

March 5, 2019

Dear Valued Customer,

As you may be aware, in February the Department of Commerce announced a tariff on Chinese Semi Truck Tires with an average rate over 40%. Several manufacturers have announced price increases, and some of our competitors have done so as well. In addition, rising costs of transportation are creating additional cost pressures on tire suppliers in the United States.

To account for these pressures, Omnisource USA will be making changes to our pricing on the 18th of March. Radar and Roadlux TBR tire prices will be increasing by about 10%. We do not yet have visibility into the precise amount by which our costs will increase for other branded tires. We will also be adjusting prices on Radar and Patriot PLT. On average, these products will increase in price by about 2%, but that will include price reductions as well.

Omnisource USA recognizes the importance of keeping prices as competitive as possible. In order to do so, we have been taking the following steps, among others:

- We have shifted significant amounts of production out of China
- We have consolidated centers, modified routes, and completely reorganized our supply chain
- We continue to invest heavily in R&D to bring you the high-quality broad selection of products in our premium Radar brand and our budget brands like Patriot which are normally only available in high-end brands costing significantly more.

We recognize you have options, and appreciate your business. Please reach out to your local Omnisource team if you have questions, comments or suggestions.

Thank you again for your continued patronage.

Mike Kimel