



December 1, 2021

Subject: Select price increases on various product ranges for 2022

Dear Valued Customer,

As we have stated before, we are sensitive to the needs of our partner wholesalers and retailers. However, despite our best efforts to hold prices, like others in the vendor community, we are experiencing some significant inflationary pressures from our suppliers. We continue to work diligently with them to mitigate the cost inflation they are exposed to, but as with all manufacturers in this challenging environment, they are forced to pass on price increases.

Whereas historical increases have usually been tied to commodity and currency swings, current pressures are still centered on the continuing escalating costs of materials, and traditional core expenses such as wages, packaging, rent, transportation and sundry business expenses...most recently the increased costs associated with the COVID-19 pandemic and how it affects their offices and manufacturing operations. A new challenge is the global scarcity of shipping containers, severe port congestion and rapidly rising ocean freight rates. This has drastically impacted our costs and our supply chain.

As a result, we are obliged to pass on the increases implemented by our supplier-partners. Some of the increases are higher than what would be normally expected, but the justifications are sound and reasonable. Our Key Account Managers and sales representatives will communicate the details to you as part of their next presentation.

We are most appreciative of your continued support and understanding during this period of unprecedented cost inflation.

Sincerely,

Sheldon Davis

Confiserie  Confections
Sheldon Davis
Senior Vice-President, Sales & Marketing
Vice-Président Exécutif, Ventes & Marketing