

August 11, 2025

Dear Valued Partner,

We appreciate your patience as we clarify the “Made in Lesotho” label on our circuit breakers. Below is an overview of our manufacturing process, the trade-agreement protocols involved, and the official determination of our products’ country of origin.

Manufacturing Process

All CBI Electric circuit breakers begin their journey in South Africa. At our Johannesburg facility, we:

- Design, develop, tool our products
- Source raw materials
- Manufacture components
- Perform certain sub-assembly operations

Once these components reach the required stage of completion, they are shipped to our partner facility in Lesotho. There, they undergo:

- Final assembly
- Comprehensive testing
- Secure packing

Upon completion, the finished products return to South Africa for final QC, global distribution, including shipments to the United States.

Product Ranges

- B Frame
- C Frame
- DD Frame
- Q Frame
- T Frame
- Y Frame
- J Frame
- L Frame

Country of Origin Labelling and Trade Protocols

Under Protocol 1 of the Trade, Development and Cooperation Agreement (TDCA) within the Southern African Customs Union (SACU), goods that undergo sufficient working or processing in a SACU member state may bear that country’s origin marking for preferential tariff treatment. Because our final assembly and testing take place in Lesotho, the products qualify for the “Made in Lesotho” label.

Country of Origin Determination

Despite the Lesotho marking, South Africa remains the originating country under South African Revenue Service (SARS) rules of origin and SACU customs legislation. The substantial-transformation criteria and the location of our primary value-adding operations designate South Africa as the country of origin.

Compliance and Documentation

For every shipment to the USA, CBI Electric obtains a Certificate of Origin from the Johannesburg Chamber of Commerce and Industry. Each certificate explicitly states:

Circuit Breakers “Country of Origin: South Africa.”

Future Plans

We are investigating ways to increase value-added manufacturing activities in Lesotho so that our products may qualify officially as “Made in Lesotho” under TDCA rules. Achieving this will require extensive modifications and upgrades to our facilities in both South Africa and Lesotho. We will keep you informed of our progress and welcome any feedback you may have.

Enclosures

I am attaching the following to elaborate further.

- Letter from our Managing Director, confirming the above
- Example Certificate of Origin issued by the Johannesburg Chamber of Commerce and Industry
- Letter from SARS to our auditors, KPMG

We recognize that the tariff on our circuit breakers may introduce additional cost pressures for your business. CBI Electric remains committed to transparency and partnership. Should you have any questions, require additional information or if you would like to discuss further on potential mitigation strategies, please contact your account manager or our customer support team. We value your partnership and thank you for your continued trust in CBI Electric.

A handwritten signature in black ink that reads "Joe Paul".

Yours sincerely,

Joe Paul

VP & General Manager