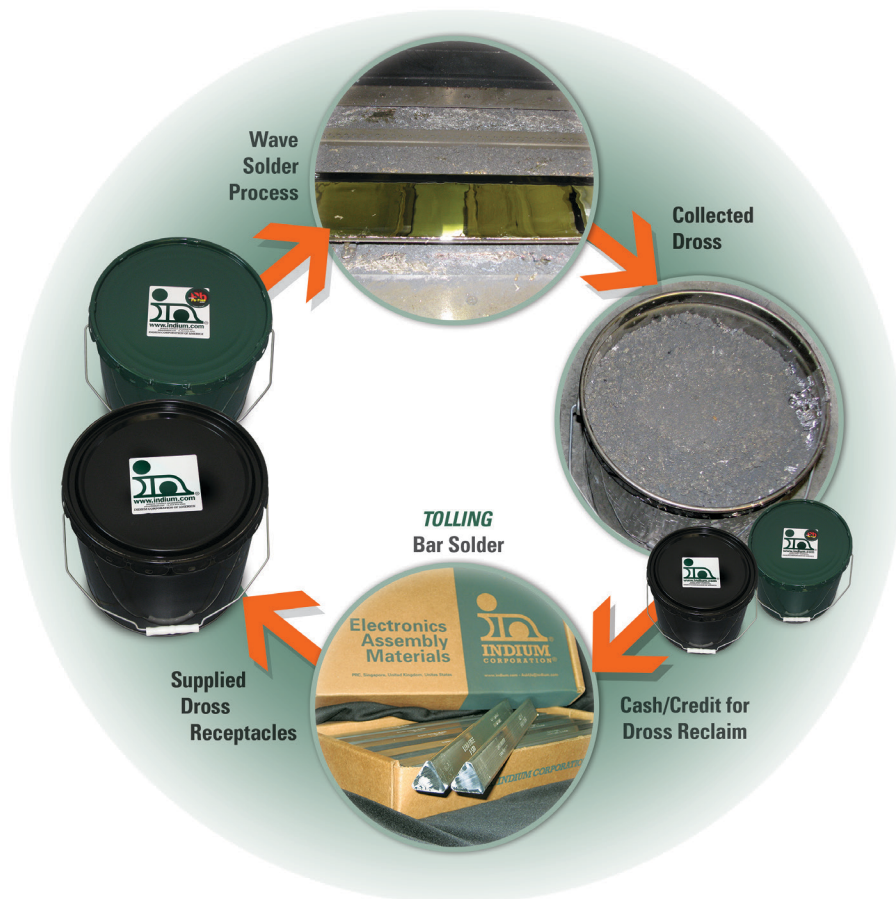


DROSS RECLAIM AND RECYCLING SCP HANDOUT



Key Benefits

- **SIMPLE and EASY** – detailed instructions tell you exactly what you need to do
- **VALUE-ADDED PROCESS** – complements complete line of solder products and services
- **SAFE FOR THE ENVIRONMENT** – environmentally conscious, electrolytic recycling of your used solder into usable solder that is as pure, or more pure, than virgin metal

Contact Robert McKerrow with questions: rmckerrow@indium.com

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COMPANY CONFIDENTIAL



DROSS RECLAIM AND RECYCLING SCP HANDOUT

THREE REGIONS

- USA 47*
 - Excludes California—legal complexity (addressed later)
 - Excludes Alaska and Hawaii—location
- Maquiladoras (Mexico)
- Internal Mexico

*Minnesota requires licensed HAZMAT carrier for dross pickup.

DROSS TARGETS & LIMITATIONS

Dross Targets (in order of priority)

- Current bar customers
- Customers where we have a strong relationship, but do not currently supply bar solder
- Any other solder user that generates dross

Any Limitations?

Minimum Weight of Dross	NO LIMIT
Low % of Dross (squeeze-processed dross)	NO LIMIT
Mixed Alloy*	USUALLY NO LIMIT**

* We will pay on the lower valued alloy of the mix

**There may be some alloy contamination that would render the dross unacceptable

THREE CATEGORIES OF RECLAIM MATERIALS

- ✓ **Dross and Unopened Paste Jars (WE TAKE & WE PAY)**
- ✓ **Electronic Scrap (WE TAKE BUT DO NOT PAY)**
 - Opened and waste solder paste jars
 - Wipes contaminated with solder paste
 - Dross contaminated with oil or other organic materials
 - Please call first. CMD not licensed to accept this. CMD will contact MR and they will reach out to customer.
 - PCBs and other electronic scrap
- ✗ **Other Materials (WE DO NOT TAKE)**
 - Oily rags

Shipping of Each Category by Region

Reclaim Category	USA 47	Maquiladoras (Mexico)	Internal Mexico
All Metal Solder Products, Dross, and Non-Ferrous Metals*	CMD or MR-Ohio**	CMD or MR-Ohio**	MR- Matamoros
Electronic Scrap	MR-Ohio	MR-Ohio	MR- Matamoros
Other Products (i.e., oily rags)	✗	✗	✗

* Call for non-ferrous metals (Not Zn, Cd) | ** When also taking electronic scrap

Who Pays the Freight Charge?

(Transport of the dross from dross provider to CMD/MR)

- Dross weight **greater** than or equal to **500lbs**
 - Indium Corporation pays freight
- Dross weight **less** than **500lbs**
 - Dross provider pays freight

Containers for Shipping Dross

- Dross can be stored in:
 - Buckets provided by Indium Corporation upon request
 - Green bucket = Lead-free
 - Black bucket = Lead-containing
- Another company's dross buckets
- Supplying company's own sealable containers

Dross Buckets

Q. How do dross buckets get to the customer's site?

- A. Upon request from the dross generator, Indium Corporation sends black and green buckets with lids from the factory in Chicago free of charge.

