

## NOTICE OF PRICE INCREASE

**June 7, 2019**

Dear Valued USD Products Customer,

As you are most likely aware, the Federal Government has been imposing tariffs on a wide range of goods imported from China. Unfortunately, as of May 10th, 2019, the US government has increased the Tariff from 10% to 25% on goods manufactured in Mainland China. Many of the affected products are sold in our industry, and some of them are sold by USD Products. Since June of 2018, we have been analyzing the impact of these tariffs and as much as we had hoped that negotiations between the U.S. and China would have mitigated or eliminated this action, it appears it is not going to happen.

USD Products will not be able to absorb the full additional costs that the new duty represents, as it now encompasses nearly all product lines. Regrettably, we have to put forth a price increase to help offset these new costs.

It is always our goal to make sure we always put you in the best possible market price position and as such, we have exercised our influence with our factories in putting our best efforts to keep the price increase to a minimum.

Effective July 1st, 2019 new pricing will take effect. You will be receiving your updated price file from our office by June 17th, 2019. We highly encourage you to analyze your current stock and take advantage of current prices before this new price increase takes effect. As soon as a Trade deal is confirmed between the USA and China these prices will be adjusted back to normal levels.

Thank you for your understanding and support through these difficult times. Please contact your Sales Representative for any additional questions.

Sincerely,

USD Products, Inc. Management

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