

10/18/2018

To Our Valued Customers,

As you are aware, the President of United States, to reduce trade deficit, has enacted a series of tariffs that affect select goods and products manufactured in China. We are all beginning to feel the burden of this, as other manufacturers are as well. Many tariffs have been in effect since July 2018; we avoided an increase in hopes that the tariffs would have been reversed, however they only seem to be growing as time goes by. For this reason, we have no choice and must increase our prices. Please accept this as a letter of intent to increase our prices, effective January 1, 2019.

Many of Royal Sovereign's categories are affected by this bill, including but not limited to:

10%+ Tariff (Currently in place) / 15% Additional (estimated for 1/1/19)

- Desktop Laminators
- Shredders
- LED Signs
- Coin Sorters
- Bill Counters
- Cash Boxes
- Portable Air Conditioners
- Dehumidifiers
- Heaters / Fans

25% Tariff (Currently in place)

- Counterfeit Detectors (& Parts)
- Pouch Film
- Water Dispensers

Specific pricing related to your assortment will be communicated through your National Sales Manager. Please note that Royal Sovereign will not be offering additional allowances to mitigate the price increase.

We value you as a partner and thank you, in advance, for understanding,

Sincerely,



Danny Ahn
VP Sales, Marketing, Operations
Royal Sovereign International

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