

May 17, 2019

Dear Valued Customer,

As you are aware, The U.S. Department of Commerce and the U.S. Trade representative (USTR) have announced an additional 15% tariff on a variety of products being imported from China which includes lighting products. As of today, a 25% tariff has been placed on certain product categories PQL imports from China.

PQL is committed to protecting our customers from the adverse impacts of rising costs in an effort to help maximize the return on investment derived from our products. We have spent considerable time researching how best to manage these tariffs as a company while continuing to deliver quality products at the most competitive price possible. Although we were able to absorb much of the original 10% tariff put in place in September, 2018, we will not be able to continue this practice with this new round of tariffs.

**How does this affect you?**

Effective June 15, 2019 there will be a price adjustment on all items affected by the tariffs.

All orders shipped on or after June 15, 2019 will be subject to a price adjustment. I would encourage you to place orders as quickly as possible, while inventory is on hand, prior to our need to implement this price increase.

Should you have questions regarding this price adjustment, please reach out to your sales representative.

Thank you for your support and loyalty to PQL,  
Sincerely,

*Andy Sreden*  
CEO  
P.Q.L., Inc.

## **FAQ'S**

### **REGARDING THE 6/15/19 PRICE ADJUSTMENT**

**Q: How much will the price adjustment be?**

A. There will be a 15% increase on all items affected by the tariffs. Please check with your salesperson for a complete list of Items included in the **Section 301 Tariff**.

**Q: Can I place a price protection order?**

A. Any order invoiced after June 15 will include the **Section 301 Tariff**. Place orders ASAP to ensure the lowest prices before the newest government policy takes effect.

**Q: If I order now and you are currently out of stock, will I have to pay the higher price on the back order?**

A. Any item invoiced after June 15 will include the **Section 301 Tariff** regardless of the order date or back order status. Invoices are released when the product ships.

**Q: Will current stock be eligible for the 15% increase or will the increase only apply to new stock?**

A. All Products included in the **Section 301 Tariff** will be affected on June 15th, regardless of when the product was exported from China.

**Q: How long will the price increase be in effect?**

A. No one knows how long the tariffs may last; however, we will continually monitor the developments of the current trade policies of **Section 301 Tariff** and will inform you of any future price changes.