



April 25, 2022

RE: Price Increases on June 1, 2022

We would like to express our appreciation for your partnership and dedication to the premium products imported by Gerhards Canada.

Gerhards has received increases from some of our manufacturers and partners, as outlined in the email.

Additionally, we have faced unprecedented increases in nearly every other area of our business. Input costs of preparing shipments have risen as much as 25%. Shipping rates have increased over 70% on many routes, while others have more than doubled. We have worked hard as a company to absorb as much of these increases as possible.

Therefore, at this time a price adjustment is necessary to pass along these numerous Manufacturer increases and a modest 3-4% increase on all lines to offset the higher operating costs.

Please see the enclosed pricing adjustment effective June 1, 2022.

We thank you again for your support as we work together as a team through these challenging times.

Please feel free to reach out to your Territory Representative if you have any questions.

Sincerely,

Colin Toevs

Gerhards Importers Canada Ltd.