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Price Increase effective July 15, 2018

Dear Valued Customer,

Since our last price increase in late 2015, we have experienced substantial increases in labor, healthcare and raw material costs. So far, Wetmore has consistently tried to absorb these escalating costs by implementing broad efficiency and productivity initiatives, preventing any price increases.

On March 23, 2018, a proclamation mandating a 25% tariff on steel imports under section 232 of the Trade Expansion Act of 1962 took effect. This tariff has been implemented and is applied to the high-speed steel and cobalt bar stock that Wetmore, and the broader industry uses, further adding increased costs to our supply chain.

Due to these significant, uncontrollable market and regulatory changes, Wetmore is obliged to increase prices on affected products effective July 15, 2018.

We are undertaking this difficult course of action to preserve the viability of our supply chain and maintain the superior quality cutting tools needed by our customers and industry.

We thank you for your continued business and support.

A handwritten signature in black ink that reads 'Phil Kurtz'. The signature is written in a cursive style with a large 'P' and 'K'.

Phil Kurtz, Vice Chairman

A handwritten signature in black ink that reads 'Jerome David'. The signature is written in a cursive style with a large 'J' and 'D'.

Jerome David, CEO