



Dear Cindy,

Thank you for your continued business and valued support. As a leader in ambulance manufacturing and after-market parts we partner with industry leading suppliers to provide the best quality, deliveries, and value proposition.

We work closely with our suppliers to ensure pricing and supply are in line with market changes and conditions. We hold our suppliers accountable to protect you, our customers.

The unprecedented times due to COVID-19 and the recent severe weather conditions in the USA resulted in never-before-seen increase in demand for raw materials and restrictions on supply. DBC adjusted pricing in April due to increases in raw materials in October and December 2020.

Since then, we have received new price increases from nearly 100% of our suppliers with the majority being effective June 2021. Please **see attachments from IMMI** and other reliable benchmark sources.

Although we continue to practice lean processes and look for internal efficiencies it is at the point where the recent cost increases have exceeded any savings we have achieved.

These main drivers for the disruption are:

- Significant increase in global demand for resin, causing a shortage for raw materials that go into resin blends and components used in your ambulances.
- Shortage of shipping containers coming out of Asia. Currently for every three sent one is being returned. A container coming from Asia today costs 4X the cost in February.
- Spike in demand for FRP products due to COVID-19.
- Raw materials demand shifted to support products for COVID-19; Face shields, Gloves, water bottles, etc.
- With no one traveling and taking vacations there is huge spike in other industries which increased consumption of FRP raw materials
- Per ton of Hot-Rolled Coil Steel used by seat suppliers are going up 15%
- Sports and recreational products demand are increasing, ATV, Motorcycles, Snowmobiles.

- Weather in central and southern USA has caused havoc on supply. Texas alone experienced several refineries and Resin plants that either shut down or cut back drastically output.
- Ground, Air shipping cost have experienced sharp increases.
- Increase in other key ingredients such as DCPD, Maleic Anhydride, PIA and PG.
- Increase in energy cost

Due to the above factors, we are unable to continue to absorb these increases. **We will be issuing a price increase across all DBC Customer Care parts and supplied products beginning July 12th. All orders placed on, or after, July 12th will be subject to the increase.**

You do not have to take any action. The new prices will go into effect on July 12th, 2021, for all new orders.

We understand the importance of price, however, currently it is more important we secure supply to ensure no disruption in delivery of your products. In working closely with our suppliers, we have been successful in securing supply for the near foreseeable future. If this should change, we will notify you immediately.

Suppliers are also warning that due to the volatility in the marketplace more increases are expected.

We are continuing to work closely with these suppliers to ensure the increases are appropriate and to minimize the impact.

Sincerely,

Benoit Lafortune

Executive Vice President – Shared Services, Customer Care and Marketing DBC

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