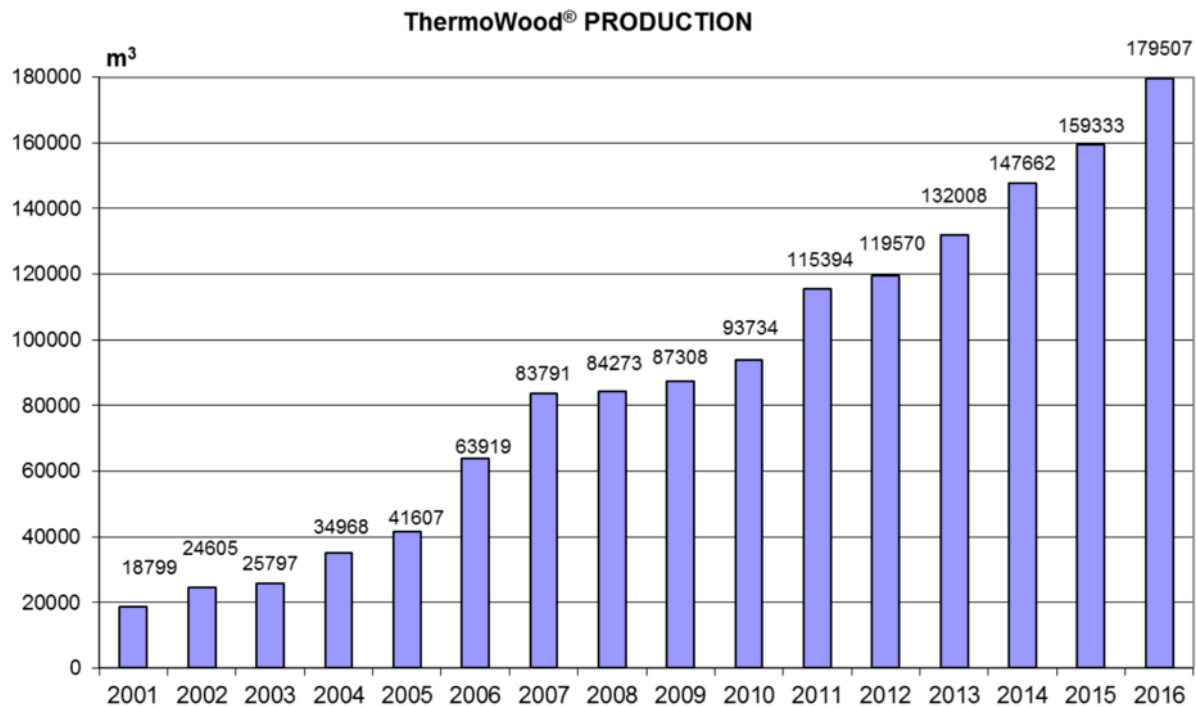


SELLING AND MARKETING TIPS TO SELL THERMO DECKING, SIDING AND WALL PLANKS

About the manufacturer:

Westwood Corporation is the largest thermo-treatment facility in the USA (Macon, GA 31216). We were the first to start the thermo-modification industry in the USA in 2007. We own one of the five main patents for the thermo-treatment process in the world. The thermo-treatment industry is 30-year old in Europe and continues growing 15-20% every year (97% of thermo-treated wood European market is softwood):



In the USA it is one of the fastest growing industry now.

About thermo-treated wood:

