



December 19, 2016

Dear valued customers,

CARBON TAXES and Related Government Imposed Energy Consumption Fees

The application of carbon fees and related taxes imposed by the Provinces of British Columbia and Newfoundland, and soon to be imposed by various other Provincial governments including Ontario, and Alberta, will have a material effect on our business. These cost inputs, as directed by the Federal Government, will have a substantial impact on all industry sectors. The cost inputs, referred to as Carbon Taxes, Carbon Levy, Cap & Trade etc. will result in higher operating costs. With no means of controlling or offsetting these imposed costs, regrettably we will need to apply a surcharge to capture the cost increase.

This Government lead initiative affects prices on diesel, gasoline, propane, natural gas and electricity, and in the very near-term will impact the cost of delivered goods to the consumer. Major input factors to our industry will see increased costs in line haul, cartage, interline, dock handling and heating costs.

These circumstances were unforeseen as to the timing and extent of the impact and are outside of our control. As the method and bottom line impact varies by province, we are working to determine a fair application that will address this need. We will convey the details and application as soon as they are finalized **with an anticipated application by February 1, 2017**. This will apply to all contracted and non-contracted clients.

We do value your business and continued support and should you have any questions or concerns please feel free to contact your Account Manager, we will be in touch with you as soon as we have further details on the application pertaining to **Carbon Taxes and Related Government Imposed Energy Consumption Fees** as they apply to your business with Clarke.

Sincerely,

Clarke Transport Inc./Corridor Express/Clarke North America

A TransForce Company

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