



March 19, 2025

Subject: Important Pricing Update Due to New Tariffs

Dear Valued Customers,

At Napoleon, we are committed to delivering the highest quality grill, fireplace and HVAC products to our customers across the United States. The U.S. is a vital market for our business, and we remain dedicated to investing in and growing the Napoleon brand for the long term. Over the years, we have made significant investments in the U.S., expanding our distribution network, enhancing customer support, investing in brand recognition and increasing our presence through retail placings.

Due to the recently imposed tariffs under Section 232 for Aluminum and Steel from Canada, Mexico, and China, we are facing significant cost pressures. These tariffs are part of a broader global trade challenge affecting businesses and consumers worldwide.

While we have worked hard to absorb costs and minimize the impact, the scale of these tariffs makes it necessary for us to implement a price adjustment effective on April 1, 2025.

This will be executed in the following manner;

- Dealer invoices will reflect a tariff surcharge as a separate line item to maintain transparency of this cost. This increase will be applied as a surcharge on your order acknowledgment & confirmation.
- An equal adjustment in dollar value will be added to MSRP. This adjustment will be in the range of 3%-11% depending on the product family and country of origin.
- In the interim the Dealer Experience team will be able to advise on the surcharge amount on each SKU as required. The surcharge visibility will be delayed on our Dealer Portal as we develop this capability.

This is not a decision we take lightly, and we truly appreciate your understanding as we navigate this evolving situation. We want to emphasize that this price adjustment is solely due to these newly imposed tariffs and is not part of our regular price review process.

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Due to ongoing market fluctuations and evolving tariffs, product prices may be subject to change with minimal or no advance notice. While we strive to provide as much notice as possible, current conditions prevent us from guaranteeing adequate lead time for price adjustments. We remain hopeful that these tariffs will be temporary and that trade conditions will stabilize soon.

We understand that sudden price changes may be inconvenient for both dealers and their customers. However, given the current market conditions, these changes are unavoidable. We appreciate your understanding and patience during this time.

Despite these challenges, our commitment to innovation, quality, and customer service remains unchanged.

For specific price adjustments by product family and SKU, refer to the documents area in our dealer portal. The price lists with surcharge amount will be available for download. If you have any questions, please don't hesitate to reach out to your Account Executive.

Thank you for your continued support and trust in Napoleon. We look forward to serving you and continuing to grow together.

Best regards,

A handwritten signature in black ink, appearing to read 'K Stuteville', with a stylized, cursive script.

Kimberly Stuteville
Vice President of Sales – US, Latin America