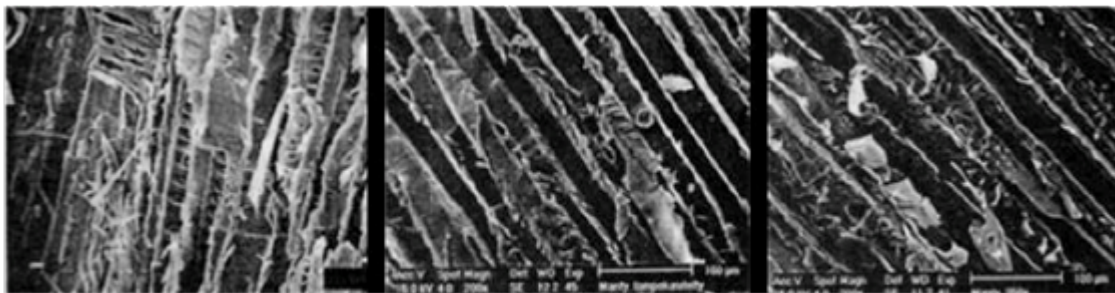
Thermo-modification is a modern 100% “Green” alternative to pressure-treatment of lumber and widely used to produce decking, siding, outdoor constructions, furniture, etc. Thermo-modified wood is naturally protected against decay, has unmatched dimensional stability and the color of exotic wood.

The thermo-modification process provides the wood products with the following benefits:

- Dimensional stability increased 5-10 times;
- **Essential Durability:** thermo-treatment eliminates all moisture, resins, sugar, organisms, and bacteria from the wood and makes it durable for at least 25 years for outdoor applications;
- 100% “Green”: the products are extremely safe;
- Exotic wood color: throughout golden-brown color in all depths of the wood;
- Class B fire rating, as opposed to non-treated wood which is a Class C rating;
- Lightweight: thermo-treatment removes the moisture from each board making it lighter;
- Real 350-year old lumber cells structure.

Let’s look through a microscope:

Thermo-treatment technology uses heat (up to 400° F) and water vapor to create an oxygen-free environment to speed-up the natural aging of wood and to change the molecular structure of wood cells. Below, is a microscopic view of cell structure for non-treated, thermo-treated and 350-years old wood. As you see thermo-treated wood has a real structure of old wood, so our decks are a real 350-year old lumber product!



Non-treated wood Thermo-treated wood 350-year old wood

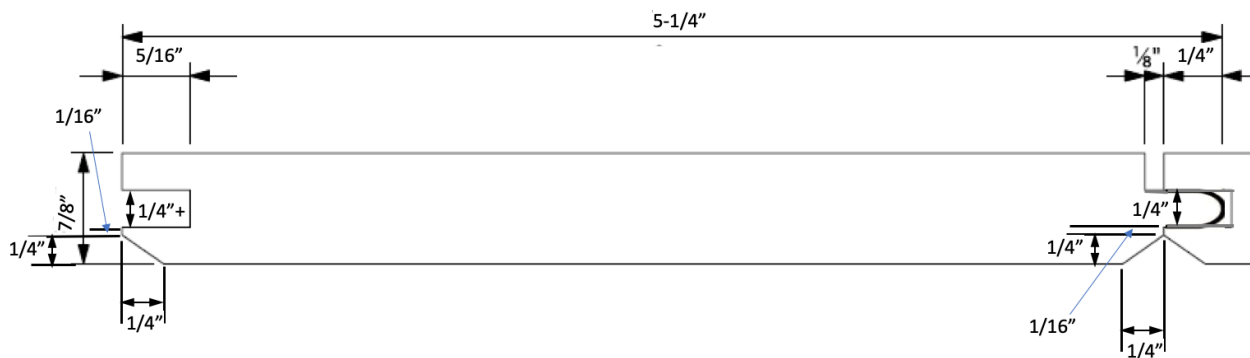
Selling Points for Thermo-Threated Decking:

- **Durability:** thermo-treatment protects wood for at least 25 years (we provide a 35-year warranty – 35 years for indoor applications and 25 years for outdoor).
- **Dimensional stability** increased at least in 5 times: no shrinking and swelling, cracking, warping and bending;
- **100% “Green”** – no chemicals used in thermo-modification;
- **Anti-slip** surface due to wire brushing;
- Decks milled from **Prime** Grade SYP;
- **We include FOUR-SIDES factory oiling (included in the price) (!).**

- Gold color throughout beyond the surface;
- Class B fire rating, as opposed to non-treated wood which is a Class C rating;
- EMC of ThermoA decking is between 4% and 6%;

