



DATE: June 1, 2018

As most of you are aware, the United States government recently imposed tariffs on both imported steel and aluminum aimed at reducing unfair trading practices. Additionally, the temporary exemptions for countries including Canada, Mexico, and the European Union among others, have expired with no resolution in sight. Steel prices have already increased sharply and the guidance we are receiving from our suppliers is that prices will continue to rise as the result of the tariffs. The resulting cost impact on our products is significant as steel comprises the largest percentage of our raw material spend.

Due to the significant and sudden increase in steel prices, we are not able to fully absorb the extra cost. As a result, we are forced to implement a price increase of 4% on equipment sales beginning August 1st, 2018. We remain committed to cost management through continuous improvement in all aspects of our business to minimize the impact of this type of inflationary pressure.

Scott Jordan

A handwritten signature in black ink, appearing to read 'Scott Jordan', written in a cursive style.

President – Standex CSG