

June 15, 2017

RE: General Rate Increase and General Excise Tax (GET) Exemption Effective July 1, 2017

Dear Valued Customer:

On July 1, 2017, Young Brothers, Limited will place into effect two adjustments that affect freight charges assessed by the company: (1) an across-the-board increase of 0.12 percent to be applied to all Young Brothers freight rates, and (2) an adjustment to Young Brothers' General Excise Tax (GET) exemption for services relating to the loading and unloading of freight from barges.

The across-the-board increase of 0.12 percent to be applied to all Young Brothers freight rates was approved by the Hawai'i State Public Utilities Commission in a decision issued on May 4, 2017. With respect to the GET exemption, while you pay GET on freight charges assessed by Young Brothers, you receive a *partial* exemption from GET for the loading and unloading portion of our service. This percentage is adjusted annually to reflect changes in the cost of service relating to loading and unloading freight from barges. Currently, 24.379 percent of the loading and unloading services is exempt from GET. Effective July 1, 2017, this exemption will increase to 26.904 percent.

If you have any questions, please feel free to call your local port or your Account Representative. For more information you may also visit our website at [www.youngbrothershawaii.com](http://www.youngbrothershawaii.com).

Thank you for your continued patronage.

Sincerely,

/s/P. Roy Catalani  
P. Roy Catalani  
Vice President, Strategic Initiatives & External Affairs