

IN THE NEWS

Gastonia, NC – May 14, 2025 – Over the past two weeks, we have communicated that, while we could not predict how long tariff surcharges would be necessary, we remained committed to adjusting them as soon as circumstances allowed.

We are pleased to share some encouraging news: as of early Monday morning, the U.S. government announced a 90-day pause on the implementation of the new "reciprocal" tariffs. This pause reduces the total incremental tariffs on goods imported from China to 30%, two-thirds of which have already been in effect since February 2025. Please note that this 30% tariff applies only to non-steel and non-aluminum products.

Separately, new 25% tariffs on imported steel and aluminum from all countries were implemented in March 2025 and remain in effect. These tariffs are in addition to the original 25% tariffs imposed in 2018 on goods imported from China. Over the past three months, we have been absorbing these cumulative increases.



Our trade experts believe the current tariff levels are likely to remain in place beyond the 90-day pause as broader trade negotiations continue. Let's hope they move no higher — and ideally are eliminated altogether.

As a result of these changes, we are pleased to announce the following pricing adjustments, effective June 2, 2025:

- A **6% tariff surcharge** will now apply to all **Rowley Workroom products**, replacing the previously announced 12.5% surcharge.
- For **Drapery Hardware products, list prices** will be **increased by 6%**, replacing the previously announced 12.5% increase. The **existing 10% surcharge** on Drapery Hardware (implemented in 2019 to cover the original 25% tariffs) **will remain unchanged**.

We recognize that surcharges are challenging, and by streamlining their application, we hope to make it easier for you to pass along these costs and better protect your margins.

Additionally, due to rising shipping costs, rates in our **Flat Rate Shipping Program** will increase by **10%**, also effective June 2, 2025. Updated shipping rates can be found <u>here</u>.

These changes will apply to all orders placed after June 1, 2025.

As always, we remain committed to closely monitoring developments and adjusting surcharges downward as soon as conditions allow. Thank you for your continued partnership and trust in Rowley.

Sincerely,

Larry W. Denbrock

Vice Chairman of the Board