



Danfoss Power Solutions

August 15th, 2018

Tariffs Surcharge Announcement

Dear Danfoss Power Solutions Distribution Sales Partner,

On August 1, we sent you a letter from Danfoss Power Solutions President & CEO, Eric Alström, announcing surcharges on select products due to recent trade tariffs on imported finished goods, components, steel and aluminum products to the United States. We are now ready with more details on the impact.

Based on thorough cost and supply chain analysis, we have calculated the following levels of surcharge for specific products – **effective September 1st, 2018**. Please note in general:

- Key to surcharge application is the **Country of Origin of the Product Set**. Some components may state Denmark or Germany as manufacturing country/Country of Origin, but parts are sourced from a US manufacturing plant and subject to tariff.
- Product Lines or Product Sets **not mentioned are not impacted** in EMEA.

BU	Product Line #	Product Line Description	Product Set #	Product Set Description	Surcharge-%	Manufacturing country
Hydro-statics	A20	Series 45	05751	S45 - H Frame PV	9,40%	US
			05754	S45 - G Frame PV	9,40%	US
			05757	S45 - E Frame PV	9,40%	US
			17280	S45 - F Frame PV	9,40%	US
Hydro-statics	A30	Light Duty	05552	S10-015MF	3,60%	US
			05553	S10-015PV	3,60%	US
			05663	025MF	3,60%	US
			05664	025PT	3,60%	US
			05665	025PV	3,60%	US
			05669	S10-015TPV	3,60%	US
			05767	S10-015U	3,60%	US
Hydro-statics	A33	M46	05588	M46-046MF	2,60%	US
			05589	M46-046MV	2,60%	US
			05590	M46-046PT	2,60%	US
			05591	M46-046PV	2,60%	US

Hydro-static	A37	Series 90	05606	S90-055PV	15,20%	US
			05722	S90-055MV	15,20%	US
			05724	S90-055PT	15,20%	US
			05727	S90-075MV	15,20%	US
Hydro-static	A75	LV / KV Motors	05787	LV/KV Motors All ver	1,80%	US
Hydro-static	C26	M35/44	05666	035MF	2,30%	US
			05668	035PV	2,30%	US
			05685	035MV	2,30%	US
			05686	044MF	2,30%	US
			05824	044PT	2,30%	US
Hydro-static	C31	LPV	15407	LPV Pump	1,50%	US
Hydro-static	C47	Propel Integrated Dr	15967	Integrated Drive Kit	1,40%	US
Hydro-static	C68	MP1	17151	MP1-038PV/045PV	7,00%	US
Hydro-static	C70	H1 - Pumps	17204	H1-045PV/053PV	5,40%	US
			17206	H1-060PV/068PV	5,40%	US
			17360	H1-045PT/053PT	5,40%	US
Motors	W01	Small Motors - W-Line	18521	RS Motor	2,10%	US
			18522	RS Motor with Brake	2,10%	US
Motors	W02	Large Motors - W-Line	18523	CE Motor	2,10%	US
			18524	CE Motor with Brake	2,10%	US
			18525	D9 Motors	2,10%	US
			18526	DR Motor	2,10%	US
			18527	DR Motor with Brake	2,10%	US
			18528	DT Motor	2,10%	US
			18529	DT Motor with Brake	2,10%	US
			18530	HB Motor	2,10%	US
			18531	HB motor with Brake	2,10%	US
			18532	HK Motor with Brake	2,10%	US
			18535	RC Motors	2,10%	US
			18536	RC Motor with Brake	2,10%	US
			18537	RE Motors	2,10%	US
			18538	RE Motor with Brake	2,10%	US
			8539	WS Motor	2,10%	US
Motors	W03	Brakes - W-Line	18542	A Brake	2,10%	CN
			18543	BK Brake	2,10%	CN
			18544	FB Brake	2,10%	CN
			18545	SB Brake	2,10%	CN



CCS	A01	Controllers	15357	PLUS+1 SC 24 pin ser	3,50%	ALL
			15359	PLUS+1 SC 50 pin ser	3,50%	ALL
CCS	A87	PCS Positioning Sens	15925	PCS MCX103B, Rotary	1,70%	ALL
CCS	B01	Displays	15347	DP570 Display	1,70%	ALL
			15348	DP700 Display	1,70%	ALL
			15764	DP200_210 PLUS+1 2XX	8,10%	ALL
CCS	B03	Joystick	05405	JS1000P with Pro-gri	8,10%	ALL
			05458	JS7000 Joystick	3,50%	ALL
			15546	JS6000 Standard	3,50%	ALL
			15788	JS1000, Plain Knob a	8,10%	ALL
			17031	JS1-H Joystick	3,50%	ALL

- The above tariff surcharge is effective from September 1st and will be applied to all shipments which are scheduled for delivery after August 31st 2018.
- Both order confirmations and invoices will – per line item – include a separate line item called “Material surcharge” specifying the tariff surcharge.

We will continue to identify supply chain activities to try to reduce the impact of these new government tariffs. I, and on behalf of Danfoss Power Solutions, regret this activity – necessary for reasons beyond our immediate control.

If you have specific questions related to any of these changes, please contact your Regional Account or Sales Manager.

We much appreciate your support and continued partnership with Danfoss Power Solutions.

Best regards,

Lenette Nielsen,
Director Sales Distribution EMEA