



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".

Kenneth Smith
Vice President, Sales