

February 23, 2018

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 **March 1st, 2018**. We will continue to monitor the situation and communicate any changes in surcharges when they occur.

Surcharge (Grade)	March 2018 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	\$11.61	
Carbon and Alloy Bars over 1" thru 3.5"	\$10.75	
Large Carbon and Alloy Bars above 3.5"	\$12.26	
4140		\$3.17
4340		\$8.71
8620		\$4.20
10V45		\$2.67
Manganese (Applicable to all Carbon and Alloy grades)		\$0.46

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

Sincerely,

Erik Hansen
VP of Sales - Commercial

March 2018 Surcharge Letter