

Bulletin Number: FB0425

Date: 04/22/2025

Subject:

Tariff Adjustment Policy – Immediate Impact on One Motion Permanent Magnet Products

Summary:

Due to recent U.S. trade policy changes, all One Motion permanent magnet products manufactured in China are now subject to new tariffs imposed by U.S. Customs and Border Protection. These tariffs are assessed upon entry into the U.S. port, not at point of departure from China. This situation remains highly fluid and is subject to change at any time. We are releasing this bulletin to inform you of immediate changes to our order release and billing policies.

New Policy – Effective Immediately:

- All shipments will require authorization from customers that Tariff costs will be paid by them.
- The Tariff Adjustment on the invoice will be at the tariff rate paid by Actionpaq at the point of entry.
- Shipment will not be released from the factory without agreement to make full payment of the tariff.
- Any request for us to complete and release a shipment constitutes acceptance of these terms and agreement to pay the associated invoice upon receipt.

We are actively working with our logistics partners and advisors to minimize delays and cost exposure for our customers. We appreciate your cooperation and understanding.

Implementation Date:

Effective Immediately

Supply Chain Update:

Any order requested to leave our factory will be subject to the new tariffs that are being imposed. It was originally Actionpaq's plan to make a minor increase to the cost of our product and shoulder a large portion of the burden of these tariffs, however with the most recent radical adjustments we have been forced to change our stance. We have actively halted all shipments from our factory. If there is anything that is currently in process and is needed, we will need authorization and acceptance that you (the customer) are willing and able to pay the additional invoice on the tariffs. Additionally, we have reissued quotations which had previously quoted a tariff adjustment price. We removed the cost modifications and moved back to previous pricing with the understanding that all tariff cost will be the customers' responsibility. We have also halted the restocking of any units in our Arkansas location. If we have inventory agreements, we are holding that inventory ready to ship at factory level ahead of need. If the unit is needed, then air freight plus tariff will apply to get the unit landed. Please understand this is an effort on our part to reduce the cost to the customer. Since tariffs are paid ahead of clearance our cost to land inventory that we cannot invoice would

unilaterally impact our ability to conduct day to day operations. We hope that we can continue business as usual in the near future, but until such a point that the current situation returns to a less volatile environment we must do what we have to. Please note any order cancellations will be subject to fees and costs that may have already been associated with the production of units.

Contact Information:

For any questions or concerns regarding this product improvement, please reach out to OM.orders@actionpaq.com to schedule a meeting or call with one of our Senior management team members who will be best able to answer and support your needs through this trying time.

Frequently Asked Questions:

Q1: Why is this tariff being added now?

A: New U.S. tariffs have been imposed on imports from China, including One Motion permanent magnet motion solutions. These are government-mandated and outside our control.

Q2: When is the tariff cost determined?

A: The tariff rate is based on the U.S. Customs rate at the time of entry into the United States, not when the goods leave the overseas port.

Q3: When will I receive the tariff invoice?

A: You will receive a Tariff Adjustment Invoice when you are invoiced for your order.

Q4: Can I lock in a tariff rate now?

A: No. Due to frequent changes in U.S. tariff rates, we cannot lock in pricing. Our quotes will no longer include a value at the time of quotation, but upon request we can give an idea of this cost based on the tariff at the time of request. Please note that we have recently seen a 100% plus fluctuation in a 24-hour period and there is no way that Actionpaq can guarantee what the rate will be at the point of entry.

Q5: Can I avoid these tariffs?

A: We are actively exploring alternate sourcing and logistics options. Actionpaq currently has a large inventory of previously landed powered pulley options that may not be subject to tariffs or at least a lower percentage of order that would be subject to a Tariff. Please note that this inventory is finite and sold on a first-come first-serve basis and this means that there may be availability one day but the next it could be gone. We are also actively expanding our capabilities to manufacture these units in the United States. This is a solution that may happen further down the line, but in the future, this could end up being a way we seek ultimate stability. Please reach out to your sales representative to discuss potential solutions.

Issued By

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We appreciate your continued partnership and understanding during this rapidly changing time.