



March 2021

RE: Wilmar Corporation Notice of Price Update effective May 1, 2021

Dear Valued Wilmar Customer,

Unfortunately we need to inform you of price increases on many of the products we sell to you. Our products are sourced from all over the world and we have been experiencing increases from everywhere.

There are several factors causing the increases but the most critical are the ones below:

1. Rising steel prices due to increased global demand.
2. Rising plastic prices due to oil spikes.
3. Corrugated shortages causing packaging to increase
4. Extreme tightening of factory capacity due to heavy world demand of goods.
5. Increased labor rates across Asia due to higher minimum wages and competition for workers.
6. Increased transportation costs to bring products across the ocean due to:
 - Container shortages China, Taiwan, India, Vietnam and Cambodia
 - Surcharges to obtain space on container ships.

We have worked hard to head off price increases by shifting production to other markets, finding new factories and using our volume to negotiate the strongest deals we can. These actions have allowed us to mitigate the substantial price increases we have received and only pass on what is necessary to keep our business profitable. We will continue these efforts as we go through 2021 so we can minimize future increases.

Rather than implement an across the board price increase, we have examined every category and each item within the category. While there are several increases across the line, there are some items we are not increasing at all.

To help mitigate the impact of this price increase, we will allow you to buy at your current prices on orders shipped by the end of April, limited to product on hand in our warehouse. If you have already placed orders with ship dates after May 1st, please contact your Wilmar sales manager to discuss what we can offer on these orders.

We never like to bring price increases to our customers and we hope you can understand we only do this when absolutely necessary. We appreciate your understanding and support.

Sincerely,

Wilmar Corporation