



www.caplugs.com
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September 26, 2018

Dear Valued Customer,

The United States Trade Representative (USTR) has imposed a 10% tariff on Section 301 - List 3 items. These tariffs are effective September 24, 2018.

While we have been able to hold pricing from previously passed tariffs, the tariff on List 3 items brings a heavy impact to our business that we are unable to absorb. Therefore, effective Wednesday September 26, 2018, Caplugs will apply a surcharge of 7% on all molded rubber, silicone parts and masking hooks imported from our facility in China, to help offset a portion of the increased tariff burden.

The tariff situation continues to develop and evolve; should the situation change, we may increase, decrease or eliminate the surcharge applied to affected products.

The Caplugs Customer Service team will confirm Purchase Orders with the 7% surcharge added to applicable products.

Thank you for your support. We look forward to continuing to serve your needs in the future as a trusted supplier and partner.

Sincerely,

A handwritten signature in black ink, appearing to read "Hans Nilarp".

Hans Nilarp
Director, Masking and OEM Rubber
Caplugs