

July 15, 2017

Ref: Talon Price Adjustment Effective October 1, 2017

Dear Valued Talon Customer,

I would first like to express my sincere thanks and appreciation for our business partnership. It is the goal of every Talon employee to provide unequaled level of customer service, while at the same time delivering high quality products that provide many years of reliable, trouble-free service. We understand that you have choices in suppliers, and we thank you for continuing to choose Talon.

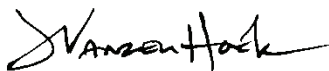
On October 1, 2017, Talon will be making changes to the pricing process and net prices. Improvements to our pricing processes are intended to improve efficiency for you, the customer, by eliminating many of the sales deal requirements and grouping products together with common price structures and net prices to reduce the number of special quotes required. Given that the cost of materials that go into the production of the Talon product line continue to rise, and are forecasted to rise even more in the coming months, Talon will also be making net price adjustments.

Price Adjustment Details

- Effective date is October 1, 2017
- In an effort to align discount levels, items you are purchasing could increase *or* decrease up to 5%. Items that have no purchase history could increase or decrease more than 5%. The net effect will be relatively minimal (if any).
- There will be a 2.5% increase on all Talon items, aside from temporary power products.
- Net Pricing files can be downloaded using Industry Mall and will be available on September 1, 2017. If you do not have an Industry Mall log in, please contact talon.industry@siemens.com
- List prices/discount structures are changing to allow for group discounts on common products and will, in most cases, eliminate the need to apply Sales Deals to orders.
- Per the request by distributors, pricing will be available via their standard pricing except for distributors in the following states: New York, New Jersey, Ohio, Texas, North Carolina and South Carolina.
- For those distributors where the sales deal will remain, the agreement will be updated prior to the October 1st price adjustment. Please make sure to download your future price files in addition to any change file notifications you may receive to ensure you have captured all of the updates taking effect October 1, 2017.

We appreciate your support of these adjustments and look forward to continued partnership and growth between our two companies. If you have any questions concerning the price adjustment, please contact your local Talon Sales Representative.

Sincerely,



Jim Vanden Hoek
Vice President, Channel Management & Development

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