



**Setra Systems, Inc.**  
 159 Swanson Road, Boxborough, MA 01719  
 800.257.3872 • www.setra.com

Date: May 29, 2019

Dear Valued Customers and Partners,

We hope you and your business are having a successful 2019 thus far.

When tariffs on goods imported from China were first imposed in July 2018, we were anticipating this to be a short-lived ordeal and the US & China would come to a more favorable agreement on trade. Our initial approach to bear ~50% of the burden by applying a surcharge instead of an increase in price was based on this expectation. Once the tariffs were lifted, the surcharge would be promptly removed.

Unfortunately, trade negotiations between the US and China have not played out as we expected, highlighted by the most recent announcement to increase tariffs from 10% to 25% on \$200 billion in Chinese goods. The effects of this trade dispute reach far beyond products purchased from China. Consequently, our efforts to mitigate the negative financial impact have been largely unsuccessful due to increased market prices from suppliers in other countries, including domestic suppliers. With 10+ months of actual tariff costs on the books and the increasing financial burden, we are updating our surcharges per the schedule below, effective June 3, 2019.

At the request of many customers and given the growing belief that these tariffs are a permanent enactment, we are considering eliminating the additional surcharge line; instead, those costs would be rolled into the prices of our products in the October 2019 timeframe. We will provide more information as we continue our analysis over the coming months.

Model	Updated Tariff Surcharge (eff 6/3/19)
141	\$4.91
162	\$2.81
201	\$13.40
204	\$21.58
206	\$5.04
207	\$3.94
209	\$3.40
210	\$1.45
217	\$3.10
223	\$6.75
224	\$5.28
225	\$6.41
227	\$5.60
230	\$10.18
231	\$14.52
239	\$16.11
256	\$8.90
260	\$6.11
263	\$1.80
264	\$2.83

Model	Updated Tariff Surcharge (eff 6/3/19)
265	\$2.89
266	\$2.51
267	\$5.67
269	\$17.13
270	\$16.70
276	\$1.70
278	\$7.49
280	\$7.75
290	\$8.33
330	\$3.60
370	\$62.29
470	\$26.14
624	\$12.87
730	\$14.70
760	\$2.49
761	\$30.27
209H	\$9.37
231RS	\$17.44
267MR	\$6.48
Accessories	\$0.50

Model	Updated Tariff Surcharge (eff 6/3/19)
ASL	\$31.34
ASM	\$18.44
AXD	\$4.00
CS	\$1.91
Datum 2000	\$22.35
FLEX	\$44.77
MCAL	\$110.93
MCPM	\$28.35
MRC	\$5.76
MRG	\$6.40
MRMS	\$42.50
SRAN	\$3.79
SRCM	\$47.54
SRH1	\$4.77
SRIM	\$13.76
SRMD	\$1.63
SRPM	\$18.59
404 Scale	\$50.01
407 Scale	\$38.41
408 Scale	\$34.59
409 Scale	\$95.01

Please let us know if you have any questions.

Best Regards,

Chris Brooks  
 Vice President, General Manager

Scott LeBrun  
 Vice President, Sales & Marketing