Additional Marketing Tips:

- Our thermo-treated oiled Pine decks are **NOT A NEW PRODUCT** and shouldn't be selling as "new" – in reality it is just a dramatically improvement for standard pressure-treated Pine decks: we use "Green" treatment instead of pressure-treatment, add anti-slip surface, 4-sides oiling, use better grade of lumber (Prime instead of 2 Com) – other than this we do a standard 5/4"x6"x8'/12'/16' Pine decks which already used by the industry in decades.
- It might be new for the USA, but it is already a **30-year industry in Europe**, and the only Pine decking product in the EU as pressure-treatment was prohibited in Europe since 2004 – the thermo-treatment is the **ONLY** treatment way to protect Pine for outdoor applications in Europe now.
- There are tones of research regarding thermo-treated SYP (see a lot on our website www.thermotreatedwood.com, or on the website of Finland Thermowood Association www.thermowood.fi). There are a lot performed in the USA also – this product (thermo-treated pine) is already tested in all possible aspects: durability, stability, structural, fire, insects, termite resistance, salted water behavior, etc.
- Our siding profile has two faces: **V-joint** on one side and **shiplap** on the other side, which allows to offer two products in one.



Packing of Thermo Decks and Siding:

Thermo-treated pine decks are the 5/4"x 6" nominal size decks (15/16"x5.25" net) and available in 8', 12' and 16' lengths. Siding is 1x6" nominal (7/8"x5" net coverage) x 8' and 12' long.

We offer an innovative MINI-bundeling, which provides flexibility for in-store logistics and easy loading for LTL shipment. The mini-bundles are 24"x24" x 8'/12'/16' and contain 96 boards each.

The bundles are protected with side and top runners and have attached mini-pallets on the bottom, which allow to load them both lengthwise and sidewise. The mini-bundles are stackable.

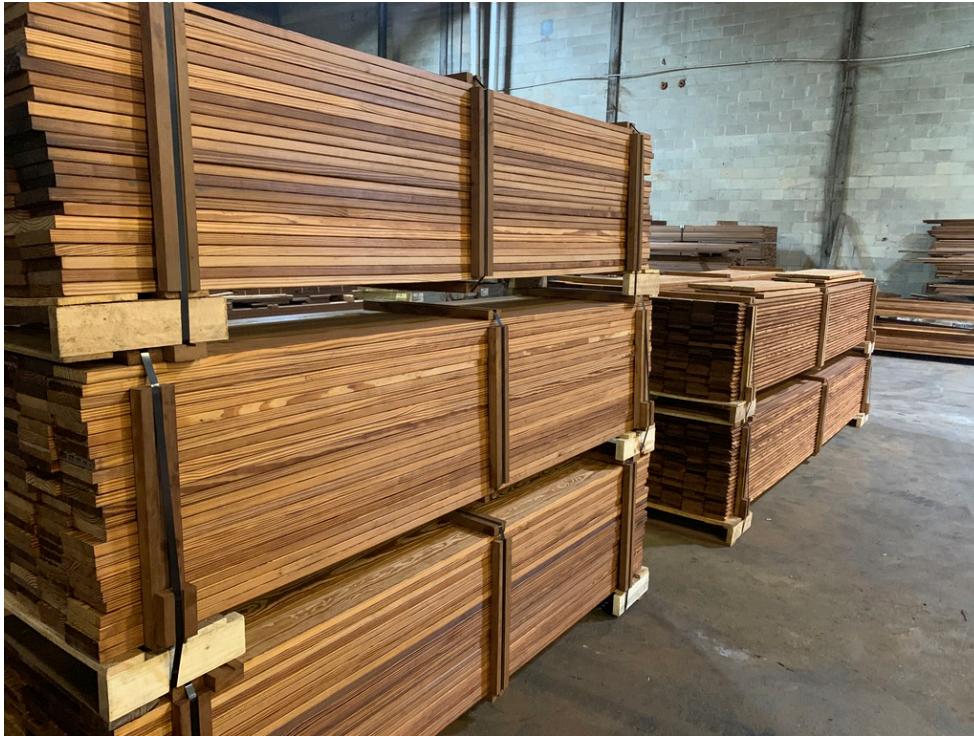
Sizes of bundles:

