

June 10, 2019

Dear Valued Customer,

This is a follow-up correspondence to the letter we emailed you on May 13, 2019, pertaining to a 17% surcharge on all Caplugs products imported from our facility in China. The surcharge was a result of the United States Trade Representative's (USTR) Tariff increase to 25% on Section 301 - List 3 items of Chinese imports.

Upon further review of the affect this surcharge will have on our customers as well as end users, we have decided to make the following changes for molded masking products and hooks:

- In order to avoid delays in order processing, instead of a surcharge the increase will be applied to the piece price.
- The increase will be reduced from 17% to 12%.

These changes are effective immediately as of today, June 10, 2019 and are for molded masking products and hooks only.

Our goal is to provide you with quality products at a competitive price, therefore we will continue to review our pricing as the tariff situation continues to develop and evolve.

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

Sincerely,



Hans Nilarp
Director, Masking and OEM Rubber
Caplugs