



ABC[®]Metals, Inc.

UNCOIL THE POWER OF ABC METALS

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Re: Default Standard Terms & Condition of Sale shall be delivery, Ex-Works ABC facility. Effective October 12th 2020, ABC Metals will no longer deliver product on a pre-paid basis for shipments having a combined weight of less than 9500 lbs. per BOL destination.

The new freight rates associated with the 2019 revised government standards and regulations have been absorbed by metal producers over the last 18 months, during which time the industry (and ABC Metals) attempted to renegotiate and find various alternate solutions to offset the impact while determining if such changes would be reversed, or become permanent. It is now clear that the transportation industry and 3PL service providers have permanently increased costs by > 30%, with additional increases set to take place later this year. As such, ABC Metals will transition from pre-paid freight to Ex-Works basis with 2 actions.

First, **ABC Metals is implementing a 3c/lb freight surcharge for all orders currently on the books, with delivery between October 12th and December 31st 2020.**

Secondly, **ABC Metals is implementing a “2-tiered” freight pricing per IncoTerms, to be applied for all orders placed with ABC Metals after October 12th 2020.** The specific per pound freight rate for a given shipment and BOL, shall be reflective of your proximity to our distribution centers and the total pounds per pickup.

Tier I: Shipments **greater than 9,500 lbs.** per destination location, will be prepaid by ABC Metals to your location (FCA-Customer Facility). **ABC Metals shall be responsible for carrier selection, scheduling and payment.**

Tier II: Shipments **less than 9,500 lbs.** per pick up will be shipped as either Ex-Works (EXW-ABC) or ‘Prepay and Add’ (FCA-ABC Location).

- **“Ex-Works”** ... the customer shall be responsible for carrier selection, pickup schedule & payment. If customer has a carrier contract, shipment can be sent FOB-Freight Collect.
- **“Prepay and Add”** ... ABC Metals will use the carrier of our choice, prepay freight and add the cost to the invoice for customer payment (FCA-ABC, Title Transfer onboard).

For Tier II Ex-Works, your corporate logistics should arrange pick-up the purchased goods at the preferred ABC Metals location. For Tier II Prepay and Add, the cost of pre-paid delivery shall be line-item designated by ABC Metals on our invoice, showing the quoted rate for PPD freight.

The ABC Metals sales team is available to discuss any changes you may have regarding the new freight rates to be applied to your orders.

Kind regards,

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