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October 15, 2018

Re: Tariff Notice – New Prices

Dear Valued Customer,

Dorfman Pacific remains committed to our customers by providing a large, branded selection of stock headwear and handbags, outstanding customer service, and extraordinary value. We, like all Americans, are impacted by the recent and significant tariff increases imposed by the U.S. Government on items manufactured in China. Unfortunately, we don't have control over these actions.

As of September 24th, additional tariffs of 10% were imposed. As of January 1, 2019, the additional tariffs are scheduled to increase to 25%. These are on top of duty rates prior to September 24.

In light of these changes, we have decided to honor current prices for orders shipping before December 31, 2018. Dorfman Pacific will absorb the impact of the additional tariffs for these orders. For orders shipping after December 31, 2018, we will be implementing a new price list.

After the new year, Dorfman Pacific prices on items manufactured in China will increase approximately 15%. While this increase doesn't fully offset the incremental tariff impact, we wanted to send a signal of partnership with our customers. In the event that the additional tariffs are removed, we stand ready to adjust our prices appropriately.

Dorfman Pacific sources products from all over the world. Rest assured that we will continue to work tirelessly to develop and manufacture quality products at an extraordinary value. If you have any questions regarding these changes, please contact your sales representative or our customer service team at:

Email: dpagreements@dorfman-pacific.com
Phone: 800-367-3626 (M-F, 6:30am-5:30pm PST)

As always, we appreciate your business.

Sincerely,

Mike Binnie
President/CEO



Q&A Topics

Q: What if I have already placed an order?

A: Any order that is currently in-house or any future order placed that has a ship date prior to December 31, 2018 will be invoiced at current prices. Orders shipping after December 31, 2018 will be invoiced at the revised tariff pricing (on products manufactured in China).

Q: What if I place a new order that ships prior to December 31, 2018?

A: All orders that ship prior to December 31, 2018 will be invoiced at current prices.

Q: What products are subject to the new prices?

A: All headwear and handbags manufactured in China will be affected by the tariff and will fall under the new pricing structure as of 1/1/19. Pricing for items not manufactured in China remain unchanged.

Q: What if the incremental tariffs are reversed?

A: In the event the tariffs are not invoked or are reversed, Dorfman Pacific will make appropriate price adjustments.