October 16, 2018

Dear Customer,

Recently, the United States Government announced new tariffs on goods and materials that are manufactured in China. Some of Fowler’s economy line products are included on the lists of goods that are already incurring new tariffs of 10%. These product tariffs will be increasing to 25% on January 1, 2019.


While Fowler High Precision is taking steps to alleviate the impact of these new tariffs on our customers, we must pass along a portion of the new tariffs. Effective December 1, 2018, Fowler High Precision will apply a 10% tariff surcharge to those specific products affected by new tariffs.

Even though the new tariffs will be increasing our cost by 25%, we are passing along only a 10% surcharge. Unfortunately, we cannot completely absorb the increased tariff burden while maintaining our current inventory and product service levels. When you purchase a product from Fowler, after December 1, 2018, (that is affected by the new tariff) your invoice will show a “Tariff Surcharge” as shown below:

<table>
<thead>
<tr>
<th>Part Number</th>
<th>Qty</th>
<th>Description</th>
<th>Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>54-101-150-2</td>
<td>1</td>
<td>6”/150 ELC CAL PR BLUE</td>
<td>49.73</td>
<td>49.73</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tariff Surcharge</td>
<td>10.00</td>
<td>4.97</td>
</tr>
</tbody>
</table>

We regret having to take this action and as soon as the tariffs are removed or decrease, we will immediately decrease and or remove the tariff surcharge. Thank you for your understanding and continued business.

Best regards,

David Francis
President, CEO
Fowler High Precision