

October 26th, 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 **November 1st, 2016**. We will continue to monitor the situation and communicate any changes in surcharges when they occur.

| <b>Surcharge (Grade)</b>   | <b>November 2016 Scrap Surcharge (\$/cwt)</b> | <b>Alloy Surcharges (Cr, Ni, Mo, V, Mn) (\$/cwt)</b> |
|--|---|--|
| <b>Carbon and Alloy Bars thru 1" and any stock which Banner must buy as CF before grinding</b> | <b>\$2.16</b>                                 |  |
| <b>Carbon and Alloy Bars over 1" thru 3.5"</b>   | <b>\$1.75</b>                                 |  |
| <b>Large Carbon and Alloy Bars above 3.5"</b>  | <b>\$2.00</b>                                 |  |
| <b>4140</b>  |   | <b>\$1.46</b>  |
| <b>4340</b>  |   | <b>\$3.79</b>  |
| <b>8620</b>  |   | <b>\$1.87</b>  |
| <b>10V45</b>   |   | <b>\$.38</b>   |
| <b>Manganese (Applicable to all Carbon and Alloy grades)</b>                                   |   | <b>\$.07</b>   |

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

Sincerely,

Justin Invergo  
Purchasing - Commercial

November 2016 Surcharge  
Letter