

OFFICIAL TRADE NOTICE — TEMPORARY FUEL & FREIGHT SURCHARGE | EFFECTIVE APRIL 2026

To: All Active Trade Accounts — Distribution Partners

From: PROKAHL — Logistics & Commercial Operations

RE: Temporary Freight & Fuel Surcharge — Calgary & Ontario Distribution Lanes

Dear Valued Trade Partner,

PROKAHL wishes to formally advise all active distribution partners of a temporary freight and fuel surcharge, effective April 2026 and applicable to select regional distribution lanes. This notice outlines the scope, rationale, and terms of the surcharge as it applies to your account.

1. Background & Rationale

The Canadian freight and fuel market has experienced significant cost escalation through Q1 and Q2 2026, driven by sustained diesel price increases, rail and intermodal carrier rate adjustments, and elevated port congestion surcharges across the Port of Vancouver. These conditions have materially increased the cost of delivering product from our Vancouver distribution hub to our Calgary and Ontario customers.

PROKAHL has absorbed the majority of these increased costs internally and continues to do so for our Vancouver-area customers. However, the sustained nature of these increases across the Calgary and Ontario lanes requires us to implement a partial, transparent cost recovery measure effective immediately.

2. Supply Chain & Logistics Structure

All PROKAHL product is sourced internationally and arrives fully landed at the Port of Vancouver on a Delivered Duty Paid (DDP) basis — inclusive of ocean freight, CBSA customs clearance, and applicable import tariffs. From Vancouver, product is consolidated and dispatched to regional markets via Canadian rail and intermodal services:

Origin Hub	Destination	Mode	Surcharge Status
Vancouver, BC	Greater Vancouver & Fraser Valley	Direct Delivery	FULLY SUBSIDIZED
Vancouver, BC	Calgary, AB	Rail — CN / CP	PARTIAL SURCHARGE APPLIES
Vancouver, BC	Ontario (Toronto / GTA)	Rail — CN	PARTIAL SURCHARGE APPLIES

3. Surcharge Schedule

The following surcharge structure is effective for all orders shipped from April 2026 onwards:

Region	Surcharge Type	Rate	Billing Basis
Vancouver & Fraser Valley	Freight Subsidy (Full)	NIL — Fully Absorbed	Per Container
Calgary, AB	Temporary Fuel Surcharge	CAD \$1,500.00	Per Container
Ontario (Toronto / GTA)	Temporary Fuel Surcharge	CAD \$1,500.00	Per Container

4. Billing & Application

The surcharge will appear as a separate line item on all applicable invoices under the designation "**Temporary Fuel & Freight Surcharge — Canada — April 2026**". It is applied once per container, regardless of SKU mix or total order value. The surcharge is exclusive of GST/PST.

5. Duration & Review

This surcharge is explicitly temporary in nature. PROKAHL is committed to monitoring freight and fuel market conditions on an ongoing basis. Should conditions normalize to pre-2026 levels, we will move to reduce or fully remove this surcharge with written notice to all affected accounts. It is our intention to revert to standard pricing as soon as market conditions permit.

6. Our Commitment to You

PROKAHL remains fully committed to delivering consistent supply, competitive pricing, and transparent commercial terms to all of our distribution partners. Our product pricing continues to represent exceptional value against comparable market alternatives — the surcharge detailed in this notice is a direct cost pass-through, not a margin improvement for PROKAHL.

We appreciate your continued partnership and thank you for your understanding as we navigate these market conditions together. Should you have any questions regarding this notice or the impact on your account, please contact us directly.

Yours sincerely,

Arsh Singh

Director, Freight & Operations

PROKAHL

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PROKAHL

Greater Vancouver Area & Fraser Valley

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