

President's Review

Bill Neighbors, President & CEO

Another Year-End Finish

Year 2013 finished as another exceptional year for custom designed storage systems. In dry bulk storage, Tank Connection installed some of the most premier bolted smooth wall hopper tank installations on the planet. In liquid storage, we continued our advance with unlimited opportunities in water, wastewater and industrial liquids. When companies are installing storage facilities, they are focused on the future. The domestic market for storage is strong and growing stronger. The international sector is mixed, but there are strong developing markets where we continue to position TC storage products and field services for the future.

The big question for 2014 is how can we assist our clients? We don't want to be a good supplier for our partners, but rather your best supplier. We want you to count on us to deliver the best storage products and services available in the industry every time with a mark of consistent performance. Our commitment to design, manufacture and install the best in dry bulk and liquid storage does not waiver. Likewise, our focus on continuous improvement, "golden rule" customer service and safety are core values built into the foundation of TC. While we continue to witness competitors turning out light tank designs and cheap coating systems to compete with TC, we will run our facilities at true economies of scale and deliver high performance products that you can count on year after year. With our 10 year anniversary approaching and thousands of tanks in the field, TC has ZERO failures in the industry. A record that is unmatched by any other storage tank manufacturer.

Our commitment to our clients is summedup in our charter, which outlines our vision, mission and core company values. It is positioned at our front door and is a continuous reminder to all that work at TC. Thanks for selecting us as your preferred choice in storage!



Vision, Mission & Core Values

At Tank Connection Affiliate Group, we have more than 2100 years of combined experience in the design, manufacturing and field installation of dry bulk and liquid storage systems. We are committed to providing the highest quality storage containment products and services worldwide. Our passion for safety, employee development, innovation, management excellence and continuous improvement sets us far apart from other suppliers.

Vision

• To be the global leader in storage containment products and services for dry bulk and liquid storage applications.

Mission

- Deliver innovative, reliable storage products, services and solutions that fulfill the needs of our customers.
- Provide a challenging, rewarding and safe work environment for our employees.
- Practice good stewardship, responsibly managing our resources.
- Operate with the highest level of business integrity.
- Generate a reasonable return for our stockholders.

Core Values

- Employees We recognize our employees as our most valuable asset. We will treat each other with dignity and respect, while embracing diversity, cooperation, open dialogue and teamwork.
- Customers We recognize our clients as our sole business purpose, embracing every opportunity to provide "golden rule" customer service.
- Safety We will strive to finish each day incident and injury free.
- Excellence We are committed to the relentless pursuit of continuous improvement in all business operations.
- Technology We are passionate about innovation and technology leadership.
- Community We will actively support our communities and neighbors with generous donations made for "good works".

Tank Connection Announces New Acquisition

November 6, 2013

Tank Connection Affiliate Group announced today the acquisition of another manufacturing facility in Southeast Kansas. The facility was originally built by Bush Hog Manufacturing in Galesburg, KS, which later consolidated their facilities in the U.S. According to TC President, Bill Neighbors, this acquisition is part of a comprehensive expansion plan that will also include the Parsons, Oswego and Baxter Springs facilities. "This will add over 120,000 square feet of manufacturing space, dedicated to the production of dry bulk and liquid storage systems," stated Neighbors. "This facility will allow us to position the



company for aggressive growth with our specialty product lines. We continue to experience significant domestic and international growth in liquid storage applications, due to our proprietary LIQ Fusion 7000 FBE™ coating system. This high-tech coating system is the #1 liquid immersion coating for steel tanks storing water and wastewater. The performance is unmatched worldwide."

Tank Connection is a global leader in dry bulk and liquid storage applications. The company is approaching their 10 year anniversary in early 2014. Tank Connection originally started with 3 employees and has grown to over 300 employees in SE Kansas. TCAG storage products are manufactured only in the U.S., but are shipped and installed worldwide.

We have dry bulk and liquid storage applications covered! We are the only tank manufacturer worldwide that offers all types of tank construction.



All of our products are designed and manufactured in the U.S. This includes all of our suppliers.

