

August 24, 2021

To: Our Valued Distributor Partners

Subject: ASSA ABLOY Door Brands

As I stated in my letter of June 10, 2021, the Construction Industry continues to see sharp increases on steel, 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 and we are still seeing weekly increases.

Due to this extreme volatility in the market, we now find it necessary to implement a third surcharge, in addition to the one implemented July 12, 2021. To reiterate:

- May 10, 2021 a surcharge of 10% was applied to all buying program orders received at Ceco, Curries and all ASSA ABLOY Service Centers, including BSC, Envoy and 507 Series products.
- July 12, 2021, an additional surcharge of 15% (25% total) was applied to all buying program orders received at Ceco, Curries and all ASSA ABLOY Service Centers including BSC, Envoy and 507 Series products.
- Effective September 20th the following additional actions will go into effect: All buying program orders received on or after Monday September 20th, will receive an additional 20% surcharge, (45% 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.

Although there has been a softening of certain commodities i.e., dimensional lumber and plywood, most other commodities including steel have continued to rise. 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 will take the appropriate pricing action as required.

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

Sincerely,



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ASSA ABLOY Door Group

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