

Dear business associate,

In the appendix you will find a detailed description of our amended acceptance conditions. These conditions contain our regulations, which will become effective as of 1st July 2026. These have been specifically tightened with regard to end-of-life vehicles, in particular gas tanks (LPG/natural gas) in vehicle wrecks.

We would also like to explain our conditions further. HKS and its underlying subsidiaries have drawn up these acceptance conditions based on four core values, namely:

1. Safety

The people working in our sector can be exposed to a wide variety of health and safety risks. Gas cylinders in a furnace, asbestos in enclosed storage areas, drums of toxic chemicals, flammable batteries, and materials with Chrome6 paint coatings.

These are all examples of situations that involve (unacceptable) risks.

2. Corporate Social Responsibility

We are not only responsible for the people working within our sector, but also for the people living and working around us. The environment, people, and animals should not suffer because of our carelessness or negligence. Clear acceptance conditions in combination with proper inspections of incoming goods are therefore necessary.

3. The preservation of our good name and reputation amongst our buyers and suppliers

HKS places a great deal of value on the business relationships that it has built up over more than 100 years. Not only the relationships with our buyers, but also the relationships with our suppliers. Our company is known throughout the world for supplying high quality ferrous and non-ferrous materials. Naturally, we want to preserve our good name and reputation. It is one of the reasons why we are able to accept and process your streams of high-quality metals at a competitive price and pay promptly.

4. Financial interests

Our buyers judge us by the quality of our metals.

Deliveries of sub-quality metals can lead to high fines and deductions. We have to pay high prices for the removal and processing of the waste materials that are delivered to us. The sanctions imposed by society for any failure to avoid environmental impact can be very harsh.

In short, these are the reasons why we have drawn up these acceptance conditions. We hope this will help to create a better understanding of our policy.

We would therefore ask you to respect and abide by our policy so that together we can contribute to a safe and healthy working and living environment.

We would like to thank you in advance for your cooperation.

Yours faithfully,

HKS Scrap Metals

I. Bayram
CEO

F.H.G.M. van der Voort
CFO

S.M. van der Wekken
COO

General		Applicable acceptance standards	
Waste disposal charge for unprocessed materials		Up to 3% residual waste = deduction + tax à €160 p/t	
		Above 3% residual waste = deduction + tax à €260 p/t	
Waste disposal charge for finished materials		Up to 2% residual waste = deduction + tax à €160 p/t	
		From 2% residual waste = deduction + tax à €260 p/t	
		Above 3% residual waste = Delivery may not be accepted (material goes back)	
Hazardous substances covered by environmental			
Transformers		Accepted on the condition environmentally hazardous substances have been removed and a decontamination certificate or PCB-free certificate is presented.	
Radioactive materials		Will not be accepted. Processed in accordance with the “Radioactively Contaminated Scrap Metal Detection Decree NL”, “FANC-B”. Costs will be charged on.	
Sealed objects in <u>finished</u> products		Deduction of €150 per item	
Gas canisters of <u>less than 15 l</u> are refillable. (except if tap removed and hole >50mm)		Deduction of €150 per item	
Gas canisters technical/industrial <u>larger than 15 l</u>		Deduction of €500 per item	
Ammunition, explosives & asbestos (or materials equivalent to asbestos)		Will not be accepted. Costs will be charged on.	
Objects that have not been drained of fluids/oils		Will not be accepted. Costs will be charged on.	
Shredder feed material with CR6 paint coatings		Will not be accepted	
Shear feed material with CR6 paint coatings		Will not be accepted * Unless delivered in Amsterdam, notified in advance of the delivery, and in accordance with the agreements made.	
Shredder feed material containing products with processing hazards			
Steel cable, heavy iron		Sorting charges on request	
Specific materials			
<u>End-of-life vehicles:</u>		Acceptance if the fluids and materials have been removed as described in Article 3.27d, paragraphs 2 to 7, of the Activities Decree, VLARE-B for Yellow	
- Passenger car tyres		Deduction of €15 per tyre	
- Batteries		Offered separately after consultation with the account manager	
- Batteries in electric cars		Deduction of €1,000 per battery. End-of-life vehicle returned by ADB/dealer	
- Gas tank (LPG) in end-of-life vehicle		Deduction of €750 per gas tank. End-of-life vehicle returned by ADB/dealer. Tiered system (within 3 months). 2nd gas tank €1,250. Vehicle returned to ADB/dealer. 3rd gas tank €2,000. Vehicle returned to ADB/dealer.	
Undrained fuel tank in end-of-life vehicle		Deduction of €150 per end-of-life vehicle	
<u>Waste of Electrical and Electronic Equipment (WEEE):</u>			
Small and large household electrical appliances + ICT		Accepted on the condition offered <u>separately</u> in accordance with the CENELEC standard (the former WEEElabex standard) (undamaged so that depollution is still possible). *Large household appliances and other electrical devices must therefore <u>not</u> be delivered mixed with other types of materials.	
PV panels		Accepted if offered separately. Otherwise, €15 deduction per panel.	
Sound system speakers, monitors, screens, and refrigeration /deep-freeze units		Will not be accepted. Sorting and recycling charges in consultation	

Miscellaneous:	
Batteries larger than 8cm in finished and unprocessed materials	Will not be accepted. Deduction of €500 per item.
Tyres from trucks, tractors, forklifts, etc.	Deduction of €50 per tyre
Fireproof cabinets/safes	Will not be accepted
Swarf	Deduction for moisture removal and/or fine particle %
Storage tanks	Accepted on the condition empty, clean, labelled, and accompanied by a cleaning certificate. Delivered with open manhole for inspection.
Drums, paint cans decontaminated and/or containing noxious substances	Will not be accepted
Concrete rubble/bitumen	Deduction + tax à €160 p/t
Packaging materials (non- metal)	Sent back immediately otherwise deduction + tax à €160 p/t
Urban heating installation pipe in shear and shredder feed material	Will not be accepted
Sandwich panels (polystyrene/rock wool)	Will not be accepted
Sandwich panels (PIR/PUR) in shredder feed material	Maximum 10 times weight % per load & maximum 10 cm thick
Scrap from AVI/waste incineration	Accepted if offered separately otherwise deduction + tax à €160 p/t
Cutting/branding iron in finished materials	Charge of €10 p/t for sorting and deduction of the price difference
Branding/cutting iron	Must not contain any high alloy materials (e.g., Chrome & Nickel), fluids, rubber, CR6 paint coatings, bitumen, and/or synthetic coatings, greases/oil (that can be emitted during processing) and/or flammable chemicals, and unclean materials from the chemical industry. Large objects thicker than 1m which need to be turbo cut will not be processed by HKS (price on request).
Branding/cutting iron with CR6 paint coatings delivered	See 'Branding/cutting iron' * Unless in Amsterdam, notified in advance of the delivery, and in accordance with the agreements made.

If it becomes apparent before or after inspection that the delivered (unprocessed) materials contain dangerous substances that can harm people, property, and/or the environment, the supplier can be held liable for all costs resulting from such.