



PRECISION PLUMBING PRODUCTS

802 SE 199th Avenue, Portland, Oregon 97233
PHONE: (503) 256-4010 FAX: (503) 253-8165

October 27, 2022

Re: Price Increase ClearFlow nipples

Valued Precision Plumbing Products Customers,

Below, please see language supplied by sourcing department on PPP Clearflow nipples. At this time, PPP will be forced to pass along these costs.

REF.: 2023 Precision Plumbing Price Increase

First and foremost, thank you for continuing your partnership with (us) throughout the years and allowing us to serve your company. While we have experienced rising costs in the last few years across several raw materials categories, unprecedented 40-year inflation has continued to drive up prices. Inflation has now spread past commodity raw materials into most areas of the economy and specially impacting the cost of labor and energy.

(We are) implementing a 5% price increase to cover a portion of the increased costs we experienced from inflation, and to help us recover from the overall increase incurred over the past two to three years. The revised pricing and purchase orders which need to be adjusted can be found on the attached excel spreadsheets included with this letter, titled **“2023 Pricing_Precision Plumbing Products”** and **“Open PO’s to Adjust_Precision Plumbing Products”**.

All purchase orders need to be updated with the new pricing and will be invoiced through a revised or separate invoice. You agree to pay the applicable price increase under the standard payment terms in the agreement *and adjust your existing PO to reflect this price increase.* (We) request to receive your acceptance of this price adjustment within (30) days after the date of submission of this letter, to secure the promised delivery dates.

In addition to the above price increase, (We are) continuously working to increase our production capacity and capabilities by investing on machinery, tools and supply chain. (Our) annual production planning efforts are critical to secure the capacity expansion and meet our customer’s demands. As a result, (We are) implementing a cancellation policy to ensure we can fulfill as many customers’ orders within our production schedule as possible.

(Our) cancellation policy will apply to all 2023 orders, 2024 orders, and beyond. (Our) cancellation policy states: All orders acknowledged by (us) are considered firm (“Firm Orders”). The customer will be responsible for a cancellation fee of thirty percent of the initial total order value upon partial or full termination of a Firm Order(s) canceled within nine months from scheduled delivery. The customer will be responsible for a cancellation fee of one hundred percent of the initial total order value upon partial or full termination of a Firm Order(s) canceled within ninety days from scheduled delivery. However, for orders with scheduled shipment in 2023, Customers may delay their delivery dates up to 6 months **provided the**





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requested delayed delivery date remains in the 2023 calendar year, from (our) order acknowledgment, for previously acknowledged 2023 orders without penalty.

Unlike the verbiage above, we set out to be your partner. PPP will honor all pricing on current Purchase Orders to the extent our inventory allows. However, any new ClearFlow purchases will be at the new pricing.

This increase will include all SKUs on ClearFlow product and will be ~ 5-6%.

Please visit PPP's website: www.PPPinc.net in the near future to download an updated price guide. As always, feel free to contact me with any questions or concerns.

Brandon Gunnell
VP
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