



April 29, 2022

Dear Valued Customer:

The current economic conditions with escalating prices of all goods and services continue to present challenges in the industrial gas and distribution industry. We are faced with ongoing CDL driver challenges, product shortages and allocations on specific gas products, supply chain challenges in most every product category we sell and distribute. Additionally, we are experiencing increasing labor costs in order to recruit and retain qualified associates.

Industrial gas cylinders are in high demand, costs are approximately 30-40% higher than one year ago and lead times are stretched out for several months. Our key gas suppliers have notified us of substantial cost increases in product and delivery costs.

We are currently under 70% allocation for CO2 products and 55% allocation for helium products, however, currently we do not plan to allocate any of our customers for any products.

Due to these factors, and more that are not mentioned here, we have no choice but to increase our pricing as follows effective June 1, 2022:

Oxygen Products	+ 7.5%
Nitrogen Products	+ 7.5%
Argon Products	+ 7.5%
Acetylene Products	+ 9%
Chemolene & Propylene Products	+ 9%
Propane Products	+ 9%
Helium Products	+12%
CO2 Products	+7.5%
Medical Gases	+7.5%
Specialty Gases	+7.5%
High Pressure Cylinder Rent	+ \$0.02 / Daily
Liquid & Cradle Rent	+ \$0.10 / Daily
Delivery Fees	+ \$5.00 / Del.
HazMat Fees	+ \$2.00 / Order

We regret the necessity to increase these costs but have no choice in the environment we are operating in. We will continue to work hard to earn your trust and continue providing the absolute best service in our industry.

Your business is greatly appreciated. Please contact your local Arc3 location if you have questions.

Sincerely,

*Jeff Johnson*

Jeff Johnson  
Vice President of Sales