





## Dear Valued Customer / Partner:

As you are all aware, our country in the midst of one of, if not the largest natural disasters on record with the landing of hurricane Harvey. We are all concerned and send our best to the many thousands of people directly affected by this storm. We need to be sensitive to the fact that many of our suppliers are dealing with very serious issues like the wellbeing of their employees, lives, and safety.

This storm has and will affect the overall economy and more directly the chemical industry as we know it. However, **the total assessment of the damage is still unknown at this time**. This writing will begin the valuable communication that will be necessary for the coming months between our Bonded Chemicals, Inc. team and our partners on both sides of our business, our customers and suppliers.

First, our goal is to supply all of our current customers to the best of our ability. **You are our number one focus**. During these times, we will be presented with opportunities that are outside of our normal customer base. Please rest assured that we will not move our allocations to those opportunistic customers, but focus solely on you our long-term dedicated customers.

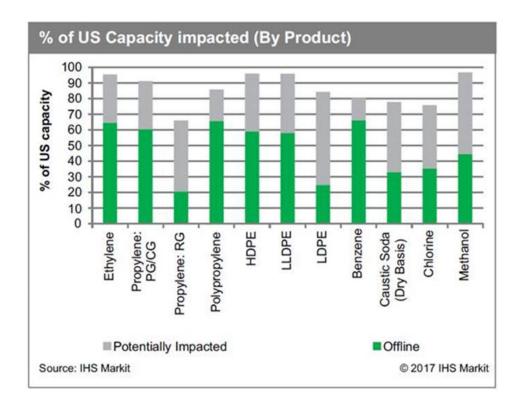
We distribute and you purchase many products. Some are absolutely affected, some are indirectly affected and some will not be affected at all. We are seeing immediate and significant price increases from all producers on the most affected products and some trickle down to other products.

Other items that are being affected:

<u>Fuel Surcharges</u> - Cost of fuel is rising dramatically due to major refinery shutdowns <u>Lead-times and Trucking</u> — lead-times for deliveries will be lengthened even further. The storm has exasperated an already tight trucking market.

<u>Deposits for containers</u> – the plastic resins are not available right now to make drums and totes. The container manufacturers are declaring Force Majeure. We need to charge deposits so that we assure we get our containers back

In preparation for all upcoming discussions, please refer to the chart below. This is updated almost daily and will give a very basic picture for very basic widely used feed stocks or commodities.



We have very good relationships and supply chain partners that are providing very open and frank information and we will pass all of this information along to our customers.

This entire process will be dealt with the utmost integrity, openness and calmness and at the end of the day, together, we will all do our best to align ourselves, our customers and our suppliers as best as possible for the good of each other's business.

Our Commodity Managers are having constant, detailed discussions with our suppliers. If you have specific questions, please address them first to your sales representative.

We will send out as much details as possible through our sales representative. We would also like to schedule conference calls with any customer that would like to review the products you are purchasing from Bonded Chemicals, Inc. (please set these up with your Sales Representative)

This is an unprecedented event in our nation's history and we may not have all of the answers today, but the most valued commodity through this process will be patience.

Sincerely:

Paul W. Cochran General Manager