



March 4, 2025

Dear valued customer,

Effective March 4, 2025, the United States confirmed a 25% tariff on ALL goods originating from Canada and Mexico. In addition, the U.S. confirmed the tariff will increase to 20% from 10% on ALL goods originating from China that enter the U.S.

These tariffs are in addition to any existing tariffs and are not dependent on HTS code.

To the best of our knowledge at this point, the tariff will be issued based on the country of origin, as is usual.

The tariff is being imposed via the International Emergency Economics Powers Act, not through the Section 301 process. The nature of this act does not allow recovery of the duty through drawbacks nor mitigate duty via free trade agreements. As the result, the only option for Arrow to recover these tariffs is to pass them through to the customer.

Given the quick nature of these developments, there is not enough information at this time to determine whether the tariff will be clearly identified on invoices as a separate line item or be passed on from manufacturers as increased cost to Arrow. Arrow will begin passing along the 20% China tariff effective March 4, 2025, and the 25% Canada and Mexico tariffs effective March 16, 2025.

### ***Global Trade Operations***