



May 29, 2019

Subject: Government Tariffs/Josam Reinforcement of Current Price Guide

Dear Valued Customer,

On November 5, 2018 we sent you a letter announcing our new 2019 price guide that went into effect on January 1, 2019. The increase reflected in our 2019 list price increase was in response to the 10% tariff that the government implemented on all goods being imported on September 24, 2018 and after. In this same letter we notified you that we would continue to monitor and keep you informed of serious conversations regarding an additional tariff being imposed. As I am sure you are aware, on May 10, 2019, U.S. Section 301 List 3 increased the tariff from 10% to 25% on goods imported from China.

Although Josam Company will immediately bear an additional 15% burden that has been imposed by the most recent tariff, we will continue to remain on our 2019 list price guide. We will continue to monitor the international situation and impact to our company and we will keep you informed and reserve the right for an immediate multiplier or list price increase if necessary.

We truly value your continued business and support and are committed to remaining competitive in the marketplace.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Scott Holloway Sr.", written in a cursive style.

B. Scott Holloway Sr.
President/CEO

JOSAM COMPANY

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