirement, and authorize further processing. If further processing is authorized, all coils for the order will be processed under the customer's written waiver, and the \$350.00 charge will be dropped.

## Summary:

High quality raw material will assure the best possible appearance after processing. Marginal materials, as described above, will be pulled from production, and the customer will have the option to proceed, with the processing or to reject the material. Material not meeting the incoming material requirements will be subject to a \$2.00 Cwt. charge. Material rejected after processing will be subject to the accumulated processing charges, plus a \$350.00 net handling charge.

We urge customers to work closely with suppliers in order to avoid rejections. Experience shows that a limited number of mills routinely perform within the standards of this policy, and in all cases, explicit instructions to suppliers are critical.

The following example is provided as a model specification. We recommend that customers adopt purchase order formats that cover all the parameters given in this model.

Gauge:	(Customer Requirement)
Gauge Tolerance:	Per ASTM or Customer Requirement
Width:	(Customer Requirement)
Width Tolerance:	-.000 Inches, +.250 Inches or Customer Requirement
Alloy:	(Customer Requirement)
Temper:	(Customer Requirement)
Maximum OD: Plating & Polishing Bases	46 Inches
Maximum OD: Laminating and Coating Bases	60 Inches
Minimum ID:	16 Inches (Including Cardboard Core Material when Applicable)
Maximum ID:	20 Inches
Maximum Coil Size: Plating & Polishing Bases	9200 Pounds or 46 OD
Maximum Coil Size: Laminating and Coating Bases	24000 Pounds or 60 OD
Cardboard Cores Required:	(Peru Only)
Flatness:	Within .50 Inches
Surface Finish:	Free of scratches, scale, rolled-in dirt, rolling lines, excessive oxide, cross breaks, bumps and dents, and roll chatter and rust where applicable.

**Packaging/Shipping:** Materials must be packed and shipped so as to prevent damage from the weather. Coil must be packed eye to the sky. (coils under 9200 lbs.) 4 inch x 4 inch skid runners with minimum spread of 21 inches. Laminating coils over 9200 lbs must shipped eye horizontal bare for unloading with an overhead crane – 12 inches of space between coils. Truck must be loaded runners placed for removal from rear of truck. Skid and banding conditions must not cause damage to the material.

### Laminating Films and Protective Films Pre-production Inspection:

*The following checks will be performed as customer's material is prepared for production:*

1. Film Description. The description, color and pattern of the material will be VISUALLY assessed against order requirements and must be a reasonable match to the specifications ordered based on the paperwork received.
2. Films of all types must be supplied on a three inch cardboard core.
3. Laminating Film – Maximum OD 26 inch
4. Protective Film – Maximum OD 14 inch
  - Not responsible for adhesion
  - Advise shelf life prior to entry
  - MSDS required

**Adhesives, paints, lacquers Pre-production Inspection:**

*The following checks will be performed as customer's material is prepared for production:*

1. The description, and color of the material will be VISUALLY assessed against order requirements and must be a reasonable match to the specifications ordered based on paperwork received
2. Material to be supplied in standard 55 gallon drums
3. Laminating adhesives
  - Not responsible for adhesion
  - Advise shelf life prior to entry
  - MSDS required prior to arrival of material
  - Unused coating will be returned to the customer for disposal
4. Paints and Lacquers
  - Not responsible for adhesion
  - Advise Shelf Life prior to entry
  - MSDS required prior to arrival of material
  - Unused coating will be returned to the customer for disposal

If you have any questions regarding this policy, please contact your Nickeloid Sales Office for clarification.

## Section 4:

# Process Scrap

### 1. Internal processing allowances

Losses not included in calculation:

- Removal of Head and Tails of Coils
- Lines Stitches
- Removal of transit damage
- Excess width trim based on customer request
- Removal of Base metal defects
- Variation in weight accuracy
- Under weight master coils
- Slitter trim of one half inch per 16 cuts

Allowable scrap percentages per production process. Plating, polishing and coating processes are based on a thickness of .0360 – material thicker than .0360 will be proportionally adjusted.

- 10% Peru Plating & coating
- 5 % Peru Polishing & coating
- 10% Walnutport Plating & coating
- 2 % Slitting
- 2 % Leveling / Cut to Length

### 2. Customer is invoiced for all material shipped as shipments are made .... Settlement on a quarterly basis of the total average recovery for all production will occur at the end of each quarter or per contract.

### 3. Quarterly Scrap Loss formula on volume programs:

- Inbound coil weights of coils produced packed and shipped complete in the period, minus losses will be included in calculation ... Subtract from inbound weight all losses not to be included listed above in item 1, held sections of the coil, .
- Multiply – by the percentage of loss per production step in item 1.
  - If the percentage of average loss is less than allowable amount – no adjustment for the period will be issued to credit the customer for raw material loss - the weight will be billed at full production price, less slitting and packing charges.
  - If the percentage of average loss is greater than allowable – the weight will be billed at full production price, less slitting and packing charges, and credit given for raw material loss and cost listed on the order