



November 30, 2018

Dear Keystone Customers and Channel Partners,

Earlier this summer, the U.S. Department of Commerce imposed 25% tariffs on approximately \$50 Billion of Chinese imports, including some lighting components and related products. On September 24th, the U.S. began collecting a 10% tariff on about \$200 Billion of additional Chinese imports, including many lighting components and finished goods. Effective January 1st, 2019, this 10% tariff will rise to 25%. Additionally, as LED systems replace legacy technologies, unit-manufacturing costs of legacy products have risen as volumes decline.

While Keystone continues to realize benefits from our cost containment programs, these cost increases present too much pressure for Keystone to absorb entirely. Therefore, effective on orders placed from **January 1st, 2019, prices will rise up to 25% on affected products.** Note that LED tubes and LED lamps are not impacted at this time. All outstanding job quotes will be honored according to the terms and conditions set forth on the job quote.

We recognize that price increases present a tremendous disruption to your business and we are here to help make this transition as easy as possible for you. As always, we promise to be transparent, fair, and responsive to your needs. As your partner, we are in this situation together and will work closely with you to make sure you experience as little impact as possible. New price sheets will be available to you by December 17th, 2018 on our portal at www.KeystoneTech.com or by contacting your Keystone Sales Representative. If there is anything we can do to help ease this transition, please let us know.

Please note this price increase only considers tariffs announced thus far. If additional tariffs go into effect, it should be expected that there will be a corresponding price increase on affected products.

Thank you for your continued partnership.

Regards,

Ira Greenberg

Chief Executive Officer