



To: Our Valued Customers

Subject: Important Update on Tariff Surcharges Effective May 1, 2025

As you know, there is a tremendous amount of uncertainty in the global trade environment with the implementation of tariffs on a number of countries by the United States.

In response to the U.S. implementation of tariffs on Canada, the Canadian government has imposed a 25% reciprocal tariff on U.S. goods coming into Canada effective March 13, 2025.

In addition to the tariffs, we are seeing ongoing cost increases from our vendors due to inflationary pressures from rising material costs, exchange rate fluctuations, freight costs, and increased labour expense.

Sinclair Supply Ltd. and our suppliers have been working to mitigate these cost increases as much as possible, however, we are now in the difficult position where we must implement a price change because of these tariffs and the on-going trade war.

The price increases reflect the tariffs we are now required to pay directly to the Government of Canada when goods cross the border, and any potential cost increases from suppliers.

We understand the negative impact these cost increases are having, and we are taking action to source alternative products from other vendors that may be less affected by the tariffs. We will update changes to product pricing, availability, or alternative options as they become available.

We are committed to prioritizing the continuity of our supply chain, mitigating costs wherever possible, and transparently communicating about any costs we cannot mitigate.

This is a dynamic situation, and as changes occur, we will continue to keep you apprised of how they may affect our surcharge rates.

Thank you for your understanding and continued support. If you have any questions or need further assistance, please do not hesitate to contact your local Sinclair Supply Ltd. branch.

Regards,

Dean Herman  
Chief Executive Officer  
Sinclair Supply Ltd.