



Tariff Increase

May 14, 2019

FSC Lighting U.S. Customers

Subject: Tariff Increase

The United States and China had been nearing a trade deal in recent months and we were all very optimistic a deal between the two countries would be reached. As the deadline nears, it appears that current negotiations have stalled. President Trump responded by raising existing tariffs to 25% and could impose new tariffs on an additional \$325 billion worth of products.

These tariff increases were effective Friday, May 10th, 2019. As a result of these actions, FSC Lighting will be forced to pass the additional expenses on to our customers on impacted products.

Effective May 17th, your prices may increase as much as 10% - 15% to cover these additional expenses. If the two countries reach an agreement and the additional tariffs are lifted, FSC will revert back to the old pricing, provided the delivery wasn't impacted by even a temporary increase.

We are watching this very closely and will update as necessary.

Best Regards,
Chad Treadwell, CO