

October 8, 2018

Re: Statement Regarding Trade Tariffs

To Our Valued Customers:

On July 6th, per US Trade Representative Section 301, a 25% tariff was imposed on products manufactured in China and imported into the United States. These tariffs impacted components that Dynapar purchases directly as well as components and raw materials sourced by our North American supply chain. The list of products imported that are impacted by the tariffs can be found here: [list 1](#), [list 2](#), and [list 3](#).

As many of you know, Dynapar takes a high degree of pride in closely managing costs to continue to provide customers with the best technology at a very competitive price. Dynapar has been working diligently with our suppliers to understand the impact of the tariffs and to identify ways to mitigate their impact. We will continue to manage the situation closely, but we do not foresee a way to continue to absorb its financial impact. As a result, Dynapar is forced to pass this increase on to our customers.

Our plan is to create a separate invoice line item for the tariff charge. We believe keeping the tariff charge on its own line reduces the supply chain impact and is the least disruptive option from a systematic, accounting and process perspective. This solution will enable the immediate suspension of the surcharges when the tariffs are lifted or eliminated. You will see the surcharge below based on the Dynapar product family table, as a separate line item called “Tariff Surcharge” on your invoices beginning **Monday October 15th, 2018**.

This situation is fluid and the table is based on our current information and tariff notices received from our suppliers. Dynapar will continue to monitor the situation and will announce any further changes relative to the tariff surcharges.

We value your business. You are a trusted partner and we will continue to provide timely information to you as we navigate and manage this unprecedented challenge.

Please direct any questions to custserv@dynapar.com

Thank you,

Jude Martin
BU Director
Dynapar

Tariff Surcharge by Dynapar Product Family

Product Family	Tariff Surcharge (%)
53Z Magnetic Pickup	3.38%
60A,C,H ROTOS	0.67%
60P ROTOS	0.33%
CPL Flexible Shaft Couplings	5.18%
DWD38	0.75%
E12	1.61%
E14	5.08%
E23	4.58%
EN42	0.43%
EN44	0.37%
F10/F15	16.14%
F14/F18	16.64%
H20	2.29%
HA25/HR25	1.98%
HA26/HR26/HC26	1.71%
H42	1.28%
H56	0.59%
H58	6.23%
HA725	1.41%
HC20	9.86%
HC25	2.36%
HD2.5	2.10%
HD20	2.03%
HD25	1.46%
HD35R	3.34%
HS20	2.89%
HS35R	4.81%
HS60	0.30%
HSD38	1.42%
HSD35	3.96%
HSD37	0.85%
HSD44	1.01%
IS 20	0.60%

Product Family	Tariff Surcharge (%)
IS 25	1.55%
ISH 20	2.07%
ISW38	0.88%
M15	18.89%
M21	15.72%
M53	15.96%
NexGen Series 22 Qube	3.02%
NorthStar ACCESSORIES (Unless otherwise stated)	1.56%
R45	3.12%
R56	0.23%
RIM TACH 1250	0.22%
RIM TACH 6200	0.16%
RIM TACH 8500	0.19%
RIM TACH PROBE MODULES	0.53%
RIM TACH WHEELS	0.84%
RIMFV/RIMSS2/RIMSSW	0.46%
RIMT SENSORS - NEXT GENERATION	0.47%
RIMT WHEELS - NEXT GENERATION	1.17%
RR25	2.00%
RT1	0.30%
RT6	0.21%
RT8	0.28%
SLIM TACH WHEELS	0.60%
ST56	0.84%
ST67	0.79%
ST85	0.62%
Tether Kits Incremental Encoders	23.75%
X25	0.60%