



Sager Electronics  
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Distributing Confidence®

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RE: Statement Related to the Delay of Previously Announced List 3 Tariff Increases

An agreement was reached between the U.S. and China on the weekend of Dec. 1–2, 2018 concerning Section 301 China tariffs for List 3 products only. Here are the points of the agreement and what it means for Sager Electronics, its suppliers, and customers:

- List 1 & 2 products are currently experiencing 25% tariffs charged to the importer of record of these products. These tariffs remain unchanged.
- List 3 products are currently experiencing 10% tariffs charged to the importer of record of these products. The tariffs for these products were scheduled to increase to 25% on 1/1/19. As a result of the agreement, a 90 day delay to that increase was announced. Therefore the tariffs for List 3 products will remain at 10% until at least 4/1/19.
- No further products made in China and imported into the U.S will be subject to new tariffs at this time. The U.S. had publicly threatened to add additional products going into 2019.

For our everyday transactions, the agreement is more about what isn't going to change. All of the current tariffs imposed on Sager Electronics by its suppliers and U.S. Customs and Border Control will likely stay the same for at least 90 days or until a broader agreement is reached. These rates, along with associated rates Sager is charging its customers, have been available and updated weekly on Sager's public website since Oct. 1, 2018.