



February 2, 2021

Dear Valued Customer,

Since our last price increase communication, steel prices have continued to significantly increase. In fact, earlier this month steel costs surpassed historical record highs and continue to climb. Steel mills do not have enough capacity to meet demand which is causing this extreme market event.

The pandemic has had a considerable impact on steel demand initially forcing many steel mills to shut down part of their operations in early 2020. Later in the year, demand strongly rebounded when automotive and other economic activities restarted creating an imbalance in supply and demand. Furthermore, in a market where inventories were already low due to uncertainty, sourcing options have been very limited due to similar constraints worldwide coupled with dumping duties imposed by the Canadian government since March of last year. This has resulted in extended lead times for steel; shortages in raw materials; significant tightening of supply; and, ultimately, rapid and dramatic steel increases. Between August 2020 to December 2020 prices have increased by 63% and continue to rise.

This is an extreme situation that is occurring in the marketplace which has created the need to implement "FORCE MAJEUR" measures. As such, it is necessary for Imperial Building Products to implement a price increase of 15% effective on all orders shipped after March 1st, 2021, and an additional increase of 10% effective on all orders shipped after April 1st. Additional increases are still required, will be forthcoming and announced at a later date. We recommend you notify your customers about these extreme circumstances occurring in the steel market and its impact on pricing. Please note that because supply is very tight, Imperial has the right to limit orders based on steel availability.

As always, we will monitor the commodity markets closely, continue to work hard to keep you price competitive and will advise if any changes occur. Please contact your local sales representative if you have further questions, comments or concerns.

Thank you for your continued support!

Sincerely,

Cesare Minchillo
President
Imperial Building Products

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