



May 7, 2019

Dear US Customers and Partners,

I am writing to update you on tariffs imposed by the United States government on certain networking hardware products manufactured in China that are imported and sold in the US, and to inform you of a potential price increase associated with the tariffs for our US customers.

In September 2018, the US government announced a 10% tariff; subsequently on November 1, 2018, we implemented our first price increase in many years. Later that month, we shared that the US government projected an aggregate 25% tariff scheduled to take effect January 1, 2019, and that we planned to further increase prices on select products to offset tariff-related costs. Shortly thereafter, the US government postponed the January 1 tariff increase while they continued to negotiate trade policy with the Chinese government. At that point, we postponed our January 1 price increase.

As you may have read over the last few days, trade talks between the US and China are at a potential impasse and the US government may now initiate the projected 25% tariff as soon as Friday, May 10. Whether this tariff increase happens this month, or in the months to come, I want to inform you that Extreme will implement a modest price increase on select products shortly after any official tariff increase that the government announces.

We appreciate your continued support as we effectively manage our supply chain to provide value and quality for our customers.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bob Gault', written in a cursive style.

Bob Gault

Chief Revenue and Services Officer
Extreme Networks