



March 26, 2021

To: Electrical Distribution Partners

Subject: Price Increase & Prepaid Freight Notification

There truly is no such thing as a good time for a price increase, but like so many other manufacturer's we are unable to continue to absorb the volume of increases that have been received over the past year.

What makes implementing a price increase so difficult now is the pure volume of purchase orders that have been placed and the extreme backlog of products to be manufactured and shipped.

In our last letter to you, we shared that we were scheduling initial shipments on orders 40 business days from receipt. That is almost two full months when weekends are considered. And as of today, we are at 43/44 business days.

Our past practice on a price increase was to give a 60-day notification. But with our backlog of orders and the unprecedented increases that have impacted all facets of our business, it is just not feasible to prolong the inevitable.

Beginning April 5th, we will implement price increases on all orders received on or after 2/1/2021. With our delayed shipping schedule, most of these orders have not come up for initial shipments. All orders received on or before 1/31/2021 will be processed at current pricing. This includes backorders associated with the 1/31, or earlier purchase orders. Coinciding with this notification is an increase from \$1,200 to \$1,750 minimum P.O. for prepaid freight.

Accompanying this notification is a listing of product groups and the associated percentage of increase. We will have electronic list and quote prices routed prior to the increase. We will also be providing you with an electronic document (week of 3/29) for all locations with open orders that will require their response prior to further shipments. Each location will need to respond that they authorize and accept the increase in prices on all open purchase orders or they decline the increase. If the price increase is declined, Allied will in turn cancel all open orders for that location. Also attached is a copy of Allied's Conditions of Sale, which can also be accessed on our website.

This is a tough decision that we had to make, but one that was necessary to allow us to continue to be a viable supplier of boxes to the residential construction market.

We appreciate your business, and we will continue to keep you updated on all activity focused on improved service levels.

Sincerely,

Dave Gordon, Director of Business Development



Price Increase Percentage & Categories

8% All nail-on wall, ceiling & junction boxes. Plaster rings, LVP-1 handy boxes & covers. LVB-1, LVP-1 & LVP-2

10% All vapor, steel stud & RD-42 boxes. 9304, 9305-K, 9355-K, AC-9500/BULK round boxes. 9315 & 9315WH round box covers. QT Boxes.

12% All Z, ZB, NB bracket boxes. All E/EK (ear), EWK (wing) SK/ESK (snap) bracket boxes. LVBOW-1. G (ground strap), BH/16" (bar hanger), FAN, FANB, FRBK boxes. All Accessory items (WIRE CLAMP, WINGS, GRD STRAP, 1K100).

18% All floor box products.

20% LH-CFL1, LH-CFL2, LH-LED, LH-21WP, LH-22WP, 33213SSP (CFL replacement lamp)

50% LH-11, LH-11WP, LH-12WP, LH-13P



ALLIED MOULDED PRODUCTS, INC.

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Conditions of Sale – Residential Products

Orders - All orders are subject to acceptance by Allied Moulded Products.

Terms - 2% 30 days NET 45 days from date of invoice.

Minimum Billing - Orders for less than \$100.00 value will be billed at \$100.00 plus transportation charge.

Freight - Freight charges will be prepaid and allowed on a "Basic -25% List" \$1200 NET single release order of standard items, which is to be routed to a single destination within the continental limits of U.S. Prepaid freight orders will be shipped via Allied's selected carrier. Additional delivery charges such as, but not limited to, expedited, liftgate, and jobsite delivery will be the responsibility of purchaser. Shipments to points outside the continental limits of the U.S. are F.O.B. shipping point with freight prepaid on a minimum \$1200 NET and to point of embarkation. Shipments by UPS, FEDEX, USPS, or other parcel service will require written authorization by the customer to add freight/delivery charges to the invoice.

Return Material - Return material will not be accepted without prior written authorization. Special order, obsolete, discontinued or materials over 12 months old will not be accepted for return.

Allied will consider for return:

- A. Standard catalog items only.
- B. Standard carton quantities in original cartons and packaging.
- C. Materials of current design.

Upon approval, the terms of the credit for such returns are:

- A. The original purchase price less any cash discounts.
- B. Less 20% restocking charges.
- C. Less all freight charges paid by Allied.
- D. Less all repack costs incurred in placing the goods in saleable condition.

Repack costs = 15% based on purchase price.

E. Must be returned freight PREPAID.

F. RGA must be returned with material.

Allied will accept return of merchandise which is defective or was supplied in error, by Allied, for full credit.

Allied reserves the right to determine the receiving point of such returns, regardless of shipping point.

Rework - Under no circumstances will credit be allowed without written authorization by an official of Allied for rework on any materials.

Cancellation - All or part of an order of STANDARD items accepted by Allied may be cancelled without charge if written instructions are received prior to shipments. Partial cancellation may affect the pricing of remaining order. Orders for SPECIALS are not cancelable unless purchaser agrees to remit to Allied an amount, determined by Allied, covering costs, etc., incurred up to the point that such cancellation notice is received by Allied in connection therewith. Allied's only obligation shall be to replace such quantity of the product proved to be defective as shipped by Allied.

Loss or Damage in Transit - Allied's responsibility ceases with delivery to the carrier, at which time title passes to the purchaser and all claims for loss, damage and/or delay must be made to the carrier by the purchaser. Assistance in the form of shipping document copies will be made available by Allied upon request. Claims for shortage must be made with the carrier at time of delivery and noted on the carrier's delivery receipt.

Prices - Orders are accepted with the understanding goods will be billed at the price in effect at time of shipment, unless otherwise specified in quotation.

Taxes - The amount of any present or future sales or other similar tax applicable to the material sold hereunder shall be added thereto.

Promise Dates - Any promise dates toward shipment of all or any part of any order, whether given prior to or after placement of said order, is determined to the best of our ability, but is in no way guaranteed. Allied, therefore, is not liable for any damages, losses or claims whatsoever due to inability to meet such promises.

Clerical Errors - All clerical errors are subject to correction.

Catalog Specifications - Catalog weights and dimensions are subject to change at the discretion of Allied.

Warranties - Allied warrants goods manufactured by it to be free from defects in materials and workmanship for a period of one year from date of shipment from its plant. If within such period any such goods shall be proven to Allied's satisfaction to be so defective, then and in that event such goods shall be repaired or replaced at Allied's option. Such correction or replacement of defective goods shall constitute a fulfillment of all liabilities in respect of such goods.

Consequential Damage - Anything to the contrary, herein contained notwithstanding Allied shall not be liable for any consequential, contingent or incidental damages whatsoever.

Industry Standards - UL® Listing -- Outlet boxes, box extensions and covers conform to UL Standard No. 514-C, File E-30594 as marked. Lampholders conform to UL Standard No. 496, File E-68415. FEDERAL SPEC. -Boxes and covers UL Listed meet Federal Specification W-J805. Allied's UPC Manufacturer I.D. number is 85339.