

May 17, 2016

Dear Valued Customer,

Due to the increases in various raw materials, we are being assessed a surcharge from our suppliers. These surcharges must be passed along to all users of the grades to which they apply. They will go into effect with shipments as of **June 1st, 2016**. We will continue to monitor the situation and communicate any changes in surcharges when they occur.

Surcharge (Grade)	June 2016 Scrap Surcharge (\$/cwt)	Alloy Surcharges (Cr, Ni, Mo, V, Mn) (\$/cwt)
Carbon and Alloy Bars thru 1" and any stock which Banner must buy as CF before grinding	\$6.11	
Carbon and Alloy Bars over 1" thru 3.5"	\$5.25	
Large Carbon and Alloy Bars above 3.5"	\$5.67	
4140		\$1.16
4340		\$2.74
8620		\$1.36
10V45		\$.25
Manganese (Applicable to all Carbon and Alloy grades)		\$.05

We appreciate your business. Please do not hesitate to contact us with any questions or concerns.

Sincerely,

Justin Invergo
Purchasing - Commercial

June 2016 Surcharge
Letter