

June 14, 2021

To: Our Valued Customers

Re: ASSA ABLOY Access and Egress Hardware Group
July 12, 2021 Surcharge Announcement*

Thank you for your continued partnership and support of our brands. As we continue working through these unprecedented times, please be assured that we are working tirelessly to ensure that you can continue to count on us as your supplier of choice.

Dramatic cost increases have been widely reported in virtually all business and financial media outlets for primary commodities and materials utilized to produce our hardware; namely steel, stainless steel, brass, aluminum, zinc and many electronic components. Our intensive efforts to reduce costs in other areas are not able to completely offset the impact of these increases.

In light of this situation and rapidly changing environment, we feel a surcharge is the most viable method to respond quickly to an evolving material situation. We realize that surcharges are difficult for some customers to process, but hope you also recognize the extraordinary challenges manufacturers are facing at this time.

Effective July 12, 2021, surcharges will be implemented as follows:

- The Access and Egress Hardware group will implement a 3% surcharge that includes **Corbin Russwin, Norton, RIXSON, SARGENT and Yale Commercial**.
- **Medeco** and **ASSA** will implement a 3% surcharge for all mechanical products. Due to increased premiums associated with procuring highly specialized electronic components, a 10% surcharge will be applied to all CLIQ, XT and Nexgen Intelligent Key products.

The surcharge will apply to Buying Programs and Quotes created on or after July 12th and will be calculated as a percentage of the net invoice: $\text{Surcharge Amount} = \text{Net Price (List Price less discounts)} \times (1 + \text{Surcharge \%})$. Impacted products ordered through **FLASHship** will also be subject to surcharge.

If the opportunity arises to rescind all or part of this surcharge, we will gladly do so. We will continue to monitor the situation and will only take further action if warranted.

Thank you again for your continued support and partnership.

Sincerely,



Bill Grambo
President, Access and Egress Hardware

* - Announcement excludes Canada