

August 26, 2025

Subject: Phoenix Contact Price Adjustments Due to Tariff Impacts

Dear Valued Customer,

We are writing to update you with the most current information from Phoenix Contact regarding changes to tariff-related charges resulting from the evolving landscape of trade relations and government-imposed tariffs. This memo reflects both the historic changes implemented earlier this year as well as the most recent announcement, which takes effect on **August 29, 2025**. We understand the challenges this poses on all of us, and want to assure you that both Steven Engineering and Phoenix Contact are committed to managing this process in a timely manner and as clearly as possible, given the volatility of the environment.

Timeline of Recent Tariff-Driven Price Changes

4/17 (Punitive Tariff on China) – 10% Price Increase

On March 18th, Phoenix Contact announced a 10% increase on list price and standard cost for products with China as their country of origin. This increase took effect on April 17th and has been updated in our business system for all non-special pricing business. Special pricing agreements were updated shortly thereafter.

4/22 – Reciprocal Tariffs, Variable Impact

On April 17th, Phoenix Contact further announced a tariff fee adjustment based on the U.S. government's reciprocal tariffs on imports from all countries, including additional increases for China. Impacts have ranged from 5%–25% for most countries outside the U.S. and ~65% to >85% for products sourced from China. Importantly, these reciprocal tariff increases remain subject to modification when government tariffs change.

May/2025 – 90-day Truce with China Reached

On May 12th, The U.S. Government scaled back its tariff on Chinese imports to 30%. Tariff related increases were reduced to match the change. The truce between the U.S. and China remains in place, with negotiations ongoing.

8/29 – Updated Reciprocal Tariff Framework

Further tariff related pricing adjustments will take effect on **August 29, 2025 at 5:00 p.m. EST**, driven by the U.S. government's updated reciprocal tariff policies. While many tariff charges remain unchanged, some have been reduced, and others have been modified due to the following tariff and cost-increase related factors:

- **10% baseline tariff** applies to most countries without specific trade agreements. These increases were part of previous announcements.

- **Country-specific tariffs** have been updated, now ranging from 15% to 50%, with notable increases for:
 - Brazil: 50%, India: 50%, Canada: 35%, and Mexico: 25%
- **Copper, steel, and aluminum products** now face +50% tariffs.

Next Steps

Steven Engineering will be updating pricing in our system on Friday, August 29th. We continue to work closely with Phoenix Contact to ensure accurate and timely information. Your sales representatives can provide details specific to your business as they become available on that day, by request.

We greatly value your partnership and thank you for your continued understanding as we work through these changes together. Please feel free to contact me directly with any questions or if you would like to discuss this further.

Best regards,



John D. Braasch

Director of Sales and Business Development
Steven Engineering