



July 31, 2018 (Updated August 14, 2018)

To: Valued MFCP Customers

**RE: Surcharges Effective August 1, 2018 & Tariff Section 232 & 301
(Manufacturers Changing from Surcharge to Price List Adjustments)**

Dear Valued MFCP Customer,

Thank you for choosing MFCP as your source for engineered solutions. We appreciate that you depend on us to support the needs of your business, and we continue to strive to ensure that you can depend on us as a supplier who provides quality products.

The President of The United States, Donald J. Trump, has implemented the following trade restrictions:

- Section 232, June 1, 2018: Restrictions on steel mill (25%) and aluminum articles (10%) all countries of origin except Argentina, Australia, Brazil, and South Korea.
- Section 301, July 6, 2018 Restrictions on products from China, 25%

As a result of these new tariffs, our vendors will be impacted directly on products and material imported to support our customers as well as indirectly via their supply channels. We have been assured that they have carefully analyzed what will be the immediate effect of these tariffs by all products. Effective August 1, 2018 select products will be assessed a surcharge at the time of shipment. The applicable surcharge varies depending on the tariff effect by product.

In addition, there remain unknown cost consequences of the tariffs and potential to cost increases as they are passed down through supply channels. For this reason, we will continue to assess added costs and if necessary, may require adjustment to the applicable surcharge. MFCP and our suppliers will continue to work to mitigate the impact of tariffs, and in the event the tariffs are reduced or removed we will adjust accordingly.

The surcharge from our suppliers will be included on all invoices as of the affected products as a separate line item noted as SURCHARGE, therefore the invoice may not match your purchase order amount.

We will closely monitor ongoing events following the August 1, 2018 implementation and endeavor to inform you of any changes as they arise.

(Update: 8/14/2018 – Many of our mainstream manufacturers have changed from surcharge to Price List adjustments effective August 30th. We will continue to have other manufacturers charging surcharges.)

MFCP would like to thank you for your continued support while we attempt to reduce the impact of these future adjustments.