



MAUSER USA, LLC
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February 22, 2017

Dear Valued Customer:

Since November 2016, cold-rolled steel has risen over \$123 per Ton. The major steel Index, as well as trade publications, are forecasting continued increases into the spring. To maintain a price that fairly reflects the significant change in the cost of steel drums and key components, Mauser is forced to raise prices, subject to any contractual commitments.

The key drivers for this increase are a strengthening global steel market, a reduction in imported steel volumes as trade action investigations continue, as well as a rise in scrap prices.

Galvanized steel, a major component of our fiber drums, has also risen sharply by \$152 per Ton over the last three months.

The steel and fiber drum increases are effective with shipments on or after April 1, 2017. Your local sales representative will follow-up with you to discuss the impact this will have on your pricing next month.

Please be assured that we will continue to challenge increases from our suppliers and will continue to explore alternative supply avenues. We appreciate your business and support during this period of escalating raw material costs, and will continue to update you on further developments.

With best regards,

A handwritten signature in black ink that reads "Debbie Kirkland".

Debbie Kirkland
Director, North American Sales