



Dear Fellow Owners,

These semi-annual Customer Satisfaction Incentive letters usually communicate some of our most important shared accomplishments over the last six months. This letter is about a longer-term accomplishment. In my life, I feel very fortunate to have learned from many great leaders from many different social settings, including family, church, sports, charities, politics, academics, and business. The best leaders I've observed shared an important characteristic; namely, the strong desires to encourage and guide people around them in ways that help others achieve their dreams and be the best they can be. Among the many great leaders here at Scot Forge, I would like to give special mention to Ron Hahn.

I think it is fair to say that Ron did not pursue leadership; rather, leadership pursued him. He accepted its calling not for his ego, but for the opportunity it provided him to serve others. One of the first things you notice about Ron is that he is always seeking to understand -- rather than be understood. He puts you first in all of his decisions, and always looks to see if he could do more before asking more of others. I've never seen him discouraged or lacking in confidence in you, our team, or himself. I have also never heard him disparage another person or seen him engage in a selfish act. Ron assumes good intentions by others, but is wise when dealing with clever people who don't have our company's best interest at heart. Most significantly, he remains humble with a genuine gratitude for what life and Scot Forge have provided to him.

It is for these many reasons that we are delighted to announce to you the promotion of Ron Hahn to President. His demonstrated personal values and his behaviors give the Board the highest confidence that he is worthy of leading such an impressive and deserving team in his new role, while retaining the current responsibilities of Chief Operating Officer.

In terms of any changes in responsibilities between Ron and me, I can only say that Ron and I have regularly interchanged responsibilities involving all aspects of our company over the years. It's part of the collaborative way we work together, and it serves us well for sharing the workload, flexing to the priorities and challenging each other to do the best job possible. We intend to keep this model in place as it has expanded our capacity as a team and has kept us both learning and growing.

I should also mention that this news of Ron's promotion should not be interpreted as any lessening of my full engagement to Scot Forge. To the contrary, my passion for our company and its future continues to grow, as it has throughout my career. My growing commitment to Scot Forge is due to the many amazing people with whom I work every day. Given the quality of our current team, I thoroughly believe our best days are ahead of us and, God willing, I hope to be around to contribute for many more years to come.

On behalf of the Board I'd like to sincerely thank all of you for how you helped shape Ron into the leader he is today. His leadership qualities are indeed a reflection of all the exceptionally talented people we have been blessed to have at Scot Forge, and I look forward to our joint efforts at creating an amazing future together.

Sincerely,

John Cain