

Mike Hover
Vice President & General Manager



December 20, 2017

Dear Valued Customer:

We take great pride in providing comprehensive and specialized distribution solutions to the Canadian marketplace and we thank you for your continued support in our business partnership. As you know, we continue to strive to be the premium solution provider that you and your customers have grown to trust and count on over the years.

As you are likely aware, the Ontario provincial government has introduced significant changes to the minimum wage threshold in 2017 and again heading into 2018. Ontario has moved from an hourly minimum wage of \$11.40 to \$11.60 in October and will now increase by an additional \$2.40 per hour to \$14.00 on January 1, 2018. For more details, please visit the following provincial website:

<https://www.ontario.ca/page/minimum-wage-increase>

Concord has closely examined and analyzed the impact of these substantial changes to our business. They are impactful, as we employ people at various wage levels in line with all provincial minimum wage parameters. Again, we have closely reviewed options that are both fair and representative of these cost increases impacting our business.

Effective January 1, 2018, Concord will be implementing a labour surcharge, only for shipments originating and destined for Ontario. A 0.5% fee will be applied to the base shipment charge on all shipments originating in Ontario (i.e. the shipment cost before any selected accessorial fees, fuel and taxes). Subsequently, a 0.5% fee will be applied to the base shipment charge of shipments destined for delivery in Ontario.

Under this approach, the labour surcharge will only be applied to shipments that are being impacted by our increased costs. Again, we believe this to be an equitable approach to the new provincial legislation.

To learn more about this change, please visit our website.

Thank you for your business and we look forward to continuing to work with you in solving your transportation solution requirements in Canada.

Sincerely,

A handwritten signature in black ink, appearing to be "Mike Hover". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mike Hover
Vice President & General Manager
Concord Transportation

