

Thiele Fuel Surcharge Policy

Thiele Kaolin Company will amend its fuel surcharge policy beginning January 1, 2014. The surcharge will be applicable to all products and customers and will be applied as outlined below.

The surcharge will be implemented in the month *following* any month (one month delay) when the monthly, final settlement price of the New York Mercantile Exchange (NYMEX) Henry Hub natural gas futures contract for the latest month reaches or exceeds \$6.00 per MMBTU. The surcharge will remain in effect for the following month after the monthly, final settlement price of the New York Mercantile Exchange (NYMEX) Henry Hub natural gas futures contract for the latest month closes below \$6.00 per MMBTU. The adoption of a one month day delay is to allow our customers' accounting systems to properly account for the implementation and the elimination of the surcharge. For example, if the April 2014 natural gas futures market closes at \$6.20 per MMBTU on March 27, the fuel surcharge would become applicable on May 1 and continue in effect until such time that the natural gas futures market closed below \$6.00 per MMBTU for a subsequent month. The surcharge would then continue for the following month to allow for the one month delay in its original implementation. The fuel surcharge will be invoiced as a separate line item on the commercial invoice. The amount of the surcharge will be applied based on the schedule below and will be adjusted monthly based on the monthly, final settlement price.

Bulk shipments to export markets that are invoiced in one lump sum, as opposed to being invoiced from warehouses as delivered, will be handled differently. Surcharges for these bulk shipments will be invoiced in the month immediately following the month in which the monthly, final settlement price of the New York Mercantile Exchange (NYMEX) Henry Hub natural gas futures contract for the latest month reaches or exceeds \$6.00 per MMBTU.

NYMEX Close (\$ per MMBTU)	Slurry / Airfloat Upcharge	Spray Dried Upcharge	Calcined Upcharge
\$6-\$6.99	\$1.00/st (\$1.10/mt)	\$2.00/st (\$2.20/mt)	\$6.00/st (\$6.60/mt)
\$7-\$7.99	\$2.00/st (\$2.20/mt)	\$4.00/st (\$4.40/mt)	\$12.00/st (\$13.20/mt)
\$8-\$8.99	\$3.00/st (\$3.30/mt)	\$6.00/st (\$6.60/mt)	\$18.00/st (\$19.80/mt)
\$9-\$9.99	\$4.00/st (\$4.40/mt)	\$8.00/st (\$8.80/mt)	\$24.00/st (\$26.40/mt)
\$10-\$10.99	\$5.00/st (\$5.50/mt)	\$10.00/st (\$11.00/mt)	\$30.00/st (\$33.00/mt)
\$11-\$11.99	\$6.00/st (\$6.60/mt)	\$12.00/st (\$13.20/mt)	\$36.00/st (\$39.60/mt)
\$12-\$12.99	\$7.00/st (\$7.70/mt)	\$14.00/st (\$15.40/mt)	\$42.00/st (\$46.20/mt)
\$13-\$13.99	\$8.00/st (\$8.80/mt)	\$16.00/st (\$17.60/mt)	\$48.00/st (\$52.80/mt)
\$14-\$14.99	\$9.00/st (\$9.90/mt)	\$18.00/st (\$19.80/mt)	\$54.00/st (\$59.40/mt)
\$15-\$15.99	\$10.00/st (\$11.00/mt)	\$20.00/st (\$22.00/mt)	\$60.00/st (\$66.00/mt)