



May 1, 2025

RE: Surcharge Action

Based on tariffs imposed by the United States, commodity prices have risen. Up until now, through effective procurement and hedging strategies, WPM has been able to absorb the initial cost increases. However, the number of commodities with increases has expanded. The cost increases are on items ranging from belting, aluminum, stainless steel, motors, reducers, drives, electrical components and others.

In reaction to these increases, WPM will be implementing a surcharge of 5% starting May 5, 2025. We view this as short-term action due to the fluid nature of US tariff policies. Our procurement department from our manufacturers are closely monitoring the ongoing implications and actions to minimize their impact.

The surcharge percentage will not be noted on specific line items but will be reflected in the quote. The surcharge will be added as a single line item on the order to achieve your total price.

We greatly appreciate your business and patience during this uncertainty. A summary of the current tariff action is captured below.

Surcharges Resulting from Reciprocal Tariffs

On April 2, 2025, the United States announced reciprocal tariffs on imports from a wide range of countries. The effective date of these reciprocal tariffs was scheduled for April 9, 2025. On April 9, 2025, a 90-day pause was announced on the reciprocal tariffs for most countries except China.

This has resulted in the following outcomes:

- Despite the 90-day pause, imports from a wide range of countries into the United States, except for China, were set at a new minimum tariff rate of 10%. The effective date was April 5, 2025.
- The tariff on Chinese imports increased from 20% to 145%. The effective date was April 10, 2025.
- The 90-day pause is not applicable to tariffs that went into effect prior to the April 2nd reciprocal tariff announcement. This includes the 25% tariff on aluminum and steel imports and the 25% tariff on many imports from Canada and Mexico. These tariffs went into effect on March 4, 2025.

Sincerely,

Wagner Packaging machinery

PHARMACEUTICALS, COSMETIC, PERSONAL CARE, HOUSEHOLD, AUTOMOTIVE CHEMICALS, FOOD & BEVERAGE

Main Office: 2904 Dartmouth Dr. • Plano, TX 75075 • T: (972) 385-9456 • F: (972) 499-1898 • LanceJ@wagnerpkg.org