



November 1, 2019

Subject: January 2020 Price Update

Dear CFS Brands Customer,

In order to remain competitive, we have experienced increases in wage rates and employee insurance costs as well as investments in innovation and channel marketing. In addition, we have absorbed the tariff increases on a number of products that were put into effect late last year. As a result, early in November you will receive new product price lists that go into effect January 1, 2020.

Wherever possible we are holding product pricing, however, certain products have experienced cost increases and although we have taken every effort to mitigate the tariff impacts that will be fully in effect for "Lists 1 - 4" on December 15th, 2019, we must pass on both increases to the customer. You can anticipate annual product pricing to go up by approximately 5% along with an additional increase of 1.3% for tariffs across all our Carlisle, Dinex and San Jamar brands. Our Marko/Snap Drape brand prices will not be affected. Escali tariff impact is pending further evaluation.

CFS Brands remains committed to investment in infrastructure improvements and growth with our key partners through continued innovation in new product solutions. We endeavor to provide pricing structures that are both competitive and allow our distributor partners the opportunity to optimize customer engagement and profitability. As part of our efforts to remain competitive, we perform comprehensive evaluations of our pricing practices. Results of those evaluations require us to make certain adjustments to the existing discount structures.

On or around November 1, 2019, we will provide you with updated item pricing files. We ask that you work with your CFS Brands representative and use these files to update the cost files in your purchasing system. **The new pricing structure will be in effect for all orders received after December 31, 2019.** Orders received on or before December 31st where the customer authorizes immediate shipment will be entered using the current pricing structure.

We thank you for your continued partnership and look forward to working with you in 2020 and beyond.

Sincerely,

Anthony Kehoe
Vice President, Sales & Marketing
CFS Brands

Postscript: CFS Brands Piper/Lacrosse and EL Castor products will be communicated in a separate letter.