



2/3/2022

Dear Valued Distributors,

Due to a significant and continuous increase of our logistics cost since last year, Strapack has to update our freight policies.

<STRAPPING ORDERS>

Effective on orders shipped on or after Monday 2/7/2022, we will apply the following freight surcharge on all "Prepaid" shipments.

Polypropylene strapping: \$2.00 per coil

Polyester strapping: \$3.00 per coil

This surcharge replaces any surcharge that was previously announced. It applies regardless of the shipping point and to all shipments that Strapack arranges and prepays but does not pass the full cost onto you due to the certain quantity purchased.

For Polypropylene strapping, if the order quantity does not qualify for the prepaid freight, the actual freight charge (freight and applicable surcharge) will be added to the invoice.

For Polyester strapping, if your order quantity is 2 pallets (56 coils) or less, the actual freight charge (freight and applicable surcharge) will be added to the invoice.

You can also choose to arrange your own freight if you don't want to pay Strapack for the freight or the freight surcharge.

This freight surcharge will apply on all prepaid shipments, including truckload shipments.

<MACHINE ORDERS>

Effective on orders shipped on or after Monday 2/7/2022, we will apply the following import freight surcharge on ALL machine shipments, in addition to the domestic freight charges. As you know, Strapack strapping machines are manufactured in Japan and Thailand. Over the past year, the international ocean freight cost has increased four to five-folds. Strapack has been holding the price for all these months but it has come to a point where we can no longer absorb the extra cost of international logistics.

All Arch Machines, regardless of the arch size: \$250 per machine

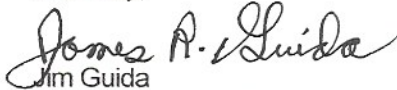
All other machines: \$20 per machine

Also please note

- Strapack reserves the right to charge accessorial charges that may be added later by the logistics companies. This would include detention, appointment, and special deliveries, and re-routing. Most of the time, we won't know until we get billed so Strapack may send you an additional invoice for these extra charges incurred.
- All missing and damaged delivery will need to be reported to Strapack immediately. Failure to do so will forfeit the customer's right to claim for any reimbursement.

These surcharges are imposed on a temporary basis for now, and if the logistics situation improves internationally and domestically, we are willing to remove these charges. That is why we will keep them as surcharges instead of the general price increase. In the meantime, we appreciate your understanding on the situation.

Sincerely,



Jim Guida

Corporate Sales Manager
Strapack, Inc.