

# ChemGroup

## Meeting the Challenges of Chemical Distribution



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# WHO



# WE ARE



# ChemGroup Operating Companies



- Bonded Chemicals, Inc.- Columbus, OH, Medina, OH
- Chemical Services, Inc. — Dayton, OH, Toledo, OH, Ft. Wayne, IN
- Chemicals, Inc. — Cincinnati, OH, Indianapolis IN
- Chemical Resources, Inc. — Louisville KY
- Specialty Chemical Co. LLC — Cleveland TN, Piney Flats, TN

# Purpose, Mission and Values

Our Goal...Exceeding your Expectations



## PURPOSE AND MISSION

### ChemGroup's Success in Purpose and Mission Depends on Helping our Customers and Suppliers and Stakeholders Succeed in Theirs

The purpose and mission of the ChemGroup is to achieve a consistent and sustained level of profitability and to grow this profitability over time to support our stakeholders.

Our mission is achieved by Exceeding Customers Expectations in providing commodity and specialty chemicals, by growing market share in both present and new markets and by consistently offering added value to our customers, suppliers, employees, communities and owners by maintaining a strong, value based company culture.

#### CUSTOMER SERVICE

That Exceeds Customer Expectations

#### SAFETY

In All Things At All Times

#### INTEGRITY

Honesty, And High Ethical Standards

#### LEADERSHIP AND PROFESSIONALISM

Leadership Culture At All Levels

#### TEAMWORK

Based On Mutual Trust, Support, And Respect

#### INNOVATION

Creativity, Flexibility, And Resourcefulness

#### MOTIVATION

Positive Attitudes, Personal Responsibility And Accountability

#### ADDED VALUE

For Customers, Suppliers, Employees, And Owner

#### CONTINUOUS IMPROVEMENT

A Commitment To In Effectiveness And Efficiency

#### SOCIAL RESPONSIBILITY

A Positive Contribution to Community, Society, And The Environment

#### QUALITY

Products And Services And Throughout The Organization



# Our History



- 1980 Hamant Chemical → ChemGroup formed (**Dayton, OH**)
- 1981 Blue Grass Chemical Distribution Business → Chemical Resources, Inc. (**Louisville, KY**)
- 1986 Chemicals, Inc. (**Cincinnati, OH**)
- 1989 Bonded Chemicals, Inc. (**Columbus, OH**) & Chemical Services, Inc. (**Dayton OH, Toledo, OH**)
- 1995 Certified Compliant with NACD (Responsible Distribution Process)
- 1996 Certified with National Association of Chemical Distributors
- 1999 Specialty Chemicals Co. (**Cleveland TN, Piney Flats, TN**) & Chemical Distribution Network
- 2002 Achieved ISO 9001:2008 Status
- Ranked #26 - “Top 100 Chemical Distribution Cos . in N.A.” (CPI Magazine)**
- 2007 Harcross Chemical (**Lawrenceburg, IN Branch**)
- 2008 Opened Chemical Services (**Ft. Wayne, IN**)
- 2009 Hukill Chemical Distribution (**Cleveland, OH**)
- 2011 **Ranked #23 – “Top 100 Chemical Distribution Cos. In N.A.”**
- 2012 Opened – **Indianapolis and Medina Facilities**

# We Are ChemGroup



- Full-line commodity distribution network coupled with vast array of business partners; serve a fourteen state area and growing
- Operate vast array of barge, rail, truck terminals, and multiple warehouse facilities throughout Midwest, Southeast and beyond
- Longstanding relationships with mainline producers and leading suppliers
- With a 98% on-time delivery, our customer commitment:

**Quality means exceeding our customers' expectations**



## ChemGroup: “Top 25” in US & “Top 75” in World

- **KEY ASSETS:** Twelve Main Distribution Facilities with ~ 1 million square feet of warehouse space, Millions of gallons bulk storage, Rail and Barge Facilities and Dedicated Transportation Fleet
- **CORE PRODUCTS:** Acids, chlor-alkali, alcohols, solvents, surfactants, hydrogen peroxide, soda ash, sodium hypochlorite, amines, industrial gases, water treatment chemicals, Glycols and Glycol Ethers
- **SERVICES:** Blending, warehousing, technical and safety training, flexible delivery, inventory management and packaging options, customer specific solutions for materials management and handling.