Length	Size	Boards	Linear Footage	Decking coverage, SF	Siding coverage, SF	Weight, Lbs
8'	96" x 24" x 24"	96	768	352	320	1,000
12'	144" x 24" x 24"	96	1,152	528	480	1,500
16'	192" x 24" x 24"	96	1,536	704	N/A	2,000

*Full TL's shipped on flatbeds. On one TL shipped about **30,000 - 32,000 LF** of decking or siding.*



Loading mini-bundle of decking from the end in to the LTL truck



Four-sides factory oiling (included):

- Oiling is strongly recommended to prevent UV degradation and seasonal surface checking. We offer FOUR-sided factory oiling for FREE. Contractors usually charge \$2-4/SF and they only oil ONE side after installation. 4-sides factory oiling highly increases a customer's satisfaction as they are getting a ready-to-use product and save on contractor's oiling. Also, oiling makes the product look more attractive. Selling pre-oiled decks and siding reduces possible claims due to customers choosing not to oil product and then experience UV fading and surface checking.
- To oil decks and siding, we apply a widely available Thompson's Clear Decking Waterproof Sealer with UV-protection (available in Lowe's).

Selling points for oiling:

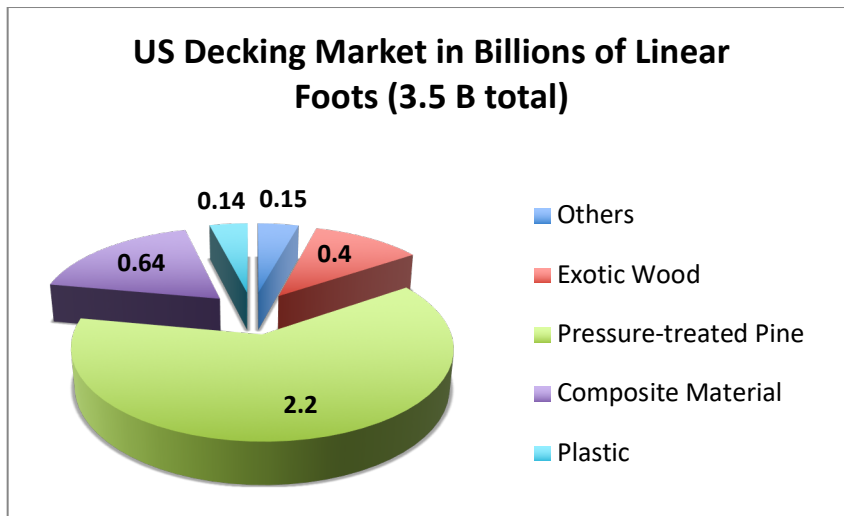
- Makes product ready to use;
- Prevents fading of color under sunlight;
- Prevents seasonal surface checking;
- Makes wood grain sound and attractive;
- Our free FOUR sides oiling saves you \$2-4/SF which contractors usually charge for ONE-side surface oiling on site; oiling of the back side is extremely important to increase a lifetime of your decking and siding.



Oiled decking surface

Market, Prices and Competitors:

Pine decking is a commodity product in the USA with a huge market (more than \$4.2 Bln a year).



Thermo-treatment is a “Green” alternative to the pressure-treatment (the biggest market segment) and supplies customers with tremendous advantages such as: durability, stability, exotic look, and wire-brushed anti-slip surface. Compared to the other decking products, Thermo Decking offers the best combination of price and quality.

Our closest “competitor” is KDAT (kiln dried pressure-treated pine), which is offered at the same retail price level (\$2.20-\$2.80/LF) as we offer our “Green”, better quality (Prime Grade instead of 1-Com), wire brushed and four sides oiled product. Considering all factors together, we offer the BEST and the CHEAPEST decking product on the modern market.

