



July 30, 2021

To Our Valued Customer,

From our award-winning showrooms to our retail-minded pricing strategy, it's K&K Interiors' mission to always deliver the best product at the best possible price. While the past eighteen months have presented many challenges for all of us, we have not wavered on that commitment.

Most recently, historic ocean freight rates forced us to implement a 4.9% surcharge on all invoices beginning June 1, 2021. Rather than building the additional cost into a permanent price increase, we took the surcharge approach with the hope of removing it when ocean freight rates began to correct themselves.

Unfortunately, as of today, we have not seen any reprieve in ocean freight rates and, in fact, they continue to increase. Unprecedented supply chain demand, and disruptions, have resulted in ocean freight rates surging more than 400% since this time last year and more than 55% since this past May. At the same time, we are seeing transit times which are two to three times longer than normal as record container shipping volumes overwhelm port and rail capacities.

As a result of these continuing cost increases, effective August 1, 2021, K&K Interiors will be increasing the surcharge on any product shipped, and invoiced, from 4.9% to 8.9%. This will remain as a line item charge on each invoice and appears as "Container Surcharge."

Our goal is to make this increase as transparent, and short lived, as possible.

This was not a decision that we took lightly, but one that was necessary given the continuing increased shipping costs in the industry. We are in this together and we continue to do everything within our control to provide you the best possible product at the best possible price. It has been, and always will be, our commitment to you!

Thank you for your continued partnership.

A handwritten signature in black ink, appearing to read 'Kyle Camp', written in a cursive style.

Kyle Camp
President
K&K Interiors, Inc.