

7th May 2018

Dear Trade Partners,

DIGINET LIGHTING CONTROLS PRICE REVIEW

Gerard Lighting is working with its suppliers to manage the supply of electronic components that are currently used in our Dignet range of lighting control products. The ongoing global shortage of all electronic components is now expected to last through 2018, with lead-times stretching out to 40-plus weeks. In the electronic component industry, mergers have created mega-suppliers with considerable influence, with the market beginning to experience electronic component price increases for the first time in many years, as the limited supply cannot keep up with the growing demand. As such buyers are anxious to book their business, which again is driving price and demand up and limiting supply. Of note, it has been identified that the electric cars are exerting significant pressure on the supply and demand for all electronic components, using almost 30 times as many as a standard petrol car.

Gerard's reliance upon electronic components for its lighting control products has led to a significant increase in our costs to shore up supply of these components into the future. Where possible we will always endeavour to absorb cost increases within our business, however, we refuse to compromise on the quality of our product and as such have been left with no alternative but to adjust our prices accordingly for this range of product.

In line with our Trading Agreement we formally provide you with notice of a price adjustment which will be effective from 1 July 2018. The scope of the increase is limited to the below products and will be in the range of 10% to 20% with a comprehensive electronic price file for these items sent to your administration office within 30 days of the effective date for implementation into your business system.

| Item | Name |
|----------------|--------------------------------|
| DGSMARTSCAN1HD | SMART SCAN MK2 360 DEGREE PIR |
| MEDM | DIMMER PRECISION PHASE ADAPTIV |
| MMBP | LOAD BYPASS DEVICE FOR LEDSMAR |
| MMDM/PB | DIGINET MULTIMATE PUSH BUTTON |
| MMDM/RT | DIGINET MULTIMATE ROTARY DIMME |
| MMSE/PR | MODULAR PIR MOVEMENT SENSOR WI |
| MMSW/PB | DIGINET MULTIMATE SWITCH PUSH |
| MMTH/PB | DIGINET MULTIMATE PUSH BUTTON |
| MMTM/PB | DIGINET MULTIMATE PUSH BUTTON |
| STDM/BT | DIGINET SITARA BLUETOOTH WIREL |
| STDM/BT-01 | SITARA BLUETOOTH DIMMER - STDM |

For more information regarding the price change, please do not hesitate to contact me or your relevant account manager. We thank you for your ongoing support.

Yours sincerely

Rod Edwards
Regional General Manager – Commercial Industrial