



September 3, 2021

RE: Stainless Steel Surcharge

Stainless steel commodity prices, like most commodities, have gone through rapid escalation over the last 12 months.

Up until now, through effective procurement and hedging strategies, Dorner has been able to minimize the impact on the prices we charge for our stainless based product lines. Unfortunately, we can no longer stem the overwhelming tide of cost increases coming from stainless prices. Costs have risen between 50% and 65% on stainless sheet and components depending upon the type and processing of the steel.

Economic forecasts do not show an end in sight soon. In fact, commodities prices may continue to increase as this volatile market carries on. At the same time, we do believe stainless prices will normalize at some point in the future, as they always do.

To combat this volatility and not imbed it into a permanent price increase, Dorner is implementing a stainless steel surcharge to all orders received after September 13, 2021. The current rate of the surcharge will be 10% on the list price of all 7X conveyor lines. The surcharge will be noted in DTOOLS, but will not be reflected in the DTOOLS price. Instead, it will be added to the DTOOLS price to achieve your total price for the order.

Dorner will monitor the surcharge on a consistent basis and adjust the percentage up or down based on the changing commodity prices. Any change in surcharge will be communicated and can be found on the distributor portal as well as in the DTOOLS notes on a quote.

We greatly appreciate all you do for Dorner and your patience during these very trying times. We wish you all the best and happy selling!

Best regards,

A handwritten signature in black ink that reads "Terry".

Terry Schadeberg
President & Chief Executive Officer
Dorner Mfg. Corp

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