Tank Connection Affiliate Group - Facility Profiles



TANK CONNECTION CORPORATE FACILITY

State-of-the-art, 85,000 sq. ft. manufacturing facility dedicated to RTP (rolled, tapered panel) bolted tank construction (Parsons, KS)

- Design & manufacture bolted storage systems
- The global leader in bolted hopper tanks for dry bulk storage
- A global leader in bolted tanks for liquid storage applications



TANK CONNECTION BOSS TANK FACILITY

70,000 sq. ft., manufacturing facility dedicated to shop-welded & SIT manufacturing (Oswego, KS)

- The domestic leader in all types of shop-welded tank construction
- The domestic leader in SIT (systems installed tanks) shop welded units



TANK CONNECTION BAXTER FACILITY

60,000 sq. ft., manufacturing facility dedicated to shop-welded tank construction & SIT manufacturing (Baxter Springs, KS)

- The domestic leader in XL shop-welded tank construction
- The domestic leader in SIT (systems installed tanks) shop welded units



ALLIANCE CONSTRUCTORS FACILITY

30,000 sq. ft. facility dedicated to tank field construction services (Parsons, KS)

- The domestic leader in bolted tank non-union field installation
- The domestic leader in bolted union field installation
- A global leader in bolted tank construction



TANK CONNECTION STP (SPECIALTY TANK PRODUCTS) FACILITY

127,000 sq. ft. manufacturing facility dedicated to specialty tank products (Galesburg, KS)

- New acquisition facility
- Manufacture specialty storage products and associated structural steel
- Aluminum dome manufacturing has been moved to this facility



ATEC STEEL FACILITY (TC SISTER COMPANY)

100,000 sq. ft., state-of-the-art field-weld tank manufacturing facility (Baxter Springs, KS)

- A domestic leader in field-weld tank fabrication for "oil & gas" and "power" storage applications
- A domestic leader in field-weld tank field construction

TANK CONNECTION E-NEWS DUARTER DUARTER



Get to Know Your Salesperson!

Sharon Banning, Dry Bulk Sales Manager

Paul's background in the tank business is both long and varied. He began working in engineering as a drafter in 1994, next moved into construction/field services, and then into a customer service role. After serving in those groups for about four years, he transferred into Sales. He's been working in the dry bulk sales group ever since, which equates to many years of experience in the tank industry. Paul enjoys traveling, as well as meeting people, which are attributes that have assisted him in having a very successful sales career.



Paul's interests outside of work are varied as well, and include playing disc golf, competitive ping pong, playing (and building) guitars, and interest in the reptile world. Of course, his family is his top priority. All of Paul and Brenda's children are out on their own, except for one

teenager daughter who is a sophomore in high school. She plays competitive softball, which obviously keeps Paul busy attending games during the spring and summer months.

Paul is a valued member of our sales group and our company, and we are proud to have him as a co-worker and friend.

Plant Architects + Plant Outfitters

Plant Architects+Plant Outfitters (PA+PO) is an EPC (Engineer, Procure and Construct) contractor providing Design-Build turnkey services in the material handling sector. Construction materials including cement, lime, fly ash and aggregates are core to it's business. In the world of mining/ minerals they provide process and storage/transload. For the oil/gas industry, they provide facilities for frac sand, bayrite, cement blends and drilling fluids products.

PA+PO are divisions of Robert Ober & Associates, LLC, a Texas Corp. headquartered in San Antonio and working globally.

Featured photo depicts 7.5 million pound sand terminal in Victoria, TX.



Kidz Local - Reaching Out



Kidz Local is one of Tank Connection's community outreach program. It is focused on grade school kids that have special needs that are not being met. Kids that show up at school without proper shoes, coats, need glasses, clothes, etc. The most important aspect is when special needs are identified, immediate action occurs. This program is currently operating in over 20 grade schools where TC facilities exist. More information is available at <u>www.kidzlocal.</u> <u>com.</u>

Kidz Local – "Being action players on the field in lieu of spectators in the stands!" A recent testimony follows:

KIDz Local

Changing the world, one kid at a time...

Thanks to you and your organization. Tank Connection, several of our students proudly wore new shoes to school last week. They were so exited to have new shoes, and could not wait to show them to me on Friday morning. Hour willingness to give makes all the difference for the children at Garfield Elementary.

