

March 16, 2018

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Dear Valued Customer:

We wish to share with you the difficulties the market is currently experiencing with respect to the availability of trucks and what we can do together to minimize the impact.

The start of 2018 brought significant challenges in moving product across North America. Railroad service levels have been negatively impacted by the cold weather, lack of capacity in many regions, along with a shortage of intermodal containers due to heightened demand. The trucking industry is facing unprecedented challenges which will have long term structural implications. The introduction of electronic log books, a shrinking driver work force, inclement weather and a robust economy are all factors which severely impact trucking capacity.

Quadra is working hard to maintain the high level of service that our customers expect. Our logistics and operations teams continue to secure capacity but a majority of the time it is at a significantly higher cost. We expect current trucking capacity constraints will continue for the remainder of this year and will likely continue well into 2019

What can be done to help secure truck availability?

- Greater lead time on orders will allow us to better plan your delivery in an efficient manner
- Provide a delivery window rather than appointment time, which impact truck efficiency and driver hours of service
- Consider consolidating orders into one delivery instead of multiple deliveries
- Offload the driver immediately upon arrival of the delivery

If you have any questions, please feel free to contact us. We appreciate your business and look forward to continue to meet or exceed your service expectations.

Sincerely,
Quadra Chemicals Ltd.