

Dear Valued Customer,

This past year has brought to each of us an unprecedented degree of living in uncertainty and discomfort. In 2020, we have lived through some very unique situations that we have not encountered in the past.

On the business front we have seen some extremely extraordinary situations arise in the past 3 months.

- We first witnessed a very sharp rise in the Ethylene, Polypropylene and Polyamide based resins which form a major component of our products that we produce and you use. The prices of EVA have escalated more than 50% since Sept'20 and this escalation is not showing any signs of stalling in the near future.
- A unique situation has also cropped up in the form of Ocean freight. There is a shortfall of containers available for shipment all across the globe, leading to a 60% increase in Ocean freight charges.

We have been absorbing all these cost increases within the past three months, believing that these may be temporary escalations caused by shortages and that they would rescind sooner than later. Unfortunately, as we speak there are no signs of any kind of relief. As a result, we have no choice but to painfully request you to accept a **surcharge of 10% on agreed prices on all products, effective 01/18/2021** which will accommodate for these unfortunate and unforeseen price increases.

We are taking the **surcharge route** as we hope that the prices will rescind back to pre-September levels and thus will be able to remove this temporary surcharge altogether. Until then we are forced to take this arduous decision and expect your cooperation in order to continue supplying you with quality materials and services.

Since this is a worldwide phenomenon, you may already be aware of these market dynamics and should you need more information on this, please feel free to reach out to me and I will be happy to provide you with all the necessary documents you may require.

Thank you for your business and wish you and your families to stay safe in these trying times and hope we get over this pandemic as we move into the upcoming year.

We are all looking forward to a better and prosperous 2021 with hope in our hearts.