



**Falmouth Products**

Division of Product Recovery Management, Inc.  
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April 17, 2025

**Statement Regarding Global Economic Conditions and Proposal Pricing**

To our valued clients and partners,

Falmouth Products, a division of Product Recovery Management, Inc., is committed to providing high-quality solutions while navigating the current complex global economic landscape. We are acutely aware of the pervasive impact of tariffs and related economic uncertainties affecting businesses across the United States.

In light of these challenges, all proposals issued by Falmouth Products today reflect a careful balance between our existing well-established inventory and proactive mitigation of anticipated future cost increases, which remain uncertain. The pricing presented in our current proposals is approximately 5% higher than our 2024 base pricing and includes a modest margin to partially offset marginal cost escalations we are already experiencing.

Please be advised that if a system order is received based on a proposal issued today, Falmouth Products cannot guarantee acceptance of the order at the face value of the proposal without a subsequent review. We will need to assess prevailing economic conditions and any further cost increases that may have occurred since the proposal date, which are largely outside of our direct control.

While FALCO units are proudly manufactured 100% in-house **by Falmouth Products**, our production relies on a combination of domestic and global subcomponents. Both domestic and, more significantly, global component sourcing are currently experiencing pricing volatility due to tariffs and related factors.

We appreciate your understanding and patience as we navigate these challenging economic times. Falmouth Products remains dedicated to providing transparent and fair pricing while ensuring the continued delivery of our reliable and high-performance systems. We are hopeful that our in-house manufacturing capabilities will allow us to effectively manage potential pricing adjustments. We are committed to open communication and will work diligently to minimize any impact on our valued customers.

Thank you for your continued trust in Falmouth Products.

Sincerely,



The Team at Falmouth Products

Authorized by

A handwritten signature in blue ink that reads "Mel Phillips". The signature is written in a cursive style and is positioned above a horizontal blue line.

Mel Phillips / President