



July 21, 2021

Dear Willow Group Customers,

The well-documented global supply chain issues have severely disrupted inventory flow for U.S. importers, resulting in massive increases in freight and other costs. These cost increases in freight, materials and labor are unprecedented in our 35 plus years in business.

The ocean freight increases have been 75 - 125% and rising. In addition, we are encountering significant cost increases for product from our vendors. Container shortages have further compounded the issue, requiring us to pay expediting fees of \$4,000 or more per container merely to get space. While we have worked hard to absorb price increases due to these rising costs, we have come to a point where we need to take more significant actions and pass along a portion of this burden.

Effective immediately, we will be adding a 10% surcharge to your invoice to help us offset increasing product and ocean freight costs. Please note, this applies to all current in-house orders (no matter date order was submitted) and all future orders until further notice. We are taking this approach because our hope is that these expenses may eventually revert to normal rates and this charge can be reduced or removed at that time.

For customers requiring a certain period of notification per our contract with you, we apologize, but due to the extraordinary and volatile situation our industry is currently experiencing, we are no longer able to offer the advance notification. Effective immediately and until further notice, all orders shipped will have a 10% surcharge fee added.

We greatly appreciate your continued business and support through this difficult time. Willow Group is committed to continuing to offer you our industry-leading combination of quality, service and value that you have come to know throughout our partnership with you.

Should you have any further questions, please reach out to your Sales Representative or our Customer Service Department at 1-800-724-7300.

Sincerely,

Bernard Skalny
President

Jim Walsh
Vice President