



To: All Snappy Customers

Date: November 1, 2016

Re: Price Increase Notification

As we have all seen in the news and from other trades that use steel as a major source of their product, steel prices have increased upwards of 50% from 2015 prices and have now settled in the 30% increase range for the past month or so. The main driver of this increase results from the severe shortage of steel imports due to the enforcement of anti-dumping tariffs which was formalized in July 2016 after an initial notification in May 2015. Thus, the market has reacted to these tariffs with the run up in market prices on steel and generated the “new norm”.

Fortunately, we timed our steel purchases in early 2016 such that we have avoided the significant run up in prices seen through the summer months. This has allowed us to protect our customers and our business from this impact. As we exit 2016 and enter 2017, we will start to see these steel increases impact our cost structure in early 2017.

Unfortunately, this will require us to increase our prices to our customers beginning with February 1, 2017 shipments. We have spent a tremendous amount of time and energy improving all facets of our operation to reduce the impact of this increase. Our increase will range from 3% to 9% with a majority of our products receiving an increase of less than 5%. All orders placed prior to January 13, 2017 and shipped prior to February 3, 2017 will remain at the existing prices.

We are hopeful that this will be the only increase in 2017 but we obviously can't predict the future when it comes to the steel market. We are doing everything we can to mitigate any further price increases like we did in 2016.

We appreciate your understanding of the situation. We appreciate your business and value our relationship. We will continue to deliver our high quality product and impeccable service.

Please don't hesitate to call Scott Bell, your local sales representative or myself with any questions or comments.

Sincerely,

Chris Thomas
Chief Executive Officer

CORE VALUES

Customer Focused
and Engaged

Leadership
and Integrity

Resourceful and
Decisive Collaboration

Innovation and
Productivity

Safety