



June 14, 2019

Dear Valued Customers and Partners,

When tariffs on goods imported from China were first imposed in July 2018 at a 10% rate, we were anticipating this to be a short-lived ordeal and our initial approach was to bear 100% of the burden instead of applying a surcharge or an increase in price.

Unfortunately, trade negotiations between the US and China have not played out as we expected, by the most recent increased tariffs to 25% on another \$200 billion in Chinese goods.

Consequently, our efforts to offset the financial impact have been largely unsuccessful and with a year of actual additional costs on the books and increasing tariffs, we will bear 50% of this current additional tariffs and will be implementing a surcharge ranging from 2.4% - 12.5% on components that are affected per the schedule below, effective July 15, 2019 for a period of 90 days.

We will provide more information as we continue our analysis and trade tariff status over the 90 days. We have been asked by our customers to use the surcharge, as it can be removed or adjusted as warranted, based on the future trade negotiations develop.

Part No.	Part No.	Part No.	Part No.	Part No.
MP-1216-300	MP-MA-2632-2632	MP-TR-2025-1216	MP-C-2025	MP-O-2632
MP-2015-300	MP-EL-1216WM	MP-TR-2632-1216	MP-C-2632	MP-CTR
MP-2632F	MP-EL-1216	MP-TR-2632-2025	MP-BV-1216PP	MP-RMR
MP-1216-150	MP-EL-2025	MP-U-1216	MP-BV-2015PP	
MP-2025-150	MP-EL-2632	MP-U-2025	MP-BV-2632PP	
MP-2632HC	MP-ELR-2025-1216	MP-U-2632	MP-BV-1216PT	
MP-MA-1216-1216	MP-ELR-2632-2025	MP-UR-2025-1216	MP-BV-2025PT	
MP-MA-2025-1216	MP-T-1216	MP-UR-2632-1216	MP-BV-2632PT	
MP-MA-2025-2025	MP-T-2025	MP-UR-2632-2025	MP-O-1216	
MP-MA-2632-1216	MP-T-2632	MP-C-1216	MP-O-2025	

We appreciate your support and thank you for your business.

Sincerely,

Dennis Daugherty

Dennis Daugherty
President
Precise Equipment Company, LLC