



March 6, 2025

Re: Enacted and Pending Tariffs Impact on Pricing

Dear Valued Customer,

As widely reported, the Office of the United States Trade Representative and the Administration have and are planning implementation of new import Tariffs. Just this week, an incremental 10% Tariff on goods from China has been enacted above and beyond the recently implemented 10% Tariff totaling a 20% increase this year. Additionally, 25% Tariffs on goods from Canada and Mexico were enacted.

The situation is very fluid, and this letter is to provide guidance from our company regarding pricing as we work to transparently communicate with both our customers and vendors to navigate the uncertainty in the Pet Products industry with regard to Tariffs that are affecting various product categories.

As a wholesale distributor to you, Pet Palette has built a reputation for curated assortments, quality products, strong fill rates, short delivery times, and responsive customer service while maintaining very competitive prices. The impact of the current and forthcoming Tariffs, particularly on Chinese manufactured goods and materials are going to be felt industry wide and we are starting to receive price increase notices from a number of the brands that we are supplying to you today.

As we continue to monitor the situation closely, our goal is to ensure any price adjustments received are quickly and clearly communicated to you. We are communicating with suppliers that any adjustments need to be substantiated and are proportionate to the Tariff in rate and duration. In other words, our goal is to bring prices back to normal levels, if and as soon as, Tariffs are removed and/or reduced.

We are always in the process of vetting alternate sources for brands, materials, products and innovation from countries around the world and domestically. Therefore, if and when we re-source an item in a non-Tariff impact country, we will immediately bring these products to your attention.

We thank you very much for your business and support. We will continue to transparently update you regarding adjustments due to the current Tariff situation. Our sales execs will reach out to you with specifics on the items that you purchase from us and which ones are impacted and you can always reference the bottom of our eblasts for a list of manufacturer increases as well.

I am personally available for any reason to help develop solutions for your business.

Chris Miller, Pet Palette Distribution CEO

chris@petpalette.com