1806 Buchannan St, Brenham, TX 77833 979.830.8030

National Equipment Corporation

Subject: 2020 Price Increase (Effective January 3, 2020)
Date: December 17, 2019

Dear NECO Customer,

This letter is to serve as your official notification of a new price list, which will go into effect January 3rd, 2020. Thus, all orders received after the close of business on Thursday, January 2nd, 2020 will be affected by the new prices. Your updated price files are attached with this letter.

Due to the impact of the Section 301 tariffs along with continued increases in raw materials, transportation, and labor, NECO will be implementing a **price increase of 1%** across **all products** effective **January 3rd, 2020**.

On September 1st, 2019 The Office of the United States Trade Representative (USTR) had issued a 15% tariff on a large list of items which affected NECO's Aluminum products. At the time we decided to hold on price increases and to continue to monitor the USTR actions. Per a Federal Register notice issued on 12/13/2019, the USTR will issue a notice reducing the original 15% rate "in the near future". The expected reduction is half of the original rate bringing the new rate to 7.5%.

Due to the actions described above not meeting our expectations, we began to analyze on how best to implement new prices. We have decided that it was best to blend the price increase with our other products in order to alleviate the cost burden to our customers. This blended increase not only helps our customers but also helps NECO in dealing with our other cost increasing factors.

We will continue to monitor the USTR actions and communicate any changes to the tariff rate, implementation date, or scope of items that would affect this announced increase or future increases accordingly.

Sincerely,
NECO | National Equipment Corporation

Robert Collier
President