

Microsemi Corporation

September 21, 2018

CN18013 US Tariffs on Products from China: Frequently Asked Questions (FAQs)

What is the criteria for generating a China tariff charge?

There are three criteria that must all be met before the tariff will apply:

- The product must have an HTS that is expressly included in the list issued by USTR
- The product's country of origin (COO) must be China
- The product must be shipped out of the US (Microsemi's San Jose, CA warehouse)

How is the tariff charge calculated?

The tariff charge will be calculated based on the total Microsemi invoice cost for parts that meet all three previously outlined criteria.

How will the charge appear on my invoice?

We have automated our ERP system to automatically calculate the tariff as a charge on the invoice if all three of the criteria listed are met. The charge will appear at the bottom of the invoice under "Tariff and Handling Fee," will be factored into the total invoice amount, and will be due and payable under the terms of the invoice.

Will this tariff apply to products that Microsemi exports out of the US?

Only if all three previously outlined criteria are met.

If the part I am ordering is on the HTS list, how do I confirm its country of origin?

Microsemi SoC has multiple assembly locations, and so the COO could vary on any given product. The COO will be determined at the time of shipment based on the lot picked to support the order.

Are there other Microsemi business units impacted by this tariff?

CN18013 is specific to Microsemi SoC (MSA and FPGA-related products). Please send inquiries into the impact of the China tariff on other Microsemi business units to globalsupport@microsemi.com.

Will a list of part numbers affected by CN18013 be released?

There is a list of Microsemi SoC part numbers with HTS codes included in the current USTR list of parts that are classified in the HTS and subject to the tariff. However, due to multiple assembly and warehouse locations, not all parts listed will be affected by the tariff. This list can be provided if requested, but it is important to understand that the list is subject to change at any time as new parts that are subject to these tariffs are added by the USTR.

For the most up-to-date information, visit the following links:

- United States Trade Representative (USTR)—<https://ustr.gov/>
- Federal Register—<https://www.federalregister.gov/>

Is it possible for Microsemi SoC to ship products from the Hong Kong warehouse only?

When feasible, we will continue to ship product out of our Hong Kong warehouse. However, this is not always possible due to capacity constraints, cycle times, special customer requirements, and so on.

Will the China tariff affect Space products (RT)?

No, these products all have the US as their COO, and so the tariff would not apply.

Contact Information

For additional information about the tariff's impact on Microsemi customers, please contact our customer service department.

Email: customer.service@microsemi.com

Phone: +1 650-318-2470

For questions about the tariff or the HTS, please email compliance@microsemi.com.

Regards,

Microsemi Corporation

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