



**CONVOY SUPPLY**  
Construction Materials

June 15, 2018

To All Customers of Convoy Supply:

SUBJECT: Landed Cost Surcharge/ Effective July 1, 2018

It is well-known that the North American trucking industry is being plagued with unprecedented challenges related to driver and equipment shortages, high demand and increased regulation. Due to the unrelenting rise in freight costs for products being transported throughout Canada and the United States, Convoy Supply must implement a surcharge to pass through this additional cost component for goods landed into our inventories.

In addition to our normal freight policies, effective July 1, 2018, there will be a surcharge on all delivered orders in the following amounts.

All orders \$0 - \$5000 = \$50

All orders above \$5000 = \$100

This charge will appear as a separate line item on invoice identified as "Landed Cost Surcharge".

I would like to stress that this is a nominal pass through in an effort to recoup some of the premiums Convoy is being forced to pay to ensure timely in-bound freight. We have been diligent in maintaining a steady supply of inventory to meet your needs. Unfortunately, unexpected lead times and continued freight challenges have continued to put pressure on our costs and we have no choice but to pass it through to our customers.

Please be assured that we will continue to monitor the situation and keep you informed.

With sincere thanks for your business and your loyalty,

Alma Garnett  
President