

March 15, 2022

Subject: CBM *Flex Fuel Surcharge* applicable to delivered loads

Dear customer,

The current World-Wide situation is already impacting the cost of goods in Canada, especially fuel prices. Fuel prices are soaring to new heights and CBM Ready Mix is now paying material suppliers and diesel fuel above expected rates.

Effective April 1, 2022 CBM will implement an additional variable per m³ *Flex Fuel Surcharge* that will fluctuate according to the published Toronto rack diesel fuel price from the Government of Canada Ministry of Natural Resources Canada website.

https://www2.nrcan.gc.ca/eneene/sources/pripri/wholesale_bycity_e.cfm?priceYear=2022&productID=13&locationID=17&frequency=M#priceGraph.

This surcharge is not intended to be a pass-through charge, it is put in place to address our overall additional costs of fuel or similar tax paid for the production, delivery or sale of concrete.

The monthly average price of diesel fuel will determine the *Flex Fuel Surcharge* for the following month. The trigger will be if the average monthly diesel fuel price surpasses \$0.80/L. When the average rack price of diesel fuel is below \$0.80/L then the current \$2.00/m³ fuel surcharge remains in place that you are currently paying.

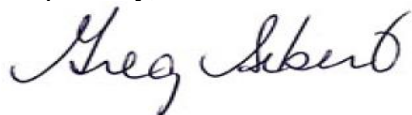
The *Flex Fuel Surcharge* applicable is \$0.06/m³ for every cent over the \$0.80/L threshold. This is over and above the current \$2.00/m³ fuel surcharge.

For example, as at February 28, 2022, the monthly average diesel fuel price according to the Government of Canada Ministry of Natural Resources Canada website is \$1.057/L. Which means a \$1.54/m³ *Flex Fuel Surcharge* would be invoiced on all volume delivered in March.
($\$1.057 - \0.80 (threshold)) = \$0.257. 25.7 cents x \$0.06/m³ = \$1.54/m³

Your CBM Ready Mix sales representative will be in contact with you soon to answer any questions.

We appreciate your continued support and look forward to servicing your requirements as we have done in the past.

Respectfully,



Greg Sebert
Vice President & General Manager
CBM Ready Mix