



November 27, 2018

TO: Our Valued Customers

RE: Dixon Valve Price Increase Effective January 2, 2019

Please allow this letter to serve as official notification of a new price list, which will go into effect on January 2<sup>nd</sup>, 2019. Your updated price files are attached to this letter.

The second half of 2018, although rife with opportunities for growth, has also been marked with turbulence. Manufacturers have been hit with tariffs on many global products, and the future remains unsettled. Additionally, cost increases on domestic raw materials are also increasing. As a result, we will have a blended increase of 6.85% across all products effective January 2, 2019.

The reasons for our blended increase are multiple. In addition to increases in domestic raw materials; transportation, insurance, health care, and wage pressure are all contributing factors.

There will be changes made to Dixon's prepaid freight policy and drop ship fee for 2019. Prepaid freight will move from \$1,000 to \$1,250. Drop ship fees will only be imposed on orders less than \$100.

Please note that the situation in the marketplace is not stable. As we learn more about potential tariffs, more price adjustments may be necessary. Fortunately for Dixon, most of our products are manufactured domestically, which limits our exposure to the tariffs on foreign goods. If new tariffs are imposed, standard notice may not be able to be granted before new prices go into effect.

We remain committed to manufacturing products in the United States, and we remain committed to controlling our costs the best we can. Thank you for your business. We appreciate it!

Sincerely,  
Dixon Valve & Coupling Co.

Scott Jones  
Vice-President

**Dixon**

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