

REMCON

PLASTICS, INCORPORATED

February 13, 2017

Dear Customer,

Remcon Plastics makes the most durable plastic material handling products for the industries we serve.

One of our "secret ingredients" is the quality plastic resin we use in the construction of our products.

Rotational molding requires more expensive, special resins that are modified to tolerate the long exposure to high temperatures that are present in our process. Some molders use lower-cost, injection molding grade plastic, or they regrind materials that do not have these modifiers. As a result, their products lack impact strength. That means they crack or break sooner and replacements have to be purchased.

At Remcon, we never cut costs on raw materials. We only buy top-quality, 100% virgin polyethylene that is specifically formulated for rotomolding applications. This ensures that the proper additives are there to promote maximum physical properties of the material.

Recently, market prices for 100% virgin polyethylene resin have begun to rise. This primarily has been due to two major events. First, global demand is rising and US manufacturers of polyethylene resin have seen exports surge to the second highest levels in history. Second, these same manufacturers cannot produce enough resin to keep up with sales demand. These two factors are driving prices upwards. Contrary to rumors, this is not associated with rising gasoline and petroleum prices. Polyethylene tracks natural gas prices since natural gas is what is used to make plastic.

During the first quarter of 2017 Remcon is experiencing an \$0.11 increase in the price of one pound of resin. This means a 100 pound Poly Combo Bin now costs \$11.00 more for us to produce. Remcon does not want to profit on this current market situation, but we are already experiencing increased costs. Our intent is to solely cover our costs and pass on the \$0.11 per pound increase without any markup.

Effective on all shipments beginning April 1, 2017 Remcon plastic material handling products will increase by \$0.11 per pound.

We appreciate your understanding and recognition that this market event is beyond Remcon's control. We encourage all customers contemplating orders to contact us soon so we can fulfill your order before the increase takes effect. We are not making this increase effective immediately so that our customers have an opportunity to make a final purchase before the increase affects them.

As always, we are here to help. Please contact us with 1-800-360-3636 with any questions.

Warmest Regards,

The Remcon Plastics Team