



Powering Business Worldwide

Eaton Lighting Business
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Date: September 21, 2018
To: Distributor and Agent Partners
Subject: Update on USTR Tariffs and Pricing

On September 17, the U.S. Department of Commerce and the U.S. Trade Representative (USTR) provided a one week notice as to the implementation of a 10% tariff effective September 24, 2018 and increasing to 25% on January 1, 2019 on Chinese-manufactured components and finished goods.

On August 21, 2018, as part of Eaton Lighting's 6% average price increase notification (attached for reference), Eaton noted that details on tariffs would be dynamic and that Eaton would adjust impacted items providing as much notice as provided to the industry. Subsequent updates from Eaton Lighting also noted that based on the potential impacts related to the \$200B in additional tariffs, there was a high probability that selected products would see an additional increase during the month of October.

Effective October 1, 2018, Eaton Lighting will be adjusting pricing on products produced in China by 10%, along with the previously-announced increase. Details of the total increase, by individual product lines, are now available and can be obtained by contacting your Eaton sales representative.

We are committed to our partners and customers and will continue to invest in developing and delivering innovative, cost-effective lighting solutions. We value your business and thank you for your continued support and patience as we both navigate through these dynamic challenges in the market.

For additional information please contact your local Eaton Lighting salesperson.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Melchiors".

Joe Melchiors
Vice President, Sales