



June 16, 2022

Re: General Lubricant Price Increase & Flex Delivery Fee

Dear Valued Customer,

Effective July 11th, Transit Lubricants will be increasing the price of all lubricating oils and greases by up to 15%. Some specific items may be outside of that range. The reason for the increase is due to the increased cost of raw materials, specifically base oil and additives, that go into the making of these products.

Furthermore, as we are all aware, since the end of February we have seen a tremendous increase in the cost of diesel fuel and other energy products. This has put a significant amount of strain on all businesses, specifically those that require transportation to deliver their goods to market. During this time, Transit Lubricants has been absorbing these increased costs but unfortunately, we are unable to continue to do so.

As a result, effective July 1st, Transit Lubricants will be implementing a Flex Delivery Fee. This flexible fee will change each month based on the average wholesale fuel price of the previous month. The chart below outlines the fee schedule:

Average Wholesale Fuel Price (\$/L)	Flex Fuel Delivery Fee	Average Wholesale Fuel Price (\$/L)	Flex Fuel Delivery Fee
Under \$1.00	\$5.00	1.81 - 2.00	\$25.00
1.01 - 1.20	\$8.00	2.01 - 2.20	\$30.00
1.21 - 1.40	\$12.00	2.21 - 2.40	\$35.00
1.41 - 1.60	\$15.00	2.41 - 2.80	\$40.00
1.61 - 1.80	\$20.00	2.81 - 3.00	\$45.00

The average monthly wholesale fuel price will be obtained from the Natural Resources Canada website, and you can find it here:

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

Example:

The average wholesale price of diesel fuel in the month of May, net of all taxes, was \$1.571/litre. Therefore, the Flex Delivery Fee in June would be \$15.00 per delivery. The Flex Delivery Fee would be in addition to any other fees, such as the Minimum Delivery Fee.



Should you have any questions or require more information, please contact your Sales Representative and they would be happy to assist you.

Thank you for your continued business and support!

Sincerely,

A handwritten signature in black ink, appearing to read "T. Chambers", is positioned above the printed name.

Trevor Chambers
Vice-President