Q. What about labels?

- A. Indium Corporation will provide labels for buckets.



MR = Metallic Resources



DROSS RECLAIM AND RECYCLING SCP HANDOUT

PROCESS FLOW

Quoting, Receiving, and Payment

Discovery and Quoting

- Dross provider **has dross**
- Indium Corporation wants to **buy dross**
- Indium Corporation offers to pay dross provider a **percentage of LME for reclaimed metal**
 - Note: Typically 40–60% of LME, depends on volume
 - Authorized decision-makers Paul Gassensmith, Deb Scanlan, Robert McKerrow, or Chris Bastecki
- Dross provider accepts offered percentage of LME for their dross

Contacting Indium Corporation When Ready to Ship

- Dross Provider will contact **Deb Scanlan** when ready to ship dross (dscanlan@indium.com)
 - Deb will: send a bill of lading, indicate which carrier to use, provide carrier contact info, and W-9 form if needed
 - Dross provider will provide info regarding: skids and gross weight, types of containers, pickup address, dock hours and contact name/number
- Dross provider will contact carrier when ready to ship; carrier will pick up dross and deliver to **designated site (CMD or MR)**

Path A—Material Sent to CMD

- Upon arrival at CMD, material is assayed to determine composition
 - Recycle certificate and other documents sent to supplier
- Material then sent to Metallic Resources to reclaim useable metal

Path B—Material Sent to MR

- **NOTE:** If directly shipping to MR, customer **MUST** put the following on the address slip:
 - **INDIUM CORPORATION: IN CARE OF METALLIC RESOURCES**
- Upon arrival at MR, material is assayed to determine composition
 - **Recycle certificate and other documents sent to Deb Scanlan will be sent to dross provider**
- Useable metal reclaimed

Paying Dross Provider for Their Dross

Paths A and B

- Payment to dross provider is determined after material is assayed and useable metal weight determined
- Typical time frame: check payment or credit issued within 45–60 working days

Sales Channel Partner Incentive

- For each pound of **valuable** metal recovered, Indium Corporation agrees to pay the Sales Channel Partner a certain \$/lb based on the alloy grouping of the dross

Alloy Group	Payout/ Lb Reclaimed
Pb-rich (Sn63)	\$0.25
SAC305/SAC387	\$0.75
SAC, low-Ag*	\$0.50

*≤1% Ag

Example

1. Dross provider has **500lbs** of **SAC305** dross to send
2. Indium Corporation offers **50% of LME** for dross, dross provider agrees to Indium Corporation's quote (50% of LME)
 - Assume SAC305 LME = **\$15.00/lb**
3. Dross sent from dross provider to CMD (Indium Corporation pays freight)
4. Material is assayed to confirm composition
5. Material is recycled, **85.0%** of dross is useable metal
 - Useable metal = $(0.85)(500) = 425\text{lbs.}$
6. Indium pays dross provider $(0.50)(\$15) = \mathbf{\$7.50/lb}$ of useable metal
 - Credit can also be issue toward next purchase
 - **Total payment to dross provider = $(\$7.50)(425\text{ lbs}) = \mathbf{\$3,187.50}$**
7. Total payment to SCP = $(\$0.75/lb)(425\text{ lbs}) = \mathbf{\$318.75}$

Who Will Indium Corporation Pay the Incentive to—Rep or Distributor?

- Whomever the Regional Manager asks to find the dross business and is effective at delivering a dross provider
 - Regional Manager's decision; can split if it truly makes sense, but is generally appropriate to choose one
 - Indium Corporation will **only** be able to payout the **total of the defined incentive** – no double-dipping

Summary

- Separated into three different regions
- Three different categories of recycle materials
- Different shipping instructions for each region/category combination
- Supplier will be paid based on useable metal reclaimed at the negotiated % of LME
- SCP paid based on weight of reclaimed dross, based on the category of dross reclaimed



DROSS RECLAIM AND RECYCLING SCP HANDOUT

Collection – by Region

1. USA (excluding California)

- a. **Only** dross can be sent directly to CMD
 - i. Indium Corporation
80 Scott Street
Elk Grove Village, IL 60007-1228, USA
 - ii. Unused and unopened jars of solder parts are also acceptable
- b. Electronic scrap material must be sent to Metallic Resources (MR)
 - i. METALLIC RESOURCES, INC.
2368 East Enterprise Parkway
Twinsburg, OH 44087, USA
 - ii. They can accept scrap material used in the SM process such as rags contaminated with paste and spent jars and cartridges. They can also accept printed circuit boards and electronic equipment.
- c. CMD and MR **cannot** accept oily rags

2. Mexico—Border Towns and Maquiladoras

- a. **Only** dross can be sent directly to CMD
 - i. Indium Corporation
80 Scott Street
Elk Grove Village, IL 60007-1228, USA
 - ii. Unused and unopened jars of solder parts are also acceptable
- b. Electronic scrap material must be sent to MR
 - i. METALLIC RESOURCES, INC.
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 - ii. They can accept scrap material used in the SM process such as rags contaminated with paste and spent jars and cartridges. They can also accept printed circuit boards and electronic equipment.
- c. CMD and MR **cannot** accept oily rags

3. Mexico—Internal

- a. Dross and other materials must be sent to the Metallic Resources site in Matamoros
 - i. Norte 7 No. 35-A entre Poniente 4 y Diagonal Lorenzo, de la Garza Cd. Indust. H. Matamoros, Tamps.
 - ii. Phone: +1.330.425.3155
- b. To ensure we receive credit for our part in the dross collection process, the customer must put “INDIUM CORPORATION: IN CARE OF METALLIC RESOURCES” on the address header

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