



March 25, 2019

To Our Valued Customers,

As of April 1, 2019, we are faced with increased costs of transportation due to the Federal government mandated Greenhouse Gas Pollution Pricing Act and related Provincial applications. The impact of this cannot be absorbed in the current price structures or mitigated to offset the direct impact to us and the consumer. This directly impacts our fuel consumed in transportation, fork lifts on the docks, heating and related costs of doing business that impact our suppliers as well.

We have decided to maintain our present Carbon Surcharge at 1% for BC, AB and NL. Effective April 1, 2019, we will be implementing a Carbon Surcharge for shipments moving in the rest of Canada at 1.0% of the freight charge, subject to the government HST/GST application.

This surcharge will be identified as a single line item on the invoice reflecting the application above.

Based on the Act, the price of carbon as of April 1, 2019 is \$20.00 per tonne and will increase each year by \$10.00 to \$50.00 per tonne by April 1, 2022. Here are some references on the Act that are currently available.

<https://laws-lois.justice.gc.ca/eng/acts/G-11.55/index.html>

https://www.fin.gc.ca/n18/data/18-097_1-eng.asp

Our intermodal options are more environmentally friendly versus over the road modes. We continue to work at improving our efficiencies and minimize our impact to the environment. Together we will make a difference by making thoughtful choices in our activities.

Should you have any questions regarding this, please contact your Business Development Manager.

Sincerely

Consolidated Fastfrate Inc.