August 24<sup>th</sup>, 2018

Re: Section 301 Import Tariffs

Dear Valued Customers,

As communicated earlier, effective September 4<sup>th</sup>, 2018 NorComp will begin collecting tariffs on products where the country of origin is China and the HTS code designates the part as being subject to tariff. *A 15% tariff charge will be added to all impacted products*. Fortunately, over 80% of NorComp parts are not subject to tariffs. For a complete listing of NorComp parts subject to tariff, please contact <a href="mailto:sales@norcomp.net">sales@norcomp.net</a>.

In an effort to assist you with tariff administration, we will not impact our selling price to you. All new orders received effective September 4<sup>th</sup>, 2018, will be acknowledged and invoiced with the tariff charge as a separate line item for each impacted part. Also, all parts subject to tariff and currently on backlog that are shipped after September 4<sup>th</sup>, will be invoiced with the tariff charge on a separate line item.

We regret that we have no alternative but to pass on these additional costs. Please be aware that we value your business and are reviewing our own supply chain to mitigate the impact of these new tariffs. We will advise as we have more information.

If you have questions regarding these tariffs, please contact NorComp directly at sales@norcomp.net or call us at 704-424-5448.

Thank you for your continued business.

Sincerely,

John D. McGowan General Manager