

September 21, 2018

Tariff Update

The latest list is complete; however, more increases might be coming in 2019.

In a recent press release, the Office of the United States Trade Representative (USTR) stated additional tariffs at a rate of 10 percent will go into effect on September 24, 2018 followed by potential increase to 25 percent beginning January 1, 2019. The list includes 5,745 full or partial import classification lines valued at roughly \$200 billion.

Due to the release of these new tariffs on Chinese imports, the impact to AmerCareRoyal will be felt among select products within the following product categories:

- Bags
- Chafing Fuels
- Filters & Accessories
- Nitrile Gloves
- Guest Checks
- Scouring Pads & Screens
- Paper Cups & Lids
- Paper Goods
- Protective Wear
- Take Out Packaging

While we are working aggressively to minimize the impact of these tariffs, this decision by the USTR will inevitably affect customer pricing.

This most recent list of items represents the third published list of goods to receive increased tariffs. Earlier this year, lists were published on July 6 and August 23 impacting roughly \$50 billion worth of Chinese imports while directly impacting a variety of AmerCareRoyal products.

For the most up to the minute information as it is released by the US Government, please go <u>here</u>. The official press release mentioned above is <u>here</u> along with the list of items.

Our team of dedicated AmerCareRoyal employees, living and travelling overseas are working with our manufacturing partners to ensure our supply chain is minimally impacted. We are considering strategic options to minimize the effect of these tariffs on our customers. As we receive new information around tariff impacts, we will keep you informed.

Thank you for your business!

Director of Marketing AmerCareRoyal