“Top 25” USA

“Top 75” GLOBALLY



# Innovating and Building Relationships



- ChemGroup has long-standing relationships with many major producers and leading chemical suppliers.
- We partner with our suppliers to ensure alignment with their strategies, delivery of sales growth in core markets and geographies. In return they deliver competitive pricing, market expertise, technology and proactive solutions to CHEMGROUP for support to our valued customers.
- Below are a few examples of our suppliers



# Examples: Top Markets and Products

(alpha order)



## MARKETS

Aerospace Metal Fabrication  
Aircraft Engine & Parts  
Appliance Products  
Automobile Assembly  
Automobile Parts & Accessories  
Chemical Preparations & Water Treatment  
Chemical Surfactants  
Chemicals - Adhesives & Sealants  
Chemicals - Biodiesel, Ethanol, Fragrances  
Chemicals - Explosives & Ordinance  
Chemicals - Pigments & Colors  
Chemicals - Printing Ink  
Compounder; Soaps, Detergents  
Fertilizer  
Galvanizing  
Household, Institutional and Industrial  
Metal Coating & Metal Cleaning  
Oil & Gas Drilling  
Paper Board  
Paper Mills  
Personal Care  
Plastics & Resins  
Plating & Anodizing  
Polishes & Sanitation Products  
Refractory Non-Clay  
Steel and Steel Blast Furnaces  
Water Treatment  
Wire Drawing

## PRODUCTS

Acetic Acid 56%  
Acetic Acid Glacial 99.9%  
Acetone  
Aluminum Sulfate Liquid  
**Amines – MEA, DEA, TEA,**  
Ammonium Chloride Treated  
Ammonium Chloride Untreated  
Aqua Ammonia 19%  
Aqua Ammonia 21 Deg and 26 Deg  
Borax & Borates  
Borax 10 Mol, 5 Mol  
Borax Anhy  
Boric Acid Anhy  
Boric Acid Gran  
Calcium Chloride Flake  
Calcium Chloride Liquid  
Calcium Chloride Pellet  
Carbon Activated  
Caustic Potash 45% Tech  
Caustic Soda 20 -25% Diaphragm  
Caustic Soda 50% Diaphragm  
Caustic Soda 50% Membrane  
Caustic Soda Beads  
Citric Acid 50% Solution  
Citric Acid Gran  
Citric Acid Usp Fine Gran  
Ferric Chloride 38-40% Liquid  
Ferric Sulfate 50% Liquid  
Filter Aid Celatom, Perlite, Celite  
Formic Acid 45% and 90%  
Glycol – EG, DEG, PG, DPG  
Glycol Ether- DB, EB, DBA, DM  
Hydrochloric Acid 20 Deg and 22 Deg  
Hydrochloric Acid Dilutions  
Hydrochloric Acid Inhibited  
Hydrofluoric Acid 49%  
Hydrofluosilicic Acid 23%  
Hydrogen Peroxide 30%, 35%, 50%  
Isopropyl Alcohol 99%  
Lime Hydrated  
Methanol  
Nitric Acid 42 Deg  
Phosphate-Sodium Hexametaphosphate  
Phosphate-Sodium Tripolyphosphate  
Phosphate-Sodium Tripolyphosphate Lite Gran  
Phosphate-Sodium Tripolyphosphate Med Gran  
Phosphate-Tetrapotassium Pyrophosphate  
Phosphate-Tetrapotassium Pyrophosphate 60%  
Phosphoric Acid 56%, 70%, 75%, 85%  
Potassium Chloride Treated and Untreated  
Potassium Permanganate Free Flow  
Soda Ash Dense and Lite  
Sodium Bisulfite 40% Liq  
Sodium Chlorite 25%  
Sodium Hypochlorite 12.5% - 15%  
Sodium Metabisulfite  
Sodium Metasilicate Anhy  
Sodium Metasilicate Penta  
Sodium Nitrate  
Sodium Nitrite 38%  
Sodium Nitrite Gran  
Sodium Nitrite Gran Ff  
Sodium Nitrite Treated  
Sodium Silicate 40 Deg, 41 Deg, 42 Deg  
Sodium Silicofluoride  
Sodium Sulfate  
Sodium Sulfite  
Sodium Thiosulfate 30%  
Sorbitol Sol 70%  
Sulfuric Acid 50%  
Sulfuric Acid 66 Deg  
Sulfuric Acid 75% and 98%  
Sulfuric Acid Dilutions  
Sulfuric Acid Dilutions Below 50%  
Surfactant- AOS  
Surfactant-DDBSA  
Surfactants - N-95, 40, 60, 100 120  
Surfactants –SXS - Sodium Xylene Sulfonate  
Triethanolamine 99%  
Urea Liquid  
Urea Prilled



