

# StanleyBlack&Decker

20<sup>th</sup> October, 2017

Dear Valued Customer,

You are no doubt aware there is a significant amount of complexity that determines the cost of producing products such as ours in a global manufacturing environment. Factors such as raw material, labour costs spanning many countries, transport costs, as well as fluctuating currencies (among others) all come into play.

With this in mind, the price of our products has not risen since February 2016, as throughout this period our Global Supply Chain Team has continued its work to mitigate the impact of such factors on the cost of our products via our SFS Continuous Improvement Program. This program focuses on using world class manufacturing principles to drive improvements in efficiency and productivity so we can continue to deliver greater value to our distribution partners and through to end users.

Whilst this ongoing effort, as well as continued refinement of our local business model has allowed us to absorb the bulk of any cost movement over this period, today rising costs leave us with no choice but to advise you of our intention to take price action.

As of 1st of March 2018 we expect to increase the price of our products by an average of 3.5%.

The process we typically follow entails evaluating every SKU we sell in the context of the market overlaid against any efficiency gains we may have been able to achieve through our SFS Program; meaning you may see the price of individual products change by varying amounts.

Your Account Management team will follow within the next 30 days with formal advice by way of new price lists.

I thank you in anticipation of your ongoing support, and please feel free to contact me directly if you have any concerns.

Regards



Adrian Davis  
Managing Director

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