



Price Increase Notice

Price Increase Notice for All Regions

May 12th, 2016

To Our Valued Customers,

Due to continuing price increases from all of our steel mills and the increased tightening of supply from the steel mills, CEMCO will be raising our prices on **all products 15% - 20%** (depending on gauge and availability), effective with shipments on or after **July 1st, 2016**.

Additionally, we are monitoring very closely orders that are placed at our service centers. Due to the limits on what we have been able to purchase from steel mills, lead times are longer than normal at all of our facilities and we are now forced to begin allocating our product based on availability of steel. We want to do all we reasonably can to accommodate orders of our loyal customers and our allocation program will consider historical purchases you have made from CEMCO.

In light of the uncertain market conditions, we also are implementing new guidelines for quoting work:

1. We will not quote work that is below 250,000 pounds.
2. Escalation schedule:
 - a. 15% June 1st (previously announced)
 - b. 15-20% July 1st (referenced above and subject to change)

We will do our best to keep you informed on this rapidly changing marketplace. Some of our domestic suppliers have yet to open their order books for August so we are unable to determine our prices beyond the July timeframe. As our costs change, we will reassess our pricing and advise you of any changes.

Revised price sheets will be available soon. Please contact your sales representative if you have any questions regarding this notice.

CEMCO Sales Management Team