We have carmarked enough money to purchase twelve winter coats for students in need. We are also purchasing some winter clothes for a fourth grade student. These items have been purchased and will be distributed over the next two weeks. We have set aside a remaining amount of \$100 in order to purchase shoes for students who need them after the winter break. Tennis shoes are a need at our school. As you know, children grow up so guickly.

We would love to have you or anyone else from the group visit us at anytime. We are a National Historic School and Stephen Bowman, our principal, is always exited to give an impromptu tour of our building and to share the history of our school. We are proud of our school and we are proud of the students and staff.

Again, thank you for your generous donation and for what you did for our kids. You are now a part of their lives, too, as we strive to provide the best education possible for our children.

Sincerely, Kristy Brown School Counselor, Garfield Elementary

i³Project of Southeast Kansas - Inform, Inspire, Ignite

The **i**³ **Project of Southeast Kansas** is a new TC educational outreach program designed to integrate business and education.

Mission

Inform students about opportunities in business **Inspire** students to do great things **Ignite** students through expert witness

In a partnership between Tank Connection and Labette County High School, the driving force behind the collaboration is to provide an environment where students are prepared for, and aware of opportunities in Southeast Kansas and beyond. By combining talents that exist in S.E.K. industry with the school district, we will help develop a "real world" educational experience, and blaze a trail of success for the next generation in the region.

The students will be exposed to various areas of interest from manufacturing to marketing. The concept is to make students aware of "real world" business experiences in and out of the classroom utilizing the expertise that resides within local industry.

Some of the planned integration will include the following programs: Job Shadowing, Mentoring, Classroom Training, Facility Tours and Internships



TC and LCHS celebrated the kick off of the i³Project at a high school basketball game with free BBQ and representatives to provide information to the general public.





For more information visit: www.icubedproject.com or our Facebook page

TANK CONNECTION



RTP Tanks in the Crude Oil, Diesel & Oilfield Applications

David Mann, Regional Manager, Liquid Division

For nearly 90 years, bolted tanks have been used in the storage of crude oil, diesel fuel and other oilfield applications. Traditionally the flanged panel design was the design recognized by API for such storage under the API-12B Specification. Now based on today's design parameters, RTP tank construction is available for "oil field" applications that require up to $\frac{1}{2}$ " plate construction (Almost double the thickness of a flanged panel design). The RTP panel design utilizes the same gasket material (buna-nitrile) as used in the traditional API-12B type construction for sealing of the tank. The RTP design outdates flanged panel type construction by using the rolled, tapered panel design, which maintains a consistent inside diameter from top to bottom. RTP construction is considered to be similar to field-welded tank design with the exception of the bolted seams. By using RTP construction, this allows for much larger bolted tanks than were traditionally used. Typical applications range from 1000 barrels to 50,000 barrels. The installation time is 1/3 the time required to install a field-welded tank.

Additionally the tanks are installed in the field by using a synchronized, hydraulic jacking system from grade, this allows the erection crew to remain on the ground during construction and is much safer than the traditional

scaffold system which requires the crew to climb as the tank goes up. A simple way to say it.... "We build our tanks from the top down rather than from the bottom up!"

The RTP design not only can be used to store crude oil and diesel fuel, but it is also a perfect design for brine water and other water products generated during the fracing process. TC's coating system, Fusion Bond 7000 FBE, is the right choice in conjunction with encapsulated hardware, and sealant in lieu of gasket. Furthermore, TC is able to provide the containment required by the EPA, by placing a tank inside of a tank. (See photo to the right)



HG Energy - Secondary Containment

Liquid Foundation Design - We do it everyday!



TC foundation designs are a typical offering in water, wastewater and industrial liquid applications. In tank foundations, our engineers are the best in the industry. We also maintain 54 PE Stamps in 32 states.

For foundation designs and supply, you can count on TC to cover all of your needs for a complete integrated system.



