

30th May 2018

Dear Customer

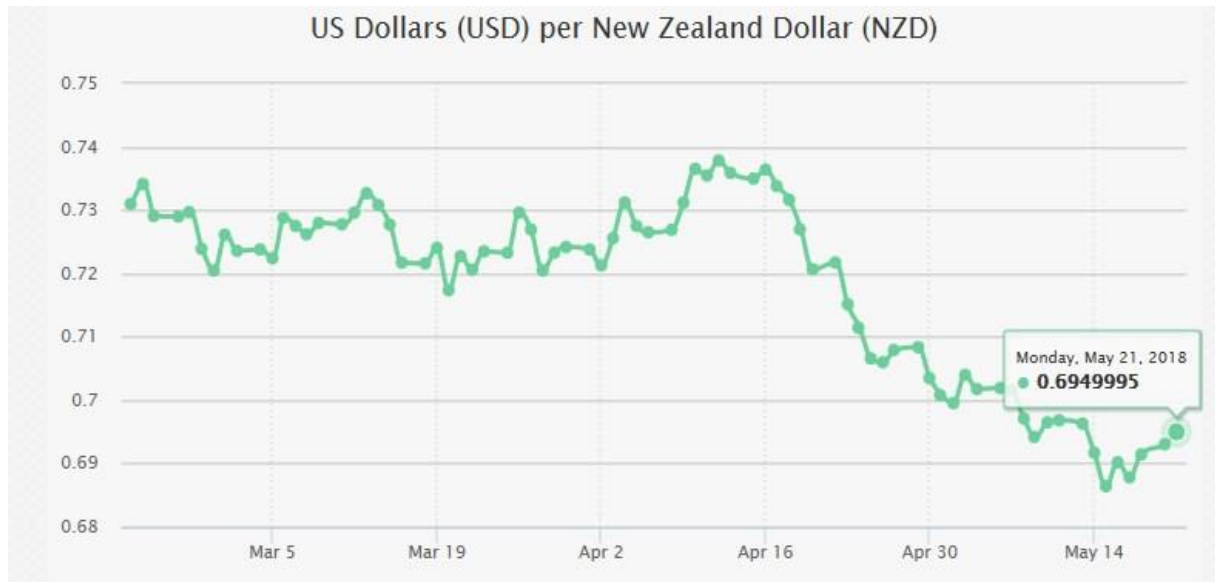
**Market Update**

As you may already be aware there are large price increases coming through from significant market suppliers.

New Zealand Steel Limited for instance has announced increases on both plate and coil products effective for deliveries from 1 July.

In addition the NZ dollar has experienced a substantial drop in exchange rate with the US dollar over the last few months from around 73.9c at the beginning of April to 69c currently. This equates to a circa 7% increase for imported product just from exchange change alone. Our international sea freight providers have also increased rates, which impacts on imports.

STRONGER IN EVERYWAY



Therefore, we will need to amend our pricing upwards as this higher cost product is already arriving into stock.

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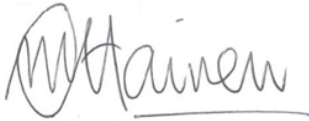
Price increases to apply effective from 1 July 2018;

- |  |        |
|--|--------|
| ▪ Merchant Bar & Structural Steel                                    | + 6-8% |
| ▪ Imported Pipe & Hollows  | + 6-8% |
| ▪ Plate  | + 10%  |
| ▪ Galvanised & Electro-Galvanised sheet                              | + 5-9% |
| ▪ Less than 100mm Pipe & Hollows                                     | + 6%   |
| ▪ Special Steel  | + 4.5% |
| ▪ Valves, Fittings, Chain & Rigging products and Industrial products | + 5-7% |
| ▪ Stainless Steel (effective 1 June due to Nickel price increases)   | + 10%  |

Some increases on other minor imported lines and freight.

Should you require any further details or if we can be of service, please feel free to contact us.

Yours sincerely

A handwritten signature in black ink that reads "M Hainen". The signature is written in a cursive style with a large initial "M" and a horizontal line underneath the name.

**Marc Hainen**  
**General Manager – Distribution STEEL & TUBE**