



July 18, 2022

Dear Valued Customers:

As fuel prices have spiraled upward over the past several months, it was our hope that it would be a short-term inconvenience. Due to the prolonged nature of the current situation, we can no longer continue to absorb these costs.

After careful review of industry practices, it has been determined that the best way to handle this cost is to add a temporary fuel surcharge for our services. As per our published MTO (Marine Terminal Operator Schedule) we are hereby providing notice that we may be adding this temporary fuel surcharge on all future shipments until further notice. This fuel surcharge would remain independent from our base rates and would be shown as a separate line item on our rate quotes and invoices. Our preliminary calculations based on historical data and internal forecasting indicates the fuel surcharge would be roughly \$0.25 - \$0.35 per metric ton of cargo handled.

The purpose of this notice is to make you aware of a potential upcoming change to our rate structure. In the next 30-45 days we expect to release more detailed information on this matter as our corporate management team continues to analyze how we can implement this fuel surcharge in a manner that is least impactful to our customers.

Federal Marine Terminals, Inc.