



Dear Valued Customer,

I am sure many of you have been following the issues facing supply chains today. At Sundance Office we are experiencing all of the same issues that you have seen or heard about in the marketplace. Not only are lead times extending out due to the high demand for goods, but this high demand is also driving up costs as demand outstrips the supply. There are many general market factors contributing to substantial cost increases, the most significant of which are increases in fuel cost, wage increases for both driver and distribution employees, small parcel delivery carrier price increases, and rapid and significant increases in ocean freight costs. In addition to the general economic conditions, our manufacturer partners are alerting us to industry specific challenges increasing their cost of components and final product. This inflation will impact all of product categories we carry and modes of transportation.

We have planned for and implemented mitigation strategies to offset costs as best we can, and we will continue to do so. Based upon the information we have today, however, we do not believe we will be able to mitigate all cost increases due to their magnitude and impact across the multiple categories noted above. We intend to be proactive and transparent in communicating any significant price changes consistent with our past practices. However, with inflation rapidly occurring across many vendors, carriers, and business costs (i.e. wages), in some cases we will not be able to provide as much advance notice as we have in the past.

We recognize this is a challenging business environment with inflation at rates not seen for over a decade. We commit to you that we will continue to do all we can to mitigate cost increases and communicate proactively and transparently where we must pass through inflation.

We thank you for your business and appreciate your understanding during this time.

Thank You,

*Eric Broberg*

Vice President