

August 15, 2008

TO OUR VALUED CUSTOMER:

Enclosed, please find our New Distributor Price List (CATD0810) effective October 13, 2008.

- **PRICE INCREASES:** Over the course of the past 7 months, we have continued to receive unprecedented cost increases in raw materials, energy and transportation such that we must now raise our prices. On balance, the item increase we are now taking ranges from 3% to 15% with some select items increasing outside this range. We want you to know that we are doing all we can to stem the tide of these increases by making improvements, where possible, in our manufacturing and distribution processes. We truly value your business and appreciate your continued support of Impact Products.
- **MINIMUM ORDER POLICY:** Orders less than \$350 will have a \$25 convenience charge added.
- **NEW PRODUCTS:** All New Products recently introduced are included in the New Distributor Price List.
- **SPECIAL PRICING:** As you are aware, you receive **Special Pricing** on some of our products. We have attached a list of those products affected by the **Price Changes** we have made. Please review this attached list thoroughly and make changes in your system accordingly. **These Price Changes Are Effective On All Orders Beginning October 13, 2008. If a list is not attached, your special pricing was not affected.**

Regarding the New Distributor Price List (CATD0810), please note the following improvements:

- New products found on page 7
- Replacement parts page 77
- Terms and conditions page 80
- Work order process that explains our value-added system found on page 3
- Private label capabilities and information moved to front of pricer, found on page 4.

Your local Impact representative will be calling on you in the next few weeks to review the complete Impact product line, including new product additions, in the hope that we will be able to help you increase your sales and profits with our line.

Should you have any questions or concerns regarding our new pricing outlined above, please contact your local Impact representative or call our office (toll free 1-800-333-1541).

Respectfully yours,



Duane M. Carey
V.P. - Sales and Marketing

Encl.

