

Vieira de Leiria, 25<sup>th</sup> November 2021

**Subject: Energy Surcharge – Update**

Dear Loyal and Valued Customer,

As previously mentioned in our letter from November 4<sup>th</sup>, 2021 regarding the unprecedented and abnormal increases in energy prices registered on a European and global level, we inform that in light of these circumstances, Böllinghaus Steel management has been forced to implement an **Energy Surcharge** effective with both pending and future deliveries/shipments.

As this situation will continue to change, the Energy Surcharge will be adjusted to the energy market developments and will be, as a rule, calculated taking into account an index, composed of the average of the monthly "energy surcharge" of our main suppliers, published on their respective websites.

Hence, we will update our website and make every effort to contact you directly advising before the 1<sup>st</sup> of each month the new surcharge amount. In addition to this, as noted, you will be able to find the amount published on our website, [www.boellinghaus-steel.com](http://www.boellinghaus-steel.com) on a monthly basis.

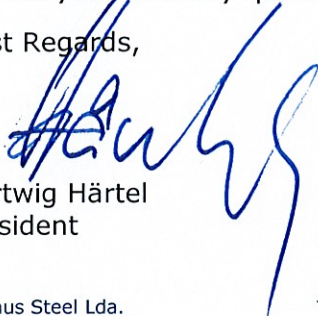
Unfortunately, there is no way around this **Energy Surcharge**, for it being necessary to restore a fair contractual balance, as the fixed price previously agreed upon would be insufficient to meet the substantially increased production costs of Böllinghaus Steel. This way, we can look forward to ensuring sustained supplies at the highest quality standards possible.

Finally, we inform that, in view of the above, we have now updated our General Conditions of Sale so that sale prices can be updated based on objective criteria, namely increases in energy prices.

We understand that the latest developments challenge us all and appreciate and thank you for your understanding and patience. For more information, please visit our website indicated above.

Should you have any queries whatsoever, feel free to contact us anytime.

Best Regards,

  
Hartwig Härtel  
President