



Steel Dynamics Sales North America, Inc.
Flat Roll Division
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April 3rd, 2006

Subject: Restriction of Hazardous Substances (RoHS) Directive Compliance

Dear Valued Customer,

The proposed European Union RoHS directive references maximum concentration values for lead (0.1%), mercury (0.1%), cadmium (0.01%), hexavalent chromium (0.1%), polybrominated biphenyls (PBB-0.1%). Although the directive has yet to receive final approval in Europe, SDI has elected to respond formally based on what is known as of the writing of this document. SDI is treating the RoHS definition of "homogeneous material" as the different layers present on a steel coil product; therefore, each is commented on separately.

Homogeneous Material Designation

- **Bare Steel (Hot-Rolled and Cold-Rolled, Oiled or Dry)**
To the best of Steel Dynamics, Inc.'s belief, the bare steel substrate does not contain more than the permitted levels of the six restricted substances as currently specified in the European Union's RoHS Directive, which becomes enforceable on July 1, 2006.
- **Zinc Layer on the HDG or Galvannealed Steel Substrate (Zinc Layer Only, Oiled or Dry)**
To the best of Steel Dynamics, Inc.'s belief, the zinc coating that is alloyed to the steel substrate does not contain more than the permitted levels of the six restricted substances as currently specified in the European Union's RoHS Directive, which becomes enforceable on July 1, 2006.
- **Chemical Treatment Layer on Zinc Surfaces (Galvanized or Galvannealed)**
SDI currently uses only a hexavalent chromium-bearing chemical treatment to passivate the zinc surface. This chemical treatment is not RoHS compliant based on the current interpretation of homogeneous material. **At the present time, SDI does not offer RoHS compliant chemical treatments.**
- **Paint, Primer, Pretreatment and/or Acrylic Coating Surface Layer on the Steel Substrate**
Pre-painted, pre-primed, pre-treated and/or acrylic-coated coils may not be RoHS compliant due to the coatings specified by your company on your purchase orders to SDI. Please contact the paint system or chemical manufacturer for RoHS compliance details regarding individual paint systems or surface treatments.

If you have further questions regarding the availability of chrome-free or RoHS-compliant surface treatments and coatings, please contact your inside or outside sales representative.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tommy Scruggs".

Tommy Scruggs
Manager of Sales