



Price Update Product Letter 2019.T6 USA

May 9, 2018

To: Office Supply Resellers
From: Victor Technology LLC
Subject: July 1, 2019 US Prices for Victor Brand Products, Sharp Brand Calculators, and Rapesco Brand Products

Under USTR-2018-0026, the United States Federal Government implemented a 25% tariff on many items made in China effective May 9, 2019. Previously, the tariff was 10%. This includes:

- Sharp calculators under the harmonized codes 8470.10.0040 and 8470.21.0000. As a result, the price of Sharp products will increase 0% to 11.5% effective July 1, 2019.
- Victor products under the harmonized codes 4420.90.8000, 8470.10.0040, 8470.10.0000, 8470.21.0000, 8473.21.0000, 9403.30.8000, 9403.10.0040, 9403.70.8020, 9403.70.4020, 9017.80.0000, and 8302.50.0000. As a result, the price of Victor products will increase 0% to 10% effective July 1, 2019.
- Rapesco products under the harmonized codes 8472.90.9080, 8205.59.8000. As a result, the price of Rapesco products will increase 0% to 10% effective July 1, 2019.

This increase has been accepted by all customers on or before July 1, 2019. Customer purchase orders received after the effective date of the increase will not be shipped until the new pricing is acknowledged and accepted. No additional rebates and/or allowances will be made available to any customer that would serve to mitigate the price increase.

Given the magnitude of the tariff and associated price increases, customers will have a strong incentive to order additional product ahead of the implementation of price increases. We are taking steps to prevent stock outs and to ensure recovery of the tariff costs. Inventory will be allocated until the price increase takes place. Customers will be allowed to purchase no more than the last 12 month's average monthly quantity for each item impacted by the tariff. After the price increases are implemented, the volume limits will be removed. During this period of allocation, no fines for unshipped orders beyond the allocated volume limit will be honored or paid. Back orders on record as of July 1, 2019 will be canceled.

In the near future, should the tariffs be eliminated, after an undetermined time, prices will be reduced to prior levels adjusted for non-tariff related price changes. At that time, no price guarantees will be honored for existing inventory.

Regards,

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