



June 24, 2011

Re: Telling® Industries, LLC Pricing & Quoting Policy Revision, Effective July 01, 2011.

Valued Customers,

Steel pricing continues to demonstrate an increased frequency of instability and unpredictability. These repeated cycles of sharp spikes and deep dips in steel pricing continue to place a strain on the entire industry. The volatility we are all speaking about, highlights the many disconnects that exist in the way we quote and protect projects vs. how we are protected and purchase materials. These disconnects place everyone involved at risk.

This adjustment in our policy is our effort to be fair and reasonable in the way we quote moving forward; offering realistic expectations for information, volume, terms, escalators and protection to all who do business with Telling Industries. We appreciate your business and look forward to servicing you. If you have any questions or concerns feel free to contact us at any time.

Sincerely,

Edward Slish
President

Troy E. Frank
Executive Vice President
Commercial Sales & Marketing

Thomas Gallagher
Vice President, Sales



Telling Industries, LLC Pricing and Quoting Policy

- **Published Price Sheets:** Effective till further notice, a minimum of two weeks.
 - Pricing Changes- Telling will issue a two week notice for increases.
- **Quote Qualifiers:** All items below are required for a quote to be considered valid for protection.
 - Project Name- A valid job name.
 - Project Location- Job proximity including both City & State.
 - Contractor Name- Sub-Contractor's name.
 - Quantities- Reasonably accurate quantities/footages are required to qualify the quote for protection.
 - Minimums- Two Truckload minimum; less than 80,000 lbs. will default to the published pricing in effect at the time of shipping.
- **Standard Quoting Terms:**
 - Quote Expiration- All quotes will expire 180 days from original date quoted, unless a formal written "Purchase Agreement Form" has been executed prior to expiration (180 days) by all parties required.
 - Escalators- Minimum of 5% per 90 Days will be applied to all quotes.
 - Quote Duration- Budgetary escalators will be provided for a maximum of 2 years and are non-binding, for estimating purposes only beyond the 180 day expiration.
 - Budgetary Escalators- 10% will automatically be applied beyond 180 Days (expiration) and 5% per qtr thereafter.
 - Job order Shipments- Orders placed against a Telling quote must be shipped on full truckload shipments to a single distributor, max two stops or freight charges may apply.
 - Standards- all quoted materials are subject to additional fees for orders that require additional labor and freight.
 - Items under 6', up to \$1 per cut
 - Quantities under 1000' on Drywall Steel and 500' Structural items, up to \$75 per package
 - Job packing/breakdowns/special markings up to \$50 per package.
 - Jobsite deliveries requiring more than 1-1/2 hours to unload up to a \$100 Hour.
- **Price/Quote Protection:**
 - 30 Day Notice of Intent- A signed notice of intent must be received and acknowledged by Telling Industries Corporate office within 30 days of the original quote date.
 - This notice states that Telling is the intended manufacturer of choice for said project and demonstrates distribution's intent to purchase said quote from Telling if awarded to the distributor exercising the notice.
 - 90 Day Award Notice/Activation- A signed award notice must be received and acknowledged by Telling Industries Corporate office **or a full truckload** must be placed against the quote within 90 Days of the original quote date.
 - This notice states that Telling is has been awarded said project by said distributor and named contractor.
 - * Purchase Agreement- a signed Purchase Agreement Form (PAF) constitutes a binding agreement by all listed parties and makes exceptions to the Standard Quoting Terms and Protection (beyond 180 day expiration).
 - Purchase Agreement- demonstrates a commitment by all required parties to accept the exception terms outlined in the PAF.
 - Required Parties- The Distributor, Sub-Contractor and a Telling Executive Manager are all required to sign Purchase Agreement Form.
 - Cancellation Terms- Any misuse (listed below), intentional or otherwise, of Telling quoted materials will constitute immediate removal of said quote, breach of any Purchase Agreement and result in cancellation of all active quotes.
 - Substitution- supplying another manufacturer's materials on a project after Telling was given a "30 Day Notice of Intent" or "Award Notice" for said project.
 - Quantities- overstating footages
 - Diversion- supplying quoted materials from one job to yard stock and/or another project.
 - Confidentiality- sharing of any Telling Industries pricing or quote documents with a third party.