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March 22nd, 2022

RE: OCM Price Increase Notice Effective May 2nd, 2022—Domestic Wire Products Only

Dear Valued Customer,

As we move quickly to the end of the first quarter of 2022, OCM has been monitoring the shredded scrap index closely to evaluate the potential impact on domestic wire rod costs. The final scrap number for March occurred last week on March 14th, posting at an all-time record high of \$615/ton. By contrast in February, scrap posted at \$480/ton resulting in an increase this month of \$135/ton. Many of you have already seen the impact on rebar and smooth dowel pricing and it appears that additional increases are on the way. The unfortunate invasion by Russia in Ukraine is a main driver of this massive increase causing scrap trading to push up even higher during the week to \$665/ton. It will be very interesting to watch where scrap will post in April, only about 3 weeks from now, and what further impact that could have on pricing.

In addition to the rise in scrap, Nucor Steel, among others, just released their updated freight surcharge matrix for April 1st. The month of April will usher in higher shipping rates due to higher fuel costs to deliver wire rod from the mills to customers' factories. So once again, the combination of higher fuel and higher scrap have pushed costs up in a very short window of time. As a result of these combined cost increases, OCM must execute a 12% price increase on domestic wire rod products effective May 2nd, 2022. Please note that this increase will only apply to domestic wire rod products like steel bar supports, form ties (not aluminum form ties however), smooth dowels, and coil rod. This price increase will not affect products like plastic bar supports, concrete handset forms, or other overseas general line products. In this manner, OCM is focused on targeted increases from specific cost factors in the market in order to minimize the overall cost impact for our customers.

Despite this upcoming price increase, OCM will not increase our current free freight policy of \$25,000 net. We understand the value of having a manageable free freight policy to benefit our customers. Please visit the home page our website at www.ocm-inc.com to review our complete freight policy.

As always, your OCM regional sales manager or local OCM independent sales representative will be your primary contacts for questions and additional information. OCM will continue to work diligently to keep our customers competitive while enhancing our value at the same time. Again, thank you for your continued support of OCM in 2022 and beyond.

Regards,

Ray Sullivan

Ray Sullivan
Vice President of Sales and Marketing
OCM Inc.