



August 18, 2017



Re: Changes in Terms and Conditions; Loyalty Program

Dear Valued Hy-Line Customer:

As you are well aware, the egg markets have been and continue to fluctuate, and as a result cancellations of orders have increased, often shortly before the order was due to be shipped. Therefore, Hy-Line North America (HLNA) is making certain modifications to its existing Terms and Conditions for business done with HLNA. The following changes will be in effect for all new orders confirmed after August 25, 2017. For existing orders, unless the order is cancelled prior to October 24, 2017, the change will be in effect:

- if orders are cancelled/reduced within 84 days of the scheduled hatch date of the order, cancellation charges will be:

- (i) \$.45 per chick if between 64-84 days**
- (ii) \$.55 per chick if between 43-63 days**
- (iii) the full invoice amount if 42 days or less**

Please contact your HLNA Sales Representative if you have any questions.

HLNA is also currently developing a new loyalty reward program for its customers that do not cancel orders, based on the number of chicks purchased on a calendar year basis, that would provide cash credits against future orders. The details of this program are still being worked out, but we anticipate a rollout of the program on or before January 1, 2018. More information will be forthcoming on this new development for our customers in the months to come.

HLNA appreciates your continued confidence in our products, and looks forward to continuing to satisfy your product needs.

Best regards.

Sincerely,

A handwritten signature in blue ink, appearing to read "Pete Block", written in a cursive style.

Pete Block
President
Hy-Line North America, LLC