



February 11, 2022

Intended Audience:

All Sprecher + Schuh Distributors, Direct/OEM Customers and Manufacturing Sales Representatives. Please cascade this information as appropriate within your organization.

Dear Business Partners,

Global headlines continue to highlight the significant cost inflation of materials and transportation. The unforeseeable inflationary increases continue to accelerate for raw materials, components, and logistics. Sprecher + Schuh's procurement and operations teams have worked to absorb much of these additional costs, but given continued cost escalation, this approach is not sustainable. Most of the production and logistics costs rose twice as much in the last year as they had over the past decade. Now, Sprecher + Schuh must take action to offset a portion of these significantly higher costs.

Special Price Action

Effective March 13, 2022: Sprecher + Schuh will institute a 6.9% incremental list price increase to nearly all products within the Sprecher + Schuh portfolio to address rising materials and components costs for manufactured products.

- The cost of materials and components, particularly for those with scarcity, continues to escalate with increases often at premium multiples. This action does not pass along the full cost to our customers, but instead only considers the most necessary measures in the form of a 6.9% increase, effective March 13, 2022.
- This Special Price Action does not affect Negotiated Price Agreements until the time they are renewed. The 6.9% price increase will be implemented on negotiated net pricing at renewal time.

Sprecher + Schuh is taking the above stated measures in reaction to the current market conditions and will continue to re-evaluate the economic situation quarterly. Please know that we value our continued relationship as we navigate the challenging marketplace together.

Thank you,
Sprecher + Schuh Leadership

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