- ChemGroup Turns our emergencies into routine deliveries
- Reliable Market Intelligence, Product Forecasting
- Special Storage and delivery arrangement
- Reduction in inventory Total Cost of Ownership
- Creative business solutions
- Longstanding relationship

From: Dennis Griffith, Duke Energy

To: Rich Winans

Sent: February 5, 2013

Subject: Chemicals, Inc., a Chemgroup Company

This memo is to commend Chemicals, Inc. for the excellent service, quality of product and competitive manner in which they have conducted business over the last 15 plus years.

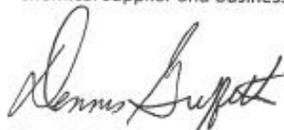
The utility business is very unpredictable and the need for product in large quantities is very often the norm. Chemicals, Inc. has never failed to delivery during those times. Mr. Winans and his group of employees react in a manner that turns our emergencies into routine deliveries at our plants.

Because of our long term relationship, we have benefited from Chem Inc.'s expertise and market intelligence. We receive product and market forecasting information on a regular basis. Chemicals, Inc. has worked with us to provide summary billing when large numbers of deliveries are required. This alleviates a tremendous burden on our station buyers. Additionally, Chemicals, Inc. has secured storage capacity at various times in order to reduce the total cost of ownership (TCO) to Duke Energy.

Duke Energy is a supporter of diverse suppliers and charge our suppliers with bringing those opportunities into our business when possible. Chemicals, Inc. has surpassed our expectations in this regard.

Chemicals, Inc. has been an outstanding supplier and partner for some time now. They have been very creative in solving problems and finding ways to economically service Duke Energy's chemical requirements.

In closing, many years of doing business with Chemicals, Inc. allows me to fully recommend them as a chemical supplier and business partner.



Dennis Griffith C.P.M.  
Sourcing Specialist  
Duke Energy

# WHAT



# WE DO



# Our Formula For Your Success



## START WITH... full product line

- Inorganic & organic chemicals,
- Understanding of our customers needs in key markets
- Offer tailored and Flexible Solutions

## ADD IN... competitive pricing

- Barge and rail terminal facilities
- State-of-the-art facilities
- Aggressive purchasing
- High-quality products

## FINISH WITH... utmost in service

- 24/7 Experienced sales and customer service staff
- Face to Face
- Market Intelligence
- 98+% On-time deliveries
- Partners in Problem Solving
  - Inventory Management
- Flexibility to customize any program
- World-class best practices/learning culture



## Strength in Numbers



Though our distribution centers, river terminals and rail facilities, we move over a **Billion Pounds** of chemicals annually

= 100,000+ Cadillac Escalades!!



lined up from NY to beyond the White House

We have millions of gallons of bulk chemical storage and chemical warehousing

= ~10 football Stadiums



## Services We Offer

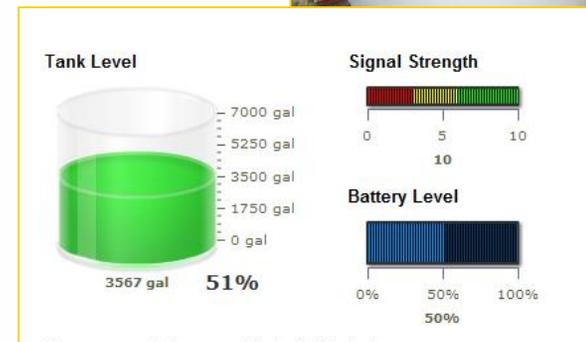


- Market Intelligence
- Inventory Management
- Warehousing
- 24-Hour Emergency Service
- Bulk-Handling Equipment
- Bulk Storage
- Bulk Tank Telemetry
- Mini-Bulk Delivery
- Lab Services
- New Product Development
- Water Treatment Analysis
- Liquid and Solid Pumping
- Small Bulk System
- Supplier Consolidation
- Tanks
- Technical Assistance
- Third-Party Logistics
- Toll Blending
- Training
- Phosphate Analysis
- **Other Services...we are agile!**

