



March 8, 2021

Dear Valued Customer:

Chemcor Chemical takes pride in providing the highest level of product quality and service at competitive pricing. Unfortunately, over the last three years and especially 2020, the industry has been confronted with unprecedented price increases across our wide range of raw materials and packaging. Our practice has been to offset or absorb these raw material cost increases without passing them along to our customers. Although we have been quite successful at this in the past by improving efficiencies to mitigate the effects of the rising costs, we are no longer able to absorb these dramatic increases. Chemcor continues to grapple with the challenges brought on by the COVID 19 pandemic and its impact on day-to-day operations and prices. Also, the deep freeze event in Texas and the Gulf coast region has broadly impacted the chemical industry. This has resulted in shortages in the availability of solvents, surfactants, acids, caustic, and plastic resins, just to name a few. We worked with these costs increases as best we could, hoping that they would go back down. Because of the severity of the pandemic and the deep freeze, we see no signs of the pricing coming down anytime soon.

Below is a highlight of some of the cost increases we are experiencing in the manufacturing industry:

- Two major plastic resin categories have had unparalleled cost increases – PE is up 44%+ and PP is up 50%+
- Corrugate has increased over 10% over the past year.
- Freight costs have increased over 12% and expected to go higher as fuel is increasing.
- An increase in costs for labor retention because of a tight labor market.
- Label printing stock has increased 15%.
- Increase in Insurance and PPP costs.
- Solvents, surfactants, caustics, acids, etc. have had increases from 15% - 40%.

To maintain our high level of product quality, we are left with the decision to implement an 8% price increase on all Chemcor items, private label items and custom formulations (excluding all disinfectants, sanitizers, and household bleach). The increase will be effective April 1, 2021. All orders placed and shipped prior to that date will receive the old pricing.

However, Chemcor has decided not to increase the price of our disinfectants, sanitizers, and household bleach. We understand that these products are in demand and are necessary more than ever. We will do our best to continue to keep these items at their current cost for as long as possible.

Chemcor understands the constant pressure on pricing, and as always, will continue to aggressively pursue cost control measures. Chemcor will strive to continue providing our customers with the highest quality products, service, satisfaction, and value.

We sincerely appreciate your patronage and ongoing support of Chemcor and our products. Should you have any questions or concerns on pricing, please feel free to contact us.

Thank you for your understanding.

Kind regards,

A handwritten signature in blue ink that reads 'Dave Tarquin'.

Dave Tarquin