

June 17, 2022

Dear Valued Customer,

We hope this letter finds you safe and well.

As we are continuing to navigate volatilities in the market around raw materials, freight, labor, and other costs, we are prioritizing every effort to minimize negative effects on your day-to-day operations and management.

As you know, transportation costs have risen dramatically over the past month, and we must adjust to align with this increased cost.

EFFECTIVE MONDAY, JUNE 27, 2022:

- Our current surcharge will increase to 23% and will be applied to the freight portion of any Applegate product orders with delivered pricing shipped on or after the effective date.

We will continue to evaluate the FSC and will adjust accordingly as market rates require.

We appreciate your business and your cooperation as we work through these unprecedented times, and we look forward to working together towards a successful 2022 and beyond.

If you have any questions, please reach out to your territory sales manager or customer service manager.

Sincerely,