

Date: February 15th, 2024

Re: Industry Update

Dear valued customer,

While 2023 was a difficult year for all of us driven by inflation, 2024 seems to be starting off with its own unique set of challenges. As you may be aware, international shipping is currently facing some difficulties caused most notably by restrictions on vessels crossing the Panama Canal, and recent conflicts in the Red Sea. The collective impact of these disruptions has resulted in longer transit times and delays of vessels arriving at their destination. The longer transit times have then created an increase in fuel and overall costs for shipping, as well as a decrease in supply of shipping capacity, which are both driving up shipping rates rapidly.

We have recently been notified by several suppliers that freight surcharges will be increasing once again over the next few weeks. While we always do our best to try and absorb as much of these increases as possible, we have no choice but to pass along part of these increased costs to our customer base.

This letter is meant to give all customers a heads-up of what is coming for the industry, so that everyone can be prepared and informed.

As always, we will continue to review our costs and pricing, so that we are able to give you one of the best overall offerings in the industry. I would like to thank you for your continued support and patronage.

Sincerely,

Wade J. Froese

Division Manager – Warehouse and Distribution

Can-Am Auto Glass & Supplies