



AGF Manufacturing Inc.
Improving the fire sprinkler industry since 1986

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June 4, 2021

Dear Distributor of AGF Products,

As I am sure you all have realized, the price of raw materials, especially the primary metals used to make bronze and brass, are on the rise, and have now even exceeded the highs seen in past years. In addition, manufacturers of steel pipe, fittings, and other component part used to make some of our products have forwarded multiple price increase in just the last 6 months. And like all of you, AGF is also experiencing the same increased operational related expenses caused by pandemic and the labor situation. Considering the current business environment, we have delayed a price increase for as long as possible, but we are now in a position where we must pass through some of these increases.

As you are all aware AGF prides itself on doing all we can to take the volatility out of pricing. The current Net Price Book was issued October 1, 2013. Since that time, we have introduced several new products but most of the core item prices in that book have been unchanged for 8 years. We are in the process of reviewing each of our product lines separately and will be adjusting their prices in accordance with the impact raw material and component price increases have affected their production costs. As a result, we will not be implementing a straight across the board percentage price increase, but the average increase will likely fall between 7% and 12% above our current price list.

Our goal in sending you this letter now is to give you and your customers as much notice as possible. The New Price Book will be sent out as soon as it is ready for distribution, hopefully by the middle of July, and those prices will become effective on Tuesday September 7, 2021. All purchase orders received on or before close of business (east coast time) on Friday, September 3, 2021, will be invoiced at current prices. All purchase orders received after that time will need to reflect the new prices. All orders placed at the current pricing will only be accepted subject to product availability. If you would like multiple copies of the Price Book for distribution to your regional offices, please let us know and we will provide you with as many as you need.

We regret the fact that we must increase our pricing, but it is our hope that this advanced notification will allow your customers to receive in the materials they need to complete jobs they are currently working on. We appreciate your understanding this announced price increase and as always, we sincerely value your business. Please feel free to contact me with any questions or concerns.

Best Regards,

A handwritten signature in black ink that reads 'George J. McHugh'. The signature is written in a cursive, flowing style.

George J. McHugh