Retrofitting Existing Systems

Chasnie Vinson, Domestic Sales Manager, Liquid Division

Retrofitting Existing Systems

At Tank Connection, our aluminum geodesic domes are manufactured for precision quality, offering a superior design, and unmatched field installation services. The dome is constructed entirely of aluminum utilizing our proprietary component fabrication. TC domes are corrosion resistant, maintenance free, and are designed for extended service life. Aluminum domes have been the preferred product in several markets, which include:

- Water & Wastewater
- Dry Bulk Storage Containment
- Petroleum
- Architectural Applications

More & more countries are requiring new and existing systems to be covered, and the TC aluminum dome is the perfect fit to meet this requirement. Advantages for using TC dome on your application are as follows:

- · Retrofitted on any Existing Concrete, Field-Welded, or Bolted Systems
- Reduces Vapor Losses on Internal & External Floaters
- Corrosion resistant and Virtually Maintenance Free
- Optimum Cost Efficiency
- Engineered with Strongest Space Frame Design
- Clear Span Design
- Superior Aesthetics
- · Coated to Match Existing System, if required
- Extended Service Life

Visit our website: www.AluminumDomes.com for dome specifications, literature, drawings and more.

Do you understand Bolted Stainless Steel tank construction? We do.

For special storage applications, sometimes stainless steel is the best option, and no other supplier offers higher quality stainless steel tanks for liquid or dry bulk storage than TC.

Many times a client will ask how much higher is a stainless steel tank than coated carbon steel. There are a number of factors that effect the calculation, but in general and as a budget number you can typically take your coated carbon steel price x 2.

Other competitors touting 2.5x and 3x multipliers are not serious suppliers for this product.



Bolted stainless steel construction available in 304L, 316 and 316L construction.

Aluminum Domes Full Page Ad • Hazardous Cargo Magazine • Back Cover



TANK CONNECTION E-NEWS BECOND BUARTER

Sales - Are Municipalities Starting To Wake UP?

We recently attended a seminar on liquid storage systems. One of the factors identified by the audience as a **major issue in the industry** is *"why there was so much varied pricing level on the component pieces of a liquid storage system"*. Duh? We have been saying it for years. In a storage system the tank is the big item. Are municipalities finally starting to wake up?

Let's review a specifying engineer that releases a bolted glass tank spec for a municipal water tank. There is only ONE manufacturer of glass bolted tanks in the U.S. There is nothing clever about the specs released, as they typically say glass tank, followed by a note that it has to be manufactured in the U.S. Jeez! In its simplest form, when there is only **one product** allowed, which is manufactured by **one company**, you are promoting monopolistic market conditions.

We Googled the word Monopoly - Exclusive control of a commodity or service in a particular market, or a control that makes possible the manipulation of prices.

Tank Connection competes against glass tanks daily in storage applications. Our LIQ Fusion 7000 FBE[™] is a stronger system than glass and is starting to win the marketplace, but there are still specifying engineers around the Country that are tied to a single product. If a single product is specified by a municipality for bid, then it is highly unlikely the municipality will receive competitive bids.

In review, TC has won numerous projects against glass tank specs in 2013 because their installed pricing was 20%, 30% and 50% higher than TC pricing levels. TC can run circles around glass tanks in performance with a superior tank design (no cheap webbies) and a superior coating system, so there is no justification that a municipality should pay "through the nose" because one product is specified.

The market always corrects itself and the correction needed in the selection of municipal water tanks is long overdue. If a specifier is going to release a glass spec, then other alternates also need to be specified. We promote to release our LIQ Fusion 7000 FBE coating system spec, along with a glass tank spec, a stainless steel spec and/or others. In the municipal market, **THIS IS THE ONLY WAY YOU CAN BE ASSURED THAT COMPETITIVE PRICING LEVELS** will be received. Then review the bids and pick what you want. This is the way the process is supposed to work. Municipal authorities need to drive this correction.

TC Annual Strategy Meeting



Tank Connection's annual strategy meeting was held in Branson, MO, with over 50 internal company attendees. TC strategy is focused on driving excellence. How can we better serve our clients, employees, company and communities? What new products should we develop? How do we shorten lead times? What new markets should we develop and/or enter?

Strategy is a deliberate focus to narrow the list of opportunities to the best opportunities, which is followed by associated action plans and execution.

TC employees make all the difference in the process. When you care about the results and are engaged, great things can happen. At TC they typically do!

