



## Request for Contract Update

Pursuant to the terms of contract number R191817 & R180102 for Trendway Corporation Contractor must notify and receive approval from Region 4 ESC when there is an update in the contract. No request will be officially approved without the prior authorization of Region 4 ESC. Region 4 ESC reserves the right to accept or reject any request.

Trendway Corporation (Contractor) hereby provides notice of the following update on this date November 17, 2021.

**Instructions:** Contractor must check all that may apply and shall provide supporting documentation. Requests received without supporting documentation will be returned. This form is not intended for use if there is a material change in operations, such as assignment, bankruptcy, change of ownership, merger, etc. Material changes must be submitted on a "Notice of Material Change to Vendor Contract" form.

**Authorized Distributors/Dealers**  
\_\_\_\_ Addition  
\_\_\_\_ Deletion  
\_\_\_\_ Supporting Documentation

**Price Update**  
  x   Supporting Documentation

**Products/Services**  
\_\_\_\_ New Addition  
\_\_\_\_ Update Only  
\_\_\_\_ Supporting Documentation

**Discontinued Products/Services**  
\_\_\_\_ Supporting Documentation

**States/Territories**  
\_\_\_\_ Supporting Documentation

**Other** \_\_\_\_\_  
\_\_\_\_ Supporting Documentation

Notes: Contractor may include other notes regarding the contract update here: (attach another page if necessary).

On January 1, 2022, Trendway will be initiating a list price increase of 10%, which will be eligible for discounting.

In addition to a price increase, Trendway will be implementing a new freight program. U.S. - Orders of \$8,000 list (USD) or more, ship free freight. A \$200 (USD) flat shipping fee will be incurred for orders under \$8,000 list (USD). This charge will be disclosed to the Cooperative member at the time of the quote, before the order is placed, and prior to shipment. Trendway will collect the amount of such charges after delivery and acceptance of the order. The 3.2% surcharge will be removed after December 31, 2021.


Submitted By: Melissa Fuller

**Approved by Email: Date** 11/18/2021 | 10:41 AM CST

Title: Vertical Markets Contract manager

**Denied by Email: Date** \_\_\_\_\_

Email Address: mfuller@fellowes.com

DocuSigned by:  
  
**Region 4 ESC:** \_\_\_\_\_  
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## PRICE INCREASE LETTER

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November 17, 2021

To our valued partners:

Over the past 18 months, we've watched the global pandemic bring significant unwelcomed disruptions to our supply chain, freight costs, logistical operations, labor supply, and raw material costs.

Manufacturers in every industry are taking a hit, and we know you may be as well. We are thankful for your business, partnership, and patience during these trying times. We've been doing everything we can to mitigate this impact on our customers and team including:

- Managing our internal fleet of trucks for cost efficiencies
- Pursuing new resources and suppliers
- Maintaining healthy inventories
- Recruiting new manufacturing talent
- Buying very little from overseas

These tactics have helped us continue to serve you and help you grow your business with us. We continue to be optimistic about the future and believe that things will begin to return to a more normal state, however, the return to normal has taken longer than expected.

On January 1, 2022, we will be initiating a list price increase of 10%, which will be eligible for discounting. On January 1, 2022, the 3.2% surcharge will no longer apply. We do not take these measures lightly. In fact, Trendway has not increased our prices since 2018. Updated price lists will be sent when available.

In addition to a price increase, Trendway will be implementing a new freight program. U.S. - Orders of \$8,000 list (USD) or more, ship free freight. A \$200 (USD) flat shipping fee will be incurred for orders under \$8,000 list (USD). This charge will be disclosed to the Cooperative member at the time of the quote, before the order is placed, and prior to shipment. Trendway will collect the amount of such charges after delivery and acceptance of the order.

Specific commodities included on the PPI Data Sheet continue to establish new record highs with no signs of relief. Trendway products contain a mix of the raw materials addressed in the PPI Data Sheet. Steel costs have increased over 300% in the last year, 170% in 2021 alone. A considerable number of Trendway products contain steel. Steel content is in almost all products manufactured by Trendway. This includes panel systems, steel filing and storage, stacking chairs, task chairs, table bases, and lounge seating. In some cases, as in steel filing, storage, and table bases, the product is virtually all steel.

Also, I have included an article from Bloomberg on the cost of ocean cargo containers. Rapid demand growth, extreme shortages in ocean cargo containers, and minimal available space on ships has ignited ocean freight cost increases never seen before, with cumulative cost increases ranging from 100% to more than 400%. Ocean freight increases impact several categories of components used in Trendway products for which there is limited or no North American suppliers.



Our commitment to you remains steadfast as we will continue to work to bring new products to market and exceed your expectations on quality and lead times.

We remain hopeful about our shared future and are thankful for the work we've done together during this time.

Sincerely,

*Melissa Fuller*

Melissa Fuller  
SLED Contract Manager

Attachments: PPI Data, Container Rates