



August 31, 2017

Dear Valued Customer,

As you may have noticed, for the past eight months, there has been a continual increase in steel prices. The cause of the increases stem from higher input costs, steady demand and the potential tariffs on foreign steel. We have also experience increased costs in raw materials used in our sealant and adhesive products.

Steel mills have seen costs of zinc, coking coal, iron ore, zinc and scrap increase substantially over the past months. These core component costs have gone up anywhere from 25% to 50%, with scrap prices going up over 60% from 2016 levels.

In addition to the higher input costs, construction levels remain positive and are expected to continue its upward momentum throughout 2018.

This combination of factors will continue to pressure steel prices to a gradual climb on top of the increases already experienced. As a result, CL WARD will have to implement a price increase.

Beginning on **October 1st, 2017**, prices will increase on the following:

- 8% on Fire Dampers and Ceiling Radiation Dampers
- 6% on Flange/Corners/Cleat, Turning Vane/Rail, Slip/Drive/Standing S, Flexible Duct, Connector, Access Doors, Fasteners, Damper Hardware, Round Connectors and, Hangers/Reinforcements.
- 5% on DuctGuard, Sealants, Adhesives and Gaskets

****No increase on Pipe and Fittings****

As in the past, CL WARD will continue to monitor steel prices and keep you informed of any other developments.

Should you have any questions, please do not hesitate to contact us. The CL WARD team is here to assist you in any way we can.

We thank you for your business and continued support!

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ryan Ward', is written over a light blue horizontal line.

Ryan Ward

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