

March 20<sup>th</sup>, 2025

**Subject:** Notice of Tariff Adjustments

Dear Valued Customers,

We hope this letter finds you well. We are writing to inform you of possible upcoming changes to the pricing of certain building materials due to tariffs. As a key distributor in the industry, we continuously strive to provide competitive pricing and reliable supply chains. However, external economic factors, including government-imposed tariffs, will impact the cost of many materials we supply.

**Impacts and Application of Tariffs:**

The extent of the application of relative tariffs is uncertain, and manufacturers may impose tariffs without notice. Tariffs may have a direct or indirect impact on the cost of goods. Below are some examples of how tariffs can impact costs; however, this does not cover all possible scenarios.

**Direct Tariffs:**

- Example #1: Finished product produced in the USA
- Possible products subject to tariffs\*: Wood Ceilings, Metal Ceilings
- Application: The tariffs can only be confirmed by CBSA at the time of the Border Crossing. Vendors will pass on their cost of such tariffs at invoicing. Morin Supply will pass such cost directly to our customers. Tariffs will reflect actual cost charged by CBSA and no profits are added to such costs.
- Invoicing: Morin Supply will invoice a separate line item.
- Additional Impact: The application of tariffs may cause delays in Morin Supply's shipments to your sites.

**Indirect Tariffs:**

- Example #1: Canadian Steel mills manufacturers reducing output of steel produced per day, requires the same operating cost, therefore mills will be required to increase their sales price to remain profitable.
- Example #2: Raw materials contained in goods produced in Canada that are sourced from countries with Tariffs (i.e. China, USA, etc). Canadian Manufacturers will be required to increase their sales prices.
- Possible products subject to tariffs\*: All Products
- Invoicing: Morin Supply will implement a pricing strategy to reduce the impact to current and upcoming projects.
- Additional Impact: Quoted projects are subject to review in the event the indirect tariffs cost is significantly higher than normal escalations observed during the last 3 years.

**Looking forward**

Due to the evolving nature of tariffs, predicting their financial impact remains difficult. However, uncertainty is expected to persist until there are significant political changes.

We understand that pricing changes can impact your business, and we are committed to working with you to mitigate these effects where possible. We encourage you to share this letter with your customers to help them understand the current situation and potential unforeseen costs affecting their projects.

We encourage building owners and developers to voice their concerns to the appropriate governmental authorities.

If you have any questions or would like to discuss how these changes may affect your projects, please do not hesitate to contact us.

We appreciate your continued trust in Morin Supply and look forward to supporting your material needs. Thank you for your understanding and cooperation.

Sincerely,



Yanik Morin  
President  
Morin Supply

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