FSRC Tanks - Looking Back at 2013

2013 brought FSRC Tanks many challenges, opportunities, and growth. In 2013, FSRC Tanks had the pleasure to construct world class Tank Connection tanks for four major companies, Tank Connection Affiliate Group, Laidig Unloading Systems, **quasar energy group**, and many of our own projects. Most of these tank sites were constructed turn-key from the foundation to tank completion, our specialty.

For those who may or may not know, FSRC Tanks started its relationship with TC in 2010 being contracted to construct high quality Tank Connection tanks from coast to coast. We have had the opportunity to build TC tanks from Massachusetts to California and nearly everywhere in between. In 2011, FSRC was awarded the National Agriculture Dealership to compete and to finally give the agriculture industry a choice in above ground storage that has been glass-lined dominate for nearly 40 years. 2012 led FSRC Tanks and TC engineers to design the first 100% Agriculture Tank System on the market today the "AG Tank- The Solution to your Slurry" The FSRC Ag Tank is NRCS approved in all 50 states for its tank and foundation designs. Our most notable moment of 2012 was being recognized by TC as "Dealer of The Year". Dealer of the Year was not only a surprise but a great honor to be recognized in the light of all the impressive representations TC has. It was quite a humbling experience.

Like any business, FSRC had great aspirations for 2013. We constructed 36 tanks totaling over 20,000,000 gallons of above ground storage. To put 20-MG of liquid storage into prospective, 20-MG is enough liquid to fill an entire football field edge to edge... over 55 feet deep! Or, to put it another way, it would be equivalent to over 213 million 12 ounce bottles of water! Pretty amazing if you think about it.

Also in 2013, FSRC attended nearly 30 trade shows, hired a full time marketing manager, additional sales staff, two additional project managers, and additional crew members. FSRC acquired its second location located in Bolivar, Ohio. Construction is to be completed in March 2014. Certainly a great achievement for 2013 was the acquirement of 9 states as Tank Connection's Municipal Dealer. We are very excited for the new opportunities and growing TC's presence in the Municipal world along the east coast. We are very certain we will make a direct impact against glass-lined tanks in 2014 and beyond!

Often times we are asked about our growth. There are really 2 answers- #1 it's our people. Our team has dedicated themselves to our growth. Our sales team sells the first tank, our quality construction crews sell the next 2,3,4.... We provide the absolute highest quality tank on the market today, the Tank Connection LIQ Fusion 7000[™].

It's also the people at Tank Connection. Each employee at TC has played a critical role in our growth, from the Production Team, TC management, its Engineering Staff, Sales Staff, down to the Field Services Department. The entire TC team has contributed greatly to our success. We couldn't do it without a quality product, quality people and believing in the FSRC Team. Thank you Tank Connection, it is greatly appreciated!

Here's to 2014 and another record breaking year!

Sincerely, FSRC Tanks Incorporated





THE CLIENT ASKED FOR A SPECIAL PAINT SCHEME AND WE SIMPLY SAID "YES". **B**OTH DOMES ARE ALUMINUM CONSTRUCTION THAT ARE POWDERED COATED.





Elevated Water

We build water tanks everyday! The highest quality bolted water storage tanks available **THAT DON'T REQUIRE CHEAP STIFFENERS**. This product is unmatched by any tank manufacturer worldwide and it is installed by the best crews in bolted tank construction.

- Best Bolted Tank Design
- Best LIQ Fusion Coating System
- Best Quality ISO 9000 system certified
- Best Construction Services EMR.59
- Best Knowledgeable Team in Storage Applications





Alpine Industrial Systems

ALPINE INDUSTRIAL SYSTEMS specializes in integrated Bulk Storage & Material Handling System Projects nationwide, from concept to completion. Including plant expansions, receiving and load-outs, transload terminals and other industrial applications. Along with outstanding personal service, we specialize in providing quality and cost-effective solutions to meet the needs of our customers across all industries.

PROJECT PROFILE FEATURES

One of our latest projects is a Frac Sand terminal featuring six Tank Connection silos, providing a bulk storage capacity of over 15000 tons of product. This green field project included railroad unloading capacity of 400 tons+ per hour, and the ability to load out 27-ton trucks in less than five minutes each.

Our turn-key solution included six, fully skirted tanks with truck drive through, dual scale system, dust-free load-out equipment, railcar unloading system serving two parallel rail spurs, a bucket elevator with integrated stair tower; and all interface valves, ducting, electrical, concrete, controls interface, motor control center and scale house/ control room building.



