



520 White Plains Road, Tarrytown, NY 10591

602 Potential Parkway, Scotia, NY 12302

August 24, 2021

Dear Customer

Kari-Out continues to strive to meet your expectations and to be the supplier of choice by offering competitive pricing in the market.

Due to the continued escalation in cost of resin, ocean and domestic freight, and labor costs, we have conducted a detailed analysis of our pricing to you on Plastics.

Over the last couple of months, we have seen double digits increases in cost of resin and the trend is likely to continue. On top of that, ocean and domestic freight, and labor costs have increased significantly this year due to limited supply as economy opened after COVID-19 lockdowns started to ease resulting in a huge increase in demand.

We have been absorbing the financial burden from additional costs at our own up to this point. Unfortunately, the continued significant increases noted above are outside of our control and we are forced to implement the following price increase effective October 1, 2021.

- **Product class: Plastic Soup Cups (TD & UP): 8%**
- **Product class: Plastic Reusable Containers (MT & MK): 8%**
- All orders placed on or after October 1, 2021 will be invoiced at the new prices. Kari-Out will be limiting quantities to no more than your monthly usage.
- All Contract Pricing will increase per the terms on the contract.

We appreciate the challenges of these unprecedented times that we all face. We would not bring such a price increase to you unless it was necessary. As always, we thank you for your valued business and support and will continue to work tirelessly to ensure we meet your demand requirements with service that exceeds your expectations.

Thank you very much for your understanding and continued support.

Best Regards,

Zahid Randhawa

Strategic Pricing Leader