



Producers of Specialty Chemicals

May 2021

Dear Valued Customer,

We are certainly living in unprecedented times that saw 2020 give way to Covid-19, and the start of the recovery process in 2021. In 2020, so many producers in varying industries watched their finished goods inventory go down, production reduced or halted, while demand was in a steep decline. In 2021, we see a major reversal with demand high, key raw material suppliers' inventory low, and prices skyrocketing. This, coupled with the transportation and logistic challenges along with the late southwest snow/ice storm, has forced us to depart from the norm and make tough decisions on how we price our products in the short term.

Struktol has decided to implement a temporary surcharge for those products that are most affected by constant price increases happening daily. This surcharge will be temporary and will fluctuate as raw material prices fluctuate. You will see a separate line item for this surcharge on your invoice. This surcharge will be immediate and all open orders will be subject to the surcharge.

When prices start to stabilize and hopefully decline, we will adjust the surcharge to reflect these reductions. We have made the decision to proceed with a surcharge instead of a price increase with our customers in mind. We believe the pricing in our market is temporary and relief should be coming sometime this summer or early fall.

Your Struktol Sales Manager will be in touch to explain any surcharge along with a written follow-up notification.

We truly appreciate your business and will continue to do everything we can to minimize the impact on you while still fulfilling your orders as quickly as possible.

Best regards,

A handwritten signature in black ink, appearing to read "Jeff Cooley". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jeff Cooley

VP Sales

Struktol Company of America