# ChemGroup Technology & Innovation



- ChemGroup's bulk management system offers customers just in time delivery and turnkey bulk inventory management
- Our tank telemetry system monitors inventory levels at our customers and bulk managed facilities real-time access to inventory to improve service levels and reliability
- Our web-based GPS navigation system provides customers with electronic real-time tracking of shipments and ETA of deliveries at any time
- Other Services include
  - Special Storage and delivery arrangements
  - Reliable Market Intelligence, Product Forecasting
  - Electronic payment and order processing
  - Monthly Performance tracking, monitoring and reporting



## Truck # and Location

Type	L...	Status	Last upd...	Location
◆	26	● Parked: 0D:0H:38M	Jul 25,...	★ SANDUSKY COL
◆	28	● Parked: 0D:0H:18M, Ignition Off	Jul 25,...	★ CUYAHOGA FA
◆	30	● Parked: 0D:0H:5M	Jul 25,...	● GEM CITY: 128
◆	31	● Parked: 0D:0H:17M	Jul 25,...	★ BELLEVUE WTP:
◆	32	● Parked: 0D:2H:19M, Ignition Off	Jul 25,...	★ FPE: 3798 W 10
◆	33	○ Parked: 0D:11H:35M, Ignition Off	Jul 24,...	★ BCI COLUMBUS
◆	34	● Parked: 0D:0H:1M	Jul 25,...	★ CLASSIC SOLUT

# WHERE



# WE OPERATE



# ChemGroup Operations Geographic Coverage and Supply



Note: Customers also in New York, Florida and Texas

# ChemGroup Operations Geographic Coverage and Supply



ChemGroup operates Multiple Bulk, rail, trans-loading facilities in addition to our warehouse capacity to put a greater emphasis on key customer needs and suppliers product's and delivers capability to move products throughout our geography and network efficiently



Note: Customers also in New York, Florida and Texas

# World-Class Best Practices: Quality, Safety and Compliance



# ChemGroup Facilities



ChemGroup Facility - Medina, Ohio



- Environmentally-sound facilities with interest in community responsibility
- NACD reasonable care guideline compliance
- Storage areas include
  - Separate food-grade climate controlled storage
  - Separate explosion-proof storage and rolling equipment
  - Separate general storage
  - Specially designed and graded spill containment to ensure the integrity of each location
  - State-of-the-art fire suppression systems



# ChemGroup

Bulk Product Management examples in Addition to 1000's of Products Warehoused



City	Caustic	Bleach	Phos Acid	Hydrochloric Acid	Sulfuric Acid	Nitric Acid	Hydrogen Peroxide	Soda Ash	HFS	Ammonia	Methanol
Louisville					●						
Cincinnati	●	●	●		●						●
Dayton	●		●	●	●	●	●		●	●	
Columbus								●			
Chicago								●			
Pittsburgh					●		●	●			
Chattanooga	●				●		●				
Memphis								●			
Johnson City					●						
Toledo					●			●			

Includes Barge, Rail and Truck ChemGroup and Supplier Managed Terminals

# World-Class Best Practices: Quality, Safety and Compliance

- Complies with NACD standards, and exemplifies excellence in (RDP) Responsible Distribution Process
- All our companies meet or exceed all local, federal, and international, regulatory and safety compliance commitments
- Constantly review and update our ISO quality procedures and have dedicated people monitoring compliance

NATIONAL ASSOCIATION OF CHEMICAL DISTRIBUTORS  
1560 Wilson Boulevard, Suite 1250 Arlington, VA 22209 • 703.527.NACD (6223) • Fax 703.527.7747 • www.nacd.com

August 12, 2008

Mr. William Keene  
Government Affairs & Regulatory Manager  
ChemGroup  
230 East Evanston Road  
Tipp City, OH 45371

Dear Bill,

Congratulations on being selected as one of four finalists for the 2008 NACD Responsible Distribution Process<sup>SM</sup> (RDP) Excellence Award! The winner will be announced at the 2008 NACD Operations Seminar and Trade Show (OPSEM).

