Letter to Customers

Our Valued Customers,

The <u>tariffs</u> announced by the Office of the United States Trade Representative (USTR) under the Section 301 Action went into effect on July 6th, 2018 with additional products added to the list on August 23rd. All items identified, as classified, under the Harmonized Tariff Schedule of the United States (HTSUS) with a country of origin of China are subject to a 25% duty upon importation into the United States. See <u>List 1</u>, <u>List 2</u>, and <u>List 3</u>.

WDC continues to work toward minimizing the impact of the tariffs to our customers. We are working with our global suppliers to minimize impact on the supply chain yet adhere to the law. Due to our inventory position, we have been able to delay the immediate impact of the tariff in most instances.

WDC is responding to customer requests to identify products impacted if and when they occure. Again, the tariff only impacts products with specific HTS codes, with a listed country of origin of China, and consumed within the United States. There is no impact on pricing for products within WDC's stock shipped outside the United States.

This is a dynamic situation and we will continue monitoring the situation and exhausting all avenues to mitigate any impact or uncertainty in your designs or supply chain.

Any immediate questions please send to David.Cramer@WesternDesignCenter.com

Thank You.

David R. Cramer Vice President- Business Development PH: 480-962-4545 Ext 1