



401 Airport Road
N Aurora, IL 60542
Ph: 847-843-0500
www.noisebarriers.com
info@noisebarriers.com

Memo

To: Noise Barriers Valued Customers

From: John Finnegan

Date: February 8, 2021

Re: Material Cost Volatility - Steel

As many of you may be aware, the steel market is experiencing a very turbulent time. Due to a range of factors, raw material steel prices have by rising at an alarming rate. The price escalation has been dramatic, and unfortunately not predictable as to when it will stabilize.

Noise Barriers has been monitoring this price climb and taking measures to mitigate and manage. However, in recent weeks it has reached a pace and level that requires us to take significant action. The pricing structure is so mis-aligned, we have no choice than to implement a few new pricing policies.

- Starting immediately, there will be a Steel Surcharge line item on all quotations. They will be current to the material costs of any given week and will likely be modified on a week-to-week basis. Quotes will be good for 21 days.
- There will be a steel price peg at the date an order is placed. When that order is released for production, NB will evaluate the current steel pricing as compared to order time. If it is outside the range, NB will need make a purchase price adjustment in order to continue with production. These are likely to be small percentages, but none-the-less necessary, as long as week to week pricing is volatile. This is being instituted to keep the initial steel surcharge to the absolute minimum possible.
- Throughout the duration of this spike, we will be adjusting up, or down, according to the benchmark pricing we are using for HRS in the CRU Index. Always being transparent and ONLY passing on raw material COST differences. We are making every effort to keep these adjustments outside the base pricing of our products.

This is a unique time for steel market. There have been cost issues in past years but, fitting to our current state of the Nation/world, this period is extremely unpredictable and aggressive. We value your business and partnership and will make every effort to mitigate these issues and work with you to navigate it together. There will be detailed information on any quotations you receive. Any questions, please feel free to call your Sales Manager, or me.