



2/8/2019

Subject: Update on USTR Tariffs and Pricing

On December 5, 2018 Progress Lighting communicated the postponement of our previously planned tariff and material increase for January 1, 2019 until further notice.

Based on recent government proceedings, Progress confirms that this increase, an average of 15%, will move into effect starting March 18, 2019 on select finished good SKUS manufactured in China, as well as other finished goods indirectly affected by tariff components. This increase is part of the U.S. Department of Commerce and the U.S. Trade Representative (USTR) implementation of a 25% tariff, starting March 1, 2019. Complete Ceiling Fans (unipack fans or fans with motor and blades in one box) are exempt from tariff related increases.

Orders placed before March 18, 2019 with immediate release, defined as released for immediate shipment, will be invoiced at current prices. Orders placed before March 18, 2019 without immediate release will be invoiced at the new prices. All orders irrespective of quotation date, entered on or released after March 18, 2019 will be invoiced at the new prices.

The new DN price list for March 18, 2019 will be available on March 3, 2019 by logging on to MyHubb. Due to the fluidity of the situation, we will not be publishing printed versions of our lists however our field Sales Representatives will have access to excel versions for distribution through our AMRC portal as in the past.

We understand that the tariffs are still in flux and the situation is fluid. It is our intent to give our customers as much notification as possible, so that they can plan accordingly. Progress Lighting began paying the tariffs on products imported from China on September 24, 2018. If the tariffs are rescinded, we will rescind as well one month afterwards to cover the tariffs we have paid on all goods received at the higher rates.

We are sure you will understand these price adjustments are necessary and due to factors out of our control. We must adhere strictly to this price change schedule to protect our company interests and treat all customers fairly. We will not be able to accept any purchase orders with incorrect pricing received after the announced effective dates.

If you have any questions regarding these price changes, please contact your Sales Representative.

Sincerely,

Todd Roy
Director of Sales