



April 28, 2011

To our valued R3 Safety customers:

Fuel prices continue to escalate. Diesel prices have been on the rise for 23 consecutive weeks as of the week ending April 4, 2011. At the current price of \$3.98 per gallon, diesel is \$.97 per gallon higher than this time last year. This represents a 30% increase despite our on-going efforts to reduce supply chain costs, these steps have not been enough to offset the impact of rising fuel costs and surcharges imposed by all of our freight vendors.

As a result effective **May 1, 2011**, for the first time in our history, we will institute a fuel surcharge to **ALL Prepaid** orders of \$500 or more. For those orders where freight is billed, there will be no surcharge added.

The surcharge will be based on the National Average Diesel Price/Gallon, as published at [http://www.eia.gov/dnav/pet/pet\\_pri\\_gnd\\_dcus\\_nus\\_w.htm](http://www.eia.gov/dnav/pet/pet_pri_gnd_dcus_nus_w.htm) and will be adjusted on the first of each month based on the price per gallon of diesel at the end of the prior month. Here is a table for increases/decreases and the corresponding surcharge.

National avg. diesel price/gallon	Surcharge
<b>Below \$3.00</b>	<b>None</b>
<b>\$3.01 - \$3.25</b>	<b>\$0.68</b>
<b>\$3.26 - \$3.50</b>	<b>\$0.83</b>
<b>\$3.51 - \$3.75</b>	<b>\$0.98</b>
<b>\$3.76 - \$4.00</b>	<b>\$1.13</b>
<b>\$4.01 - \$4.25</b>	<b>\$1.28</b>
<b>\$4.26 - \$4.50</b>	<b>\$1.43</b>
<b>\$4.51 - \$4.75</b>	<b>\$1.58</b>
<b>\$4.76 - \$5.00</b>	<b>\$1.73</b>
<b>\$5.01 - \$5.25</b>	<b>\$1.88</b>
<b>\$5.26 - \$5.50</b>	<b>\$2.03</b>

We are proud of the fact that we have been able to find many creative solutions since the mid 1990's to offset the business impacts of an unstable fuel environment. We remain committed to continue to provide world class service to our customers and as a result our minimum order for **Free freight will remain at \$500 for the remainder of 2011.**

**The above surcharge applies only to orders shipped and invoiced directly from R3 Safety LLC.**

We appreciate your business and your understanding of this change.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jim Walker', written over a light blue horizontal line.

Jim Walker  
General Manager