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September 23, 2021

Dear Wesbond Customer,

Due to the unprecedented number of supply chain disruptions and increasing pace of cost escalation in 2021, Wesbond Corporation will be implementing a 10% surcharge on materials and freight, effective on shipments from October 15, 2021 until December 31, 2021 .

The Wesbond team has committed our organization to ensuring as little disruption to our customers' operations as possible. Unfortunately, over the course of 2021 , we have been forced to accept higher costs from nearly all input categories, while paying expedited rates to secure scarce material and/or ensure finished goods reach our customer locations on time. Several factors behind the unprecedented challenges in today's global supply chain include:

- The impact of COVID-19 on the global economy in 2020, which resulted in shrinking inventories, and the unexpected speed of recovery of the economy beginning in 2021;
- Shortages at each level of the supply chain from base chemicals to durable and consumer goods and building and construction materials;
- Limited or sporadic trucking, driver, and rail availability impacted operational planning and transit cost;
- Labor shortages and wage inflation continue to add cost pressure across the global supply chain.

We do not see these cost increases abating in 2021 nor for the first half of 2022; our expectation is that this surcharge will convert to a permanent price increase for each product for 2022.

If you elect to not accept this charge, please let us know before October 15, 2021, and we will cancel your orders and allocate the inventory to other customers.

As a responsible supplier to the vacuum-forming industry we will manage our costs and work hard to secure materials so that we can supply all of your needs.

Thank you for your business and support in these difficult times.

Best regards,

Wes Jones
Operations Manager