Below is a Thermo decking To Compare Chart:

Compare Thermo-Treated Pine Decking to the other decking products on the market

	THERMO DECKING	Pressure- treated Pine	KDAT	Composite Wood	Exotic Woods	Thermo- treated Ash
Durability	✓	✓	✓	✓	✓	✓
Dimensional Stability	✓	✗	✗	✓	✗	✓
100% "Green"	✓	✗	✗	✗	✓	✓
Good Appearance	✓	✗	✗	✗	✓	✓
Real Wood	✓	✓	✓	✗	✓	✓
Kiln Dried	✓	✗	✓	✓	✗	✓
Factory Oiled	✓	✗	✗	✗	✗	✗
Resistance to Twisting and Cracking	✓	✗	✗	✓	✗	✓
Termites Resistance	✓	✗	✗	✗	✗	✓
Incsects Resistance	✓	✓	✓	✓	✗	✓
Resistance to Overheating under Sunlight	✓	✓	✓	✗	✗	✓
Mould Resistance	✓	✗	✓	✓	✓	✓
Easy to Work with	✓	✗	✓	✗	✗	✓
Light in Weight	✓	✗	✓	✗	✗	✗
Low Maintenance Product	✓	✗	✗	✓	✗	✓
Affordable Price	✓	✓	✓	✗	✗	✗

Selling Points for Thermo-Treated Wall Paneling:

- **Safe & Healthy:** Our wood is free from bacteria and insects of reclaimed lumber from old barns.
- **Long Lasting and Stable in Sizes:** No movement, or gaps created between planks on the wall because our wood has been thermo-treated, no acclimation is needed.
- **Easy to Install:** DIY installation pack included (finishing nails and pre-cut starter/end planks).

Additional advantages:

- Unique designs with rich colors
- Planks may be used outdoors (under roof) due to our thermo-treatment.
- Improved fire rating (Class B instead of Class C for non-treated wood).

Applications of the product:

Wall Paneling is versatile and can be used in applications such as: wall decor, wainscoting, accent walls, backsplash, wall tiles, ceiling panels, suspended ceilings (exact fit to the Armstrong ceiling grid), bathrooms, and many indoor and outdoor applications as well.

Supply:

We offer ten designs in different colors (see price list for specification)
Each box covers 10 SF and includes DIY Installation Kit (finishing nails).
The wall planks are: 3/16" in thickness, 5" wide and 48" long.

Parcel quantities to optimize a shipping cost: 8 boxes (may be a mix of designs).

Pallet quantities:

On one pallet we ship 140 boxes. the purchase of one of each design as all planks are of the same size.

The weight of one pallet is about 750 lbs, the size: 40"x48"x40".

Our Price and Market Advantage compared to Competitors

The market of wooden wall planking is growing very fast as this design trend continues to increase in popularity. Many builders, architects and designers choose wall planks as an easy and smart way to introduce an accent wall into any design or space.

Our variety of colors and designs allow you to incorporate our products into different styles and color shades. The possibilities are endless!

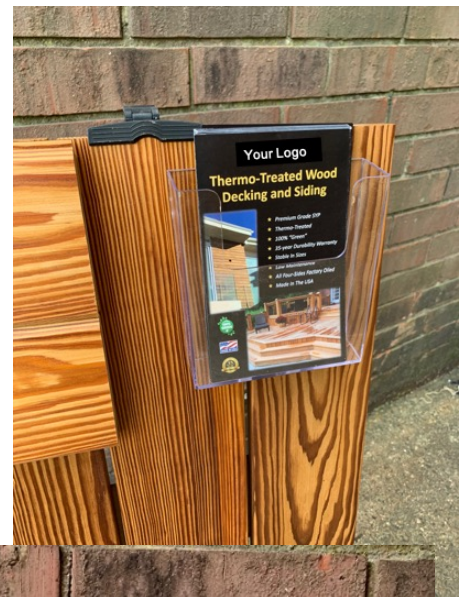
The prices in the US market start at \$2.50/SF (for ugly non-usable chemically painted boards) and may go up to \$15-\$20/SF for “branded” products. Most manufacturers sell wood planks around \$10/SF. Our Wall Paneling planks allow prices at the range of \$5-6/SF (\$50-\$60 per box).

