



July 25, 2019

Dear Valued Customer,

As you know, the United States and China trade impasse has continued and tariffs remain in full effect for select products and harmonization codes. The 10% tariff started on September 27, 2018 and was moved to 25% on June 17, 2019. Please see initial communication from October 26, 2018.

We, like you, hope this was a temporary situation that would be resolved and therefore had not passed the June increases to you. Unfortunately, we can no longer absorb these additional taxes and must now pass them on to you as we see this trade situation not being resolved in the near term. Your price on these select affected products will be adjusted with the tariff increase, effective for purchases made on or after August 1, 2019.

Additional information can be found on the following website <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2019/may/notice-regarding-application-section> (Office of the United States Trade Representative). A list of the items can also be found at the above mentioned website.

Your local sales representative and National Account Manager can be contacted for additional details. You can also keep up with updates at our website www.deflecto.com.

Please be assured that Deflecto is constantly looking at all sourcing alternatives to minimize impact to you and your customers. In addition, to the extent tariffs are removed or we find alternatives, we will make the appropriate adjustments to offset or eliminate the tariff.

As a global leader in several product categories we strive to deliver superior quality, innovative products and competitive pricing. We value your business and look forward to our continued partnership.

Respectfully,



Kenneth Smith
Vice President, Sales



October 26, 2018

Dear Valued Customer,

As you know, the United States and China tariffs are in full-swing. The 10% tariff started on September 27, 2018 and will move to 25% on January 1, 2019. We did not implement the 10% tariff on September 27, 2018 but will be implementing it on October 27, 2018 and 25% tariff on January 1, 2019. We, like you, hope this is a temporary situation. Additional information can be found on the following website <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2018/september/ustr-finalizes-tariffs-200>. (Office of the United States Trade Representative) A list of the items can also be found at the above mentioned website.

Your local sales representative and National Account Manager can be contacted for additional details.

Please be assured Deflecto is constantly looking at all sourcing alternatives to minimize impact to you and your customers. As a global leader in several product categories we strive to deliver superior quality, innovative products and competitive pricing. We value your business and look forward to our continued partnership.

Respectfully,

A handwritten signature in cursive script that reads "Kenneth Smith" with a small "SS" monogram at the end.

Kenneth Smith
Vice President, Sales