



SERVICE ANNOUNCEMENT Insulation Systems

April 20, 2022

RE: Updated Transportation Surcharge, Effective June 1, 2022.

Insulation Systems Customer,

We are currently in an unprecedented time for freight costs. Historically, the price of diesel fuel has been a primary driver of transportation cost increases. However, more recently, driver shortages, carrier capacity and increased demand have led to carriers imposing extraordinary rates. Experts predict elevated freight rates will continue through the year across North America.

To reflect the transportation market more accurately, JM recently changed its transportation surcharge for orders of all JM Insulation Systems Products (Building Insulation, Mechanical, HVAC, Industrial and OEM).

Normally changes to the surcharge will be implemented at the start of the second month following the end of the quarter, however this quarter JM is allowing for a 30-day grace period so this increase will be effective for shipments on or after **June 1, 2022**.

The average diesel price for the 1st quarter of 2022 was \$4.12, which translates to a fuel surcharge of \$180 and the Cass Truckload Linehaul Index[®] for the 1st quarter 2022 was \$159.80 which translates to a freight surcharge of \$350. Therefore, the transportation surcharge effective June 1, 2022 is \$530 per truckload. Both elements of the transportation surcharge will be evaluated on a quarterly basis and adjusted up or down based on the prior quarter's average diesel price and the Cass Truckload Linehaul Index[®].

If you have any questions regarding this update, please contact your JM sales representative. Thank you for your ongoing support of JM products.

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