

July 9, 2018



Dear customers & friends:

As I'm sure you are aware, the U.S. Government issued another new round of tariffs which include a 25% tariff on steel products and 10% tariff on aluminum products from China. The new tariffs are effective July 6, 2018. These tariffs are in addition to ones issued earlier on Canada, Mexico and the European Union.

We are currently trying to figure out the direct impact on every D.A. International Casting part. This is a tedious process. We are carefully working with our customs broker to establish an accurate and comprehensive understanding of these new tariffs. We will work directly with each individual customer if any of their parts are impacted.

It is unclear how long these tariffs will be in place. Historically, these kinds of tariffs are fleeting. In 2002, The Bush administration put a 30% tariff on imported steel. It was scrapped 20 months later after other countries threatened retaliation.

We hope this will be a short-lived situation and ask your cooperation as we continue to sift through the new Harmonized Tariff Schedule to fully comprehend the impact on our products. Unfortunately, in the meantime, D.A. International Casting co. may have no other choice but to add a 25% new tariff charge on all products that fall within this new tariff list issued by our government.

Please know that our number one priority will remain providing top quality castings and forgings to our customers in a timely manner.

Sincerely,

A handwritten signature in blue ink, appearing to read "DAK", with a long horizontal line extending to the right.

David A. Kerrigan