



June 21st, 2021

Dear Valued Business Partner,

In relation to our communication dated June 15th, 2021 where we announced a temporary surcharge to mitigate the very challenging inflationary market situation, we realized that our plan of implementing monthly adjustments according to the cost trends may cause you some administrative problems.

Therefore, we have decided that the surcharge will be recalculated every 6 months, thereby extending the time of the validity of the surcharge percentage. In the hope of seeing a more favorable trend, we have also decided that for the next 6 months the surcharge percentage will be 7.5%

This practice will apply to all new orders received after June 30th, 2021.

The surcharge does not apply to Key Machine Software, AD Software and Tokens.

We will constantly monitor the situation. Should the market dynamics change, we will take the appropriate action at that time.

Thank you for your understanding and for your business.

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Kaba Ilco Corporation

Douglas Hillman
Senior Vice President
Kaba Ilco Corporation