This will be the third year that NACD has recognized a member company for excellence in such areas as Best Practices, Continuous Improvement, Document Verification, Site Verification, Management Commitment, and more. Through a careful screening process, one of NACD's third-party verifying firms nominated ChemGroup for your company's commitment in environmental, health, safety, and security areas. Representatives of the RDP Committee, the two verifying companies, the RDPV Administrator, the RDP Director, and I managed the evaluation process and selected the four finalists. I am looking forward to presenting the award during OPSEM's Opening Ceremonies on September 10, 2008, at the Caribe Royale in Orlando, FL.

Once again, congratulations on a job well done and for demonstrating your company's outstanding performance and commitment to the RDP program.

Best regards,



David B. Binder  
RDP Committee Chairman



# ChemGroup Facility Examples



# ChemGroup Packaging Facility Example



# WHY



# ChemGroup



# Service, Quality and Reliability

## Our Goal...Exceeding your Expectations



- World-class infrastructure with service, care and knowledge of local distribution
- Supply chain and inventory management in state-of-the-art facilities
  - Back-up inventory for emergencies
- Local market intelligence → proactive solutions
- 98+% On-time delivery and flexible options
- “24/7” Services and Deliveries
- >55% of deliveries two days or less lead-time
  - Well-maintained fleet and experienced hazmat drivers
  - Superior safety record
  - Excellent relations with local carriers
- “ISO” and “UL” Certified
- Flexibility to customize solutions to support your business objectives
- Scale to Deliver - Top 25” (US) “Top 75” (world)

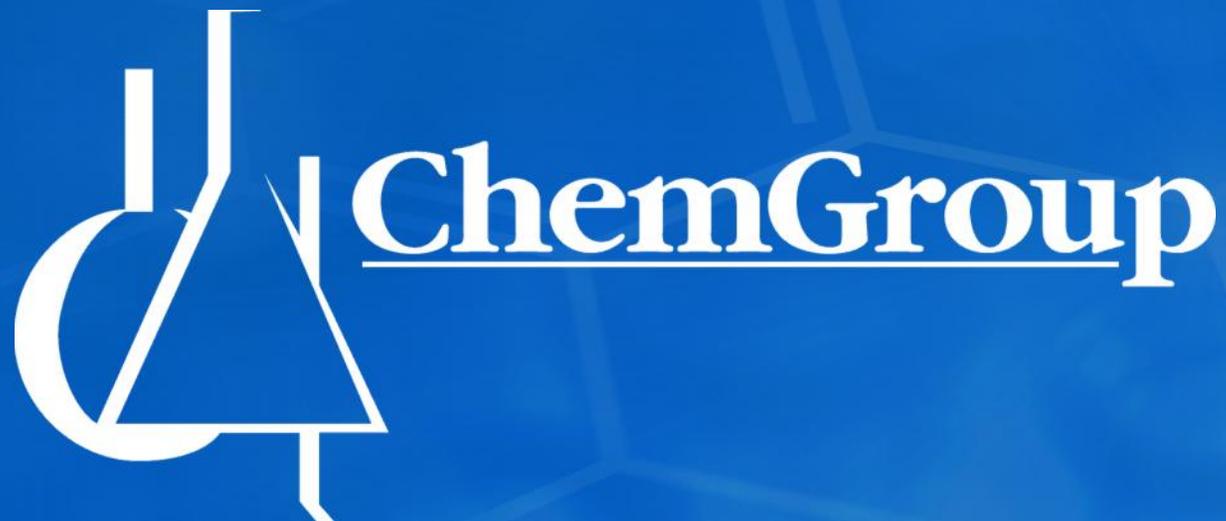
## To Sum It Up...

# Yes!



- We have the Products
- We Deliver on your Schedule
- We Strive to support your business objectives
- Going Beyond a Reliable Business Partner
  - Desire to exceed your expectations
  - Expertise, Market Intelligence and Value

***Expect a positive chemical reaction!***



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