



SUN9322, Revision 1.0 - Tariff Justification Letter

Dear Customer:

We would like to inform you that, due to the enforcement of Government tariff regulations, there may be a tariff charge added to purchases of Sunhillo products that will be reflected on our quotes.

At this point in time, tariff rates are fluctuating on a part-by-part basis depending on the country of origin and nature of the part. Some of the components used in our Products are expensive, and tariff changes will increase the costs of these parts. We receive separate tariff charges from our suppliers when the parts reach our suppliers' dock. Our suppliers do their best to provide the lowest prices on material to keep costs down; however, we have limited information on tariff charges when quoting our customers and when placing our orders for material to our suppliers.

Our method for recovering the tariff charges will be very transparent to all our customers. For each quote that we will provide, a separate line item will be added that will denote the Tariff Recovery Charge (TRC). The TRC may go up or down based on our actual tariff charges and will be reviewed on a quarterly basis. Note that the TRC excludes charges related to software, services, delivery fees, and maintenance agreements.

We appreciate your understanding and continued partnership during this transition. Please feel free to reach out with any questions, and we will answer to the best of our ability. Thank you again for your business, and we look forward to working with you as we navigate through the current tariff climate.

Our primary goal is to ensure you receive high-quality Sunhillo products while maintaining 100% compliance with all applicable laws and regulations.