



Gexpro Services
9500 N. Royal Lane, Suite 130
Irving, TX 75063

April 4, 2022

Dear Valued Customer,

We are deeply saddened with the events that continue to unfold in Ukraine, and we hope for a quick and peaceful resolution. The implications on Russia for their actions are proving to exacerbate an already stressed global supply chain. The United States and its allies have imposed extensive sanctions on Russian and Belarusian financial institutions, individuals, and participants in many industrial and technology sectors. While Gexpro Services does not directly source from these regions, there will be impediments within our supply chain to source components and/or raw materials effectively, as demands increase for non-Russian raw material and components. We should all expect there will be delays in fulfilling customer requirements as raw material and labor constraints increase and logistics and trade lanes are disrupted.

The sanctions on Russia and Belarus are also indirectly impacting costs globally and driving excessive inflation. There are significant developments in the steel and oil markets that we anticipate will impact our ability to hold or improve costs in the coming months. The geo-political factors impacting raw materials have disrupted the market, resulting in dramatic increases in all variants of steel, including stainless steel. Sharp increases in oil & gas prices are further increasing costs on plastics and resins, along with all modes of transportation (trucking, rail, air, and ocean). These events will result in higher costs and surcharges, and we must pass on these costs.

This situation is expected to remain very fluid for the foreseeable future. While Gexpro Services will take reasonable measures to mitigate supply chain disruption, we reserve the right to declare these disruptions force majeure events beyond our reasonable control.

Together, we have overcome the challenges presented over the last two years with minimal disruptions through effective communication and collaboration. We remain committed to offer a high level of service and find creative solutions in this dynamic environment.

Best regards,

A handwritten signature in black ink, appearing to read "Raymond Herzog".

Raymond Herzog
Chief Commercial Officer

A handwritten signature in black ink, appearing to read "Megan L. Rios".

Megan Rios
Director, Global Sourcing