We are the only manufacturer in the USA offering thermo-treated wall planks!

The most common problem with planks from all other manufacturers is they are made from non-treated wood, so their planks allow shrinking, cupping, bending and twisting on the wall after installation. Additionally, planks cut from real reclaimed lumber are full of insects, bacteria, bugs and chemicals because the wood remains outside for several decades. It is not very safe to use such planks in your home. Competitors recommend a 2-3 week acclimatization period after the product is purchased before installation to prevent such shrinking and cupping. Our Thermo Wall Paneling planks don't need an acclimatization period and can be installed immediately after delivery!

Considering the advantages listed above, our price for our thermo-treated wall planks is the **BEST** and the **CHEAPEST** on the modern market.

POP materials:



Westwood offers two retail POP displays (decking/siding and wall planking) with distribution sales flyers.

All POP materials are FREE. We ask to send us a picture of your installation of our displays. If in 120 days after installation of displays you'll not get sales of our products, we may ask you to ship our displays back to us.

We may do personalized flyers with your logo and reference to your store (for free).

For products used for in-store demonstration displays, Westwood will issue a 50% credit for materials used.

Prices and Delivery:

Below are our direct purchase price-lists FOB Macon, GA 31216.

- Decking is \$1.65/LF
- Siding is \$1.75/LF
- Wall Planks are \$32/box.

The delivered price will be quoted based on purchase order size and geographical logistics.

Decking and siding orders will be shipped either via LTL directly from the factory or from local distribution or hub-store locations (if available). Wall planks will be shipped via LTL or by UPS.

For decking and siding we offer two options:

- ship in full mini-bundles as shown above for your stock (the best price)
- combine your individual orders (project quantity) at our facility (higher price) and ship it directly to the customer or to your store (you don't need to open bundles as it be formed in the quantity requested by your customer).

The minimal order quantity for decking and siding is 12 boards, and for wall planks - 6 boxes.

Below is the estimate of shipping cost for decking and siding bundles for stores close than 500 miles from Macon, GA 31216 and farther than 500 miles. These figures are just for estimate purposes. The exact shipping cost will be added to your invoice as soon as the product shipped.

Less than 500 miles

							Half TL	Full TL
<i>Length/Quantity</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Half TL</i>	<i>Full TL</i>
8'	\$ 0.26	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.07	\$ 0.04
12'	\$ 0.26	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.17	\$ 0.14	\$ 0.07	\$ 0.04
16'	\$ 0.39	\$ 0.26	\$ 0.22	\$ 0.16	\$ 0.13	\$ 0.11	\$ 0.07	\$ 0.04

More than 500 miles

<i>Length/Quantity</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Half TL</i>	<i>Full TL</i>
8'	\$ 0.46	\$ 0.33	\$ 0.33	\$ 0.33	\$ 0.33	\$ 0.33	\$ 0.12	\$ 0.08
12'	\$ 0.48	\$ 0.33	\$ 0.33	\$ 0.33	\$ 0.31	\$ 0.26	\$ 0.12	\$ 0.08
16'	\$ 0.52	\$ 0.33	\$ 0.33	\$ 0.29	\$ 0.23	\$ 0.20	\$ 0.12	\$ 0.08

The shipping cost should be added to the price per Linear Foot. For example, the delivery cost to ship 3 bundles of 12' long decking to the store closer than 500 miles will be \$0.20/LF. Shipping of half TL will be \$0.07/LF and a full TL is \$0.04/LF.

For wall planks to ship by UPS 6 boxes (the minimal order quantity) and more, the shipping cost will be approximate \$6/box. To ship a full pallet will cost about \$3/box.