



Eli Sarmiento
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February 24, 2022

Dear Valued Chevron Lubrication Marketer:

Chevron is announcing a general price increase in the U.S. market of all lubricating oils and greases up to 15% due to increasing costs of raw materials impacting the manufacturing of our products. This price movement will be effective on March 28th, 2022. Specific products may increase in amounts outside of this range in certain instances. We understand and appreciate the efforts required by our Marketers to communicate this increase to your customers. Our posted price changes by material will be available in Business Point by March 3rd, 2022.

In addition, due to the volatility of the freight market, we will adjust the freight rates for package and bulk truck orders effective March 28th, 2022. We evaluated the revised rates based on the mileage from your assigned plant to your ship-to locations. The freight adjustment will be nationwide and reflects current transportation market conditions, including increased diesel prices, rising qualified driver salaries, and increased insurance rates. We plan to monitor market conditions and re-assess our freight rates bi-annually to help us meet our valued customers' delivery requests.

Please note:

- To manage our order fulfillment and provide the ability to meet the needs of all our customers, we would appreciate it if you placed your orders consistent with historical order patterns. To serve all Marketers, we will be limiting your orders shipped between February 24th, 2022, and March 27th, 2022, to 100% of your average monthly volume over the last six months (July 1st, 2021– December 31st, 2021). Marketers that exceed the above limit will be billed at the new posted price levels via debit note for the difference between the current prices and new effective prices as of March 28th, 2022.
- Your average monthly volume is defined as your average monthly purchases from July 1st, 2021, to December 31st, 2021. Details regarding your average monthly volume are available to you through your LBST Customer Sales Associate.
- Please plan accordingly, as large order quantities placed the week before the increase will be reviewed and may not be accepted by Chevron to meet all customers' needs better.

The Chevron Lubricants sales staff is committed to meeting your needs. Your Business Consultant will contact you with more details and supporting information.
As always, thank you for your business.

Sincerely,

Eli Sarmiento
Manager, Americas Pricing
Chevron Lubricants

NEW FREIGHT RATES EFFECTIVE MARCH 28, 2022

Transportation Mode		New Freight Zone Rates Effective 03/28/22 (US\$/Gal)	
Bulk			
Zone 1	250 miles or less from primary plant	\$	0.20
Zone 2	500 miles or less from primary plant	\$	0.30
Zone 3	1000 miles or less from primary plant	\$	0.55
Zone 4	1001 miles or more from primary plant	\$	0.66
Package			
Zone 1	250 miles or less from primary plant	\$	0.20
Zone 2	500 miles or less from primary plant	\$	0.30
Zone 3	1000 miles or less from primary plant	\$	0.55
Zone 4	1001 miles or more from primary plant	\$	0.66

***AK AND HI LUBRICATION MARKETERS WILL RECEIVE A \$0.35/GAL FREIGHT INCREASE.**
COOLANTS: CURRENT TRUCKLOAD COOLANT RATES WILL TRANSITION TO THE ABOVE ZONE FREIGHT RATES.