



June 4, 2018

The North American steel and aluminum markets have experienced unprecedented pricing and supply volatility since the current administration began discussing 25% tariffs on Chinese imported steel and 10% tariffs on Chinese imported aluminum in March 2018. The situation became even more volatile when the EU, Canada and Mexico were brought into in the tariff discussions in late May.

Although Cottrell has not typically purchased imported steel or aluminum, the talk of tariffs has created heavy demand and a limited supply of domestic metals. As a result, we are seeing exceptionally high cost increases in the domestic metals market and all indications are that the situation will get worse and continue into 2019.

Because of this, Cottrell will immediately implement a Metals Surcharge on all new equipment orders, parts, and services. We will review the Metals Surcharge on a regular basis and adjust it as needed (up or down) to reflect the cost changes in the metals market. All orders, parts, or services that were confirmed with Cottrell as of 5/25/18 will be honored at the original estimated price.

We will continue to stay close to market conditions in order to make effective business decisions that consider the business requirements, long-standing customer relationships, and over 40 years of serving the needs of the auto transport industry.

Thank you for your understanding in this matter and thank you for your business.

A handwritten signature in black ink, appearing to read "Bryan Howes", with a horizontal line extending to the right.

Bryan Howes
Vice President Sales
Cottrell, Inc.