

May 4, 2021

To Our Valued Customers,

RE: ICONIX Waterworks Canada Market Update on Global Product Supply Issues

On behalf of everyone at ICONIX, I would like to first thank you and your company for doing your part to keep everyone safe during the pandemic.

We would like to continue updating you on the supply chain issues we are facing across Canada. As this has been extremely challenging, we want to ensure we keep you up-to-date and that we stay proactive to protect our supply chain while supporting our customers and the successful completion of their projects.

We are currently dealing with multiple vendors that are in force majeure and the situation continues to worsen as additional vendors face delayed supply and shipping issues both domestically and globally. International ocean freight is a major issue we are currently experiencing, with shipping channels being blocked, major backlogs in most ports across the globe, and not to mention, uncontrollable cost increases causing delays at all stages in the supply chain.

Currently, almost every major supplier is experiencing logistic and supply chain issues globally, and to some degree, this cumulative effect will only increase over time with an unprecedented negative impact on product availability and supply.

Unfortunately, material pricing and supply remains in question at any stage of the order, and lead times from our suppliers have been very open-ended, often being pushed out well beyond any historical norms. In many cases, suppliers have implemented supply allocations that are not representative of market demand.

We are diligently working with all of our partners to help reduce the negative impact on everyone in the supply chain. Clear and regular communication will be the key to our collective success. Setting clear project timeline expectations with you and your teams is our goal. Our focus is to keep your supply available and projects moving so increased communication and visibility will be required on both our parts. We know this will entail more work but it will be imperative as we navigate through these challenging times.

We hope the situation will improve by year-end and we will update you regularly as the situation develops. Please don't hesitate to contact your local ICONIX Waterworks branch or Account Manager for additional information when needed.

We value your business and thank you for your continued support and understanding during these unprecedented times.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tony Codispoti".

Tony Codispoti
VP and COO, Canada
ICONIX Waterworks