

June 14, 2021

To: Our Valued Distributor Partners

Subject: ASSA ABLOY Door Brands

As I stated in my letter of April 12, 2021, the Construction Industry continues to see sharp increases on steel, lumber and most other building materials. While we hoped steel costs would have reached their peak and stabilized by now, it has not happened and forecasts are for continued upward momentum. We still see weekly increases and each week set new record highs.

Due to this rapidly changing environment, we now find it necessary to implement a second surcharge, in addition to the one implemented May 10, 2021. To reiterate, effective May 10, 2021 a surcharge of 10% was applied to all buying program orders received at Ceco, Curries and all ASSA ABLOY Service Centers. This surcharge was also applied to all BSC, Envoy and 507 Series products.

- Effective July 12th the following additional actions will go into effect: All buying program orders received on or after Monday July 12, will receive an additional 15% surcharge, (25% total) applied to all Ceco, Curries and ASSA ABLOY Service Center orders including BSC, Envoy and 507 series products.
 - Increases by other Door Group Brands will come directly from those companies.
- At this time, project quotes will be honored without surcharges, with application of the expiration date and escalators as detailed on the quote, with the following exceptions.
 - Orders from project quotes for Priority/CEXpress A, B and C orders will revert to the current buying program discount and will be subject to the surcharge in place at the time of the order.
 - Any quote issued in 2020 and still pending as of today may be cancelled and requoted at today's current prices.

At this time, due to all the uncertainty in the steel market, we strongly advise you use caution when quoting projects and indicate on quotes that they are valid for 90 days.

We will continue to monitor the market conditions and if costs continue to rise, as expected, we will be forced to make additional appropriate pricing actions.

Thank you for your support and partnership as we work through these extremely challenging and unprecedented times.

Sincerely,



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