



DIVISIONS OF PEACE INDUSTRIES, LTD.

February 26, 2024

To Our Valued Customer,

Due to the ongoing geo-political conflicts that have led to the redirection of shipping routes, on top of the continued low water levels in the Panama Canal, we need to implement an out of warehouse price increase that goes into effect on Monday, March 4, 2024. Since the start of 2024 Spotnails has already received a number of increases in ocean rates resulting from the above. The higher cost inventory has begun to arrive to our three distribution centers that service your out of warehouse needs.

**March 4, 2024 Out of Warehouse Price Changes:**

- +6% for all staples, finish nails, and brads from Korea & China
  - EXCEPTIONS - In moving production to China both carton closing and 23GA pins have significant decreases
- +2% for all stainless steel products from Korea & China

Regarding our newly expanded collated nails program; we continue to fine tune this program so as to become your supplier of choice for your collated nail needs. Since introducing this program in May 2023 we have continued to expand our product offering to meet your out of warehouse needs, enabling you to mix with the products you have relied upon for years. While the shipping situation has effected our costs, we have made changes based upon alignment to market prices and demand. In short, our collated nails price changes vary, with some increases and many decreases. Please review your price pages for specific pricing.

Spotnails continues to monitor the ocean freight challenges with hopes of a speedy resolution for all. Of course our plan is to make adjustments based upon relief from the current pressures causing such increases to get product to your customers at the most competitive price possible. Please feel free to call me directly with any questions you may have. Thank you for your continued support for and trust in Spotnails.

Sincerely,

*Ken Ippoliti*

Vice President of Sales & Marketing

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