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January 28, 2019

To: Our Valued Partners and Customers

Subject: Notification - March 1, 2019 Price Increase

Channel Partners, this letter is a 30-day notice of an upcoming pricing increase of 4%.

As you know, ECN Korns has continued to be diligent in providing you the best quality products at the best overall value. ECN Korns will be implementing a price increase effective March 1, 2019. All stock and quoted business will reflect price list in effect and all orders made after this date will be invoiced at the new prices.

Other changes:

In addition, effective March 1, 2019, please note that our Cash Discount will change from "2% 10th net prox. 25th" to "1% 10th net prox. 25th." We will offer 2% 10th net prox. 25th terms to distributors who utilize <u>ALL</u> EDI transaction types (ex. PO, Invoices, etc.). Discount terms are subject to validation of use.

Please note we have recently changed our terms around Shortage Claims: No shortage claims will be recognized unless such shortage is reported to our Gilmer, Texas office within seventy-two (72) hours from receipt of shipment at destination.

In order to facilitate a smooth transition within your internal systems, new price guides (PDF and Excel versions) will be available to download from our website at <u>www.ecnkorns.com</u>. All electronic sources (NEMRA, IDW, Trade Services, etc.) will be provided updated information on the effective date. The current list sheet, (F-174) will soon be replaced with a new list price sheet, F-175, 3/1/2019.

Please ensure that your associates receive the current data as soon as you receive it, in order to facilitate the transition within their systems.

If you have any questions, please do not hesitate to call me at (903) 843-5591.

We appreciate your support and look forward to being of service to you in the future.

Sincerely,

Steve Voelzke President