



September 21, 2018

Dear Customers,

Earlier this week the Office of the United States Trade Representative (USTR) released a list of approximately \$200 billion worth of products imported from China that will be subject to additional tariffs. The additional tariffs will be effective starting September 24, 2018, and initially will be in the amount of 10 percent. Beginning January 1, 2019, the level of the additional tariffs will increase to 25 percent.

The majority of products sold by Zettler Magnetics can be found on this list. Accordingly, this additional cost will be passed along as a surcharge line item rather than an increase in product unit cost. This surcharge will apply to all open orders shipped from Zettler Magnetics beginning October 1st, 2018. Invoices after this date will have a separate line item designated "surcharge".

Please contact your Zettler Magnetics Sales Coordinators with any questions or information as to how this applies to you.

For further information from the USTR, please visit www.ustr.gov.

Sincerely,

Lee Hancock
President
Zettler Group