



September 7th, 2016

TO: OUR VALUED CUSTOMERS – WESTERN CANADA

As you know, CertainTeed filed a complaint seeking to have significant tariffs applied to gypsum wallboard shipped into Western Canada from the United States on the alleged grounds that such shipments are transferred at prices lower than U.S. domestic prices. CGC, as one of Canada's largest producers of gypsum wallboard with over 700 employees across Canada, has vigorously opposed CertainTeed's complaint because of the negative impact it will have on distributors, retailers, and end-users of gypsum wallboard across the region. As previously stated, CGC ships wallboard to our Western Canada customers, both from our manufacturing plant in Eastern Canada but also from our sister company plants in the Western United States, primarily due to the cost of freight and speed of delivery. We believe that CertainTeed's actions will cause higher prices and reduced availability of wallboard for customers in Western Canada. Please be assured that, at every step of this process, CGC is fighting against CertainTeed's apparent attempt to control the market for gypsum wallboard in Western Canada.

On September 6th, 2016, in response to CertainTeed's complaint, the Canada Border Services Agency (CBSA) issued a provisional duty or advance that applies effective immediately to shipments of gypsum board from manufacturers, including CGC, from the United States into Western Canada. Notably, the CBSA has also imposed a provisional duty or advance on wallboard imported by CertainTeed from the United States, finding that CertainTeed itself has been dumping. It should be noted that the duty being imposed on imports by CGC is provisional only, there has been no finding that CGC violated the law, and CGC and U.S. Gypsum are now carefully reviewing the methodologies and data used by the CBSA and will be challenging any errors in the calculations. It is anticipated that the CBSA will finalize its calculations and issue a final determination on December 5th, 2016.

With the issuance of the CBSA's preliminary determination, the Canadian International Trade Tribunal (CITT) will now initiate its final injury inquiry into whether the alleged dumping is causing or threatening injury to CertainTeed. The CITT's inquiry will last several months and include a hearing in Ottawa, Ontario starting in early December 2016. The CITT will gather information and hear testimony from exporters, importers, and producers, as well as distributors and retailers of gypsum wallboard, in order to make its decision. CertainTeed's complaint is based on a seldom-used provision in Canadian anti-dumping law that, in certain narrow circumstances, allows a producer in one region of Canada to bring a complaint excluding domestic producers in the rest of Canada. CGC believes that because Western Canada is not an isolated market, CertainTeed's complaint is fundamentally unsound and should not proceed. You may receive questionnaires from the CITT for these purposes. We will be providing more information to you shortly as to how you may participate in this process and have your voice heard before a final decision is made as to whether or to what extent duties will be applied for at least the next five years.



With regard to how the CBSA's provisional duty will impact our customers in Western Canada in the short term as a result of CertainTeed's actions, please be advised that the provisional duty will be applied to gypsum wallboard products for all customers located in the Western Canada market including the provinces of British Columbia, Alberta, Saskatchewan, and Manitoba as well as the region of Northwest Ontario as follows:

1. Effective **Tuesday, September 6th, 2016** all gypsum wallboard shipped from one of our manufacturing facilities in the U.S. and delivered directly to a CGC customer will be subject to the provisional duty over and above the price of the product.
2. Effective **Monday, September 12th, 2016** all gypsum wallboard shipments to our customers from CGC's distribution centres located in Port Kells BC, Calgary Alberta and Winnipeg Manitoba where the product has been imported to those facilities from one of our manufacturing facilities in the U.S. will be subject to the provisional duty over and above the price of the product.

CGC sales leaders will contact you shortly to provide detailed information including which gypsum wallboard products are subject to the provisional duty, the amount of the provisional duty, and how the provisional duty will be charged to our customers.

Again, we are sorry for the inconvenience and business disruption being caused by CertainTeed's complaint, but we want to assure distributors, retailers and end-users across Canada that CGC is taking all steps necessary to challenge CertainTeed's actions and restore a free and open market for gypsum wallboard in Western Canada.

If you have any questions, please contact your CGC Sales Contact.

A handwritten signature in black ink that reads "Don Brandt". The signature is written in a cursive, flowing style.

Don Brandt
Vice President, Sales