

Friday, November 19th, 2021

**SUBJECT: JANUARY 2022 PRICE INCREASE**

Dear Valued Customer,

Over the past months of 2021, many industry sectors have been heavily impacted by unprecedented and constant pressures over supply and operating costs. The availability of some raw materials has been limited, resulting in important delays to meet global demand and in significant inflationary increases. The current business environment along with a global rise of green coffee lead many of our suppliers to implement necessary price increases. This in conjunction with increases in transportation, warehousing, logistics, labour and health & safety related fees has significantly impacted our overall cost to serve. **Therefore, Van Houtte Coffee Services Inc. (“we”) will be implementing a price increase effective on January 23, 2022 or 30 days following this notice date, whichever is later.**

While we are always looking for more efficient ways to operate, combining our buying power to actively source for competitive rates, and building strong partnerships with leading suppliers across Canada, we remain committed to maintaining high quality standards for the products and services we provide to our customers, and must therefore revise our prices as follows:

PRODUCTS & CATEGORIES	APPLICABLE INCREASE
Traditional coffee (Whole beans, ground, fractional packs, etc.)	+ 15%
Van Houtte® brand K-Cup® pods	+ 12%
Starbucks® brand K-Cup® pods	+ 24%
Other Canadian brands K-Cup® pods (Excluding Van Houtte® and Starbucks®)	+ 9%
U.S. brands K-Cup® pods*	+ 33%
Dairy and condiments, powders, allied & cleaning products, snacks, water and other beverages (Excluding coffee)	+ 6%
Handling fee	+ \$1

\* Includes the brands: The Original Donut Shop, Emeril’s, Folgers, Green Mountain, Kahlua, Krispy Kreme, Newman’s Own, and Tully’s®.

We recognize how these changes can influence your decisions when it comes to the choice of coffee solutions that best meet your business’ needs. Rest assured that our teams are available to work with you in order to recommend some alternatives and will be happy to guide you towards other solutions that can reduce the impact of this price change. Please reach out to your Account Manager, if you have any questions, or would like to discuss potential options.

Van Houtte Coffee Services wishes to take this opportunity to recognize the value of our business relationship and to thank you for your continuous trust. We remain committed to providing you with high quality products, unparalleled service and the support you have come to expect from us.

Sincerely,

*The management team*  
**Van Houtte Coffee Services Inc.**