Mission Accomplished!



February 7, 2014

Kim Jennings-Eckert Sales Engineer Tank Connection Affiliate Group 614 North 2nd Street Suite B Rogers, AR 72756

Reference: Dollar Tree Project; 99 International Drive, Windsor, CT

Dear Kim:

Mission Accomplished Dollar Tree shipped its first product on May 30, 2013. In July 2012, Clancy & Theys began clearing ground for the construction of a 1,000,000+ SF Distribution Center and office building for Dollar Tree, Inc. in Windsor, Connecticut. The project schedule was set at 11 months and the owner had to be in the building and operational by May 29, 2013. This project was a real challenge from the standpoint that the weather did not always cooperate during the most critical months of the schedule. The owner started moving their rack and conveying equipment into the building in January 2013 - just 6 months after breaking ground. The owner's equipment installation allowed them to start up operations when they needed to.

We are proud of completing another successful project with a very satisfied owner. This would not have been possible without the great efforts of our subcontractors and design team. Kim, we particularly want to thank you and Ed Pellock for doing such a fine job in helping make this job a success. We have seldom worked with a Water Storage Tank Contractor as professional and as sponsive as Tank Connection. Your attitude and that of the on-site personnel was always pointive and professional. We wish we could use you on all our jobs. Your cooperation and readiness to solve problems contributed immeasurably to our success. It's what makes our job look easy.

Please pass our thanks on to all the employees of your company who worked so hard to make the project such a success.

Sincerely Yours Chad Cowger E Project Manager

11830 FISHING POINT DR., SUITE 201 • NEWPORT NEW

In Recognition of Outstanding Performance TANK CONNECTION AFFILIATE GROUP







Dollar Tree Distribution Center Windsor, Connecticut Groundbreaking: July 7, 2012 • Building Operational: May 29, 2013 • DOLLAR TREE



TANK CONNECTION E-NEWS ETTER SECOND UARTER

Want To Be Featured In Our Newsletter? or Would You Like to Include One of Our Articles in Your Newsletter?

Send us your pictures and stories and we will include them in our next newsletter. This newsletter is designed for all TCAG Employees, TCAG Reps, TCAG Dealers, House Accounts, TCAG Clients and Specifying Engineers. It is our intent to keep you informed on the latest happenings at TC. Our people are motivated and our storage products are at the forefront of the industry. We are excited to lead the storage industry and we are excited when you provide us with information that depicts our tanks interfaced with your system. It is our intent to provide exposure for your companies. Our newsletter has a global readership and as you already know our web network is unmatched.

So...send us your information. This newsletter is released quarterly. The next release is scheduled for early April 2014.

Alternatively, as many have already requested, we will gladly allow you to reprint the information contained in each issue of the newsletter. Just ask and I will provide a document for your use!

Kenton Jarman kenton@tankconnection.com

WEFTEC 2013

Tank Connection's premier products and services continue to garner more and more interest in the global marketplace. Nevermore was this apparent than at WEFTEC 2013 in Chicago, IL. The crowd of people in and around the TC booth was phenomenal, and is a sure sign of the growing interest for TC products globally. The advantages of our bolted RTP (rolled, tapered panel) tanks, our proprietary LIQ Fusion 7000 FBE[™] coating system, and

our custom-designed and manufactured aluminum geodesic domes are recognized worldwide. We would like to say a big "THANK YOU!" to everyone that took the time to visit us at WEFTEC 2013!

Our show schedule for 2014 is jampacked with international tradeshows and exhibits. Germany, Singapore, Brazil, Mexico, South Africa, New Zealand, Malaysia, and Australia are just a few of the places we plan on visiting to promote our top quality products and our "Golden Rule" customer service. We love to see our friends and colleagues wherever we go, so if you are planning to attend or exhibit in any of the tradeshows around the world in 2014, please let us know. If you aren't able to attend the tradeshows, we welcome you to visit us here in Parsons for a tour of our facilities. We wish everyone a healthy and prosperous year in 2014!



TC's booth at WEFTEC was assembled using materials from our geodesic aluminum dome design!

As always... our best to the BEST!



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