

July 19, 2018

Dear Valued Avnet Customer,

Avnet is working diligently on solutions to the tariffs proposed and enacted by the Office of the United States Trade Representative (USTR) for specific goods imported into the United States with the country of origin China. We are writing to provide an update on how Avnet is addressing this complex and fluid situation to ensure supply chain security and as minimal disruption as possible for our customers. This update covers:

- [List 1 products](#) (USTR-2018-0005) on which 25% tariffs went into effect on July 6.
- [List 2 products](#) (USTR-2018-018) open for comment until July 23. It is projected that the 25% tariffs on these products will be imposed during the second half of August.
- [List 3 products](#) (USTR-2018-0026) published on July 10, which includes an additional \$200 billion of Chinese imports subject to 10% tariff.

### Our commitment to minimizing customer impact

A common question our customers ask is which products that they purchase from Avnet are impacted. We can currently provide you data—past transactions, backlog and awards—on impacted or potentially impacted products based on HTS codes and Country of Origin (COO). As our suppliers refine their proactive reporting to our team, we will incorporate new information and continuously improve the data that we report to you over time.

We are constantly monitoring the US/China tariff situation and are committed to minimizing the impact of the tariff to you, our valued customers, by collaborating on these actions:

- Minimize the tariff pass-thru from suppliers to Avnet so we can minimize impact to our customers
- Offer product/solution alternatives, when possible, for products that do not originate from China
- Adjust our supply chain modes to minimize impact to customers located outside of the US

Our Americas sales teams are in contact with their customers to discuss customized information impact and mitigation solutions, including how Avnet will handle tariff charges for new quotes, new orders, existing backlog and re-exports. We encourage you to contact your dedicated Account Manager at any time to further discuss.

Thank you for your business and continued trust in Avnet!

**Tony Roybal**  
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Avnet Electronic Components

**Scott MacDonald**  
President  
Avnet Integrated