



March 10, 2022

To Our Valued Customers:

The conflict between Russia and Ukraine has caused massive uncertainty to the ongoing availability of Russian Birch plywood. While we currently have inbound material, we are still gathering information as to what will be available going forward.

At this time, it appears that most of our vendors that are sourcing from Russian mills are going to be adversely affected by the sanctions that are being imposed on Russia. At the very best, there is still a significant amount of uncertainty as to the flow of currency in and out of the country, and what will happen to goods that are already in transit once they reach U.S. ports. What we do know is that many freight companies are refusing to handle cargo coming from or going to Russia. Container availability is becoming even more constrained on a global basis, and the cost of shipping is facing the possibility of a rapid escalation beyond even what we've experienced over the past year. This information comes directly from our vendors.

Given these conditions, and the eventual shortfalls where stock is concerned, we will be reviewing each order of birch and maple that we receive and will let you know what we can afford to fill. Allocations will be largely based on customers' past order histories and the amount of stock that we currently have and expect to receive.

Our overall objective is to be good stewards to the industry at-large:

- We are doing our best to ensure our ability to supply product to as many of our customers as possible. This might mean that, at times, we will be unable to honor every request in full.
- We will not simply raise prices in the short-term, and allow a first-come, first-served approach to buying from us. We believe this would be unfair to many of our customers, and our overall goal is to ensure everyone is treated fairly.
- Customers who traditionally buy in larger quantities will have larger allocations. Customers who traditionally buy smaller quantities will have smaller allocations. We believe this is the best approach to supplying customers during shortages, because it takes into account average typical usage from past purchasing patterns. But our larger goal is for our customers to all have access to product as long as we can source it.
- We are actively evaluating alternative dieboards that will bridge the gap between domestic maple and Russian birch. We should know more about these potential products shortly.

Please know that we are exploring every option available to us so that we can continue to offer wood products during this time. We are looking at both, domestic and imported options. We are exploring altogether new products, and we are continuing to place larger orders with our vendors to ensure continuity of supply wherever possible.

Thank you for your understanding as we navigate this newest set of challenges facing our industry.

Ian McClaskey
Vice President, Sales & Marketing