



Niagara Bottled Water Surcharge Announcement December 10, 2021

Dear Valued Customer:

Pro Line Products is the market leader in supplying hydration solutions to the industrial, construction, electrical and safety channels. These solutions include Niagara® bottled water and our exclusive Overtime™ electrolyte replacement brand. We notified all customers in July that the entire bottled water and beverage industry was experiencing limited supply of domestic virgin PET resin for use in making bottles. At that time, Niagara Bottling and Pro Line Products instituted a line-item surcharge to offset the additional costs on resin and freight due to increased PET resin supply from international sources. We anticipate that the costs of virgin and recycled PET resin will continue to increase well into 2022 due to supply shortages. Niagara Bottling has taken extra steps in the supply chain to continue procurement of virgin PET resin from imported sources in addition to domestic sources, which will continue to insure availability of product for our customers now and throughout all of 2022.

In addition to added cost incurred for importing virgin PET resin, we are also experiencing additional cost increases on packaging materials, freight, labor and warehousing. In the [link below](#) is a letter from Niagara Bottling informing all customers, including Pro Line Products, of additional surcharges that will be implemented to offset these cost pressures. Pro Line Products will be increasing the current line-item surcharge from \$0.13/case to \$0.28/case on all 24-pack 16.9

oz./0.5L purified bottled water products **effective on January 15, 2022**. This surcharge is incremental to any prior price increases. The surcharge will continue to be a line-item charge on all invoices. It will include all full truckload and less than truckload shipments. The new line-item surcharge for Gallon (6) pack purified water will increase from \$0.21/case to \$0.47/case. There will also be package quantity and surcharge changes on our 8 oz. and spring water products. We will communicate directly with customers affected on these products. These changes will also be **effective on January 15, 2022**. Both Niagara Bottling and Pro Line Products commit to consistently evaluating costs and will adjust these surcharges accordingly if cost pressures decline.

A letter from Niagara Bottling is also included to share more detail on the additional surcharges. We continue to work closely with Niagara Bottling to provide the highest level of service and delivery to you. We are working hard with our freight carrier network and other vendors to curtail cost increases as much as possible. Please contact your Sales Representative or our Customer Service Team via at 972-488-4200 or email csr@prolineproductsinc.com with any questions.

Patrick McDonald

President

Pro Line Products, Inc.

Click the link below to see the official announcement from Niagara corporate.