



TO: Business Partners

FROM: Dorcedar House
General Manager – Precision Coils

DATE: January 30, 2023

SUBJECT: **Coils Upward Price Adjustment – Effective April 3, 2023**

Dear Business Partners –

On June 22, 2022, we announced a temporary fuel surcharge of 1.25% on all shipments effective July 5, 2022. We had hoped the diesel fuel and line-haul freight charges would return to 2021 levels and we would be able to rescind the fuel surcharge. While diesel fuel costs have declined some, they remain far higher than historical levels and our line-haul freight charges remain at or near peak levels with no slowdown in sight.

With that said, we have heard from many of you, our partners, that the fuel surcharge is an accounting challenge that is not making Precision Coils easy to do business with. Rather, we heard many of you say that a traditional price increase would have been welcomed over the cumbersome fuel surcharge.

As such, today we are making two announcements:

1. Effective April 3, 2023, we are rescinding the fuel surcharge from all new orders entered on or after April 3rd. All orders placed prior to April 3rd will still have the fuel surcharge applied.
2. We will implement a **2.25% price increase effective on April 3, 2023**. All orders entered on or after April 3rd will not have the fuel surcharge applied. This replaces the 1.25% fuel surcharge previously implemented. The need for the additional 1% is to help offset the ongoing purchased component price increases we continue to experience.

The price increase will be implemented through our selection software, PC Select, through a list price adjustment. Your multiplier will not change at this time.

We appreciate your understanding and encourage you to review all existing quotations and unreleased orders. **Orders placed on or after the April 3, 2023 effective date will have the new pricing structure applied to them.** We thank you for your continued partnership in these challenging and unprecedented times. If you have any questions, please contact Jim Leeds (jim.leeds@precision-coils.com) or Megan Sutton (megan.sutton@precision-coils.com) for more information.

Sincerely,

A handwritten signature in black ink that reads 'Dorcedar House'.

Dorcedar House
General Manager – Precision Coils