



Thursday May 30, 2019

Market Information – Tariff Removal on Steel:

To Whom It May Concern,

Please be aware of the recently announced tariff removal and the potential implications moving forward. For your convenience I have included both a copy from a leading Canadian steel manufacturer and Canadian steel mill as another point of reference. Upon review please feel free to contact your local branch representative and/or myself at your convenience.

From our perspective we advise our customers to consider the following:

- When the tariff was put in place prices were not raised as the tariff applied to exports. Accordingly, with the removal of the tariffs, we are not anticipating any reduction in market pricing.
- The removal of the tariff will foster more exports which mean fewer products for domestic consumption which means prices risk going up.
- As much as imports will always be cheaper than domestic, they will rise if domestic prices increase.

We will continue to monitor and communicate with our manufacturing partners as we move forward and update you on further changes related to costs. On behalf of SDS we greatly appreciate your business!

Respectively,

A handwritten signature in blue ink, appearing to read 'Greg Holunga', with a long horizontal flourish extending to the right.

Greg Holunga, C.I.M.
Vice President of Sales