

June 14, 2021

To: Our Valued Customers

Re: ASSA ABLOY Accessories Group
July 12, 2021 Surcharge Announcement

Thank you for your continued partnership and support of our brands.

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.

Due to the 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 see the extraordinary challenges the worlds manufacturers are facing at this time.

Effective July 12, 2021, Architectural Door Accessories will implement a surcharge that will include **Glass Solutions, Markar, McKinney, Pemko** and **Rockwood** brands, which will vary by product segment due to wide variations in material content of the total cost. See the below general matrix for surcharge amount by segment. For more details on specific categories, please see visit the extranet.

McKinney		Pemko		Rockwood	
McKinney Hinges	4.0%	Thresholds, Astragals, Brush Inserts (TW)	15.0%	Standard Price Book Flat Goods, Accessories, Standard Pulls	15.0%
MacPro Hinges	4.0%	Pemko Geared Hinges (HG)	15.0%	Architectural Price Book Decorative Pulls	3.5%
		Markar Products	7.0%	Glass Solutions	3.5%
		All Other Pemko Products	7.0%	Lites & Louvers	10.0%

The surcharge will continue to be calculated as a percentage of the net invoice: Surcharge (List Price less discounts) * Surcharge %. Products ordered through **Webshop** or **FLASHship** will also be subject to the surcharge.

Due to the material issues highlighted above, future dated orders and unusually large stocking orders may not be accepted prior to the July 12th effective date.

Due to the rapid increase in the cost of raw materials and the expectation of a continued volatile materials market we will also be shortening our quote duration to 6 months, upon quote expiration we will reprice at current market conditions.

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,



Doug Thompson
President, Architectural Door Accessories