



March 27, 2026

Dear Valued Partner,

Thank you for your continued partnership with Franklin International. I am writing to update you on the changing business conditions resulting from the conflict in the Middle East. These changes are impacting most economic markets and affecting business conditions globally. Over the past several weeks, we have experienced escalating costs across all facets of finished goods production. Due to the rising costs of raw materials used in product production, increased costs in packaging and higher fuel/ transportation charges, the costs of finished goods have escalated quickly. In addition, the supply chain has seen tighter inventory levels, longer lead times, and widespread disruption across shipping routes. These challenges have resulted in higher costs and lower inventory levels throughout multiple layers of the supply chain.

As a result of all these conditions, Franklin International must implement a surcharge to recover a portion of these higher costs. An 8% surcharge will be added to all orders placed after April 10<sup>th</sup>. Any orders placed prior to April 10<sup>th</sup> must be for immediate shipment.

We do not make this decision lightly. Our team continues to actively manage sourcing, optimize operations, and work with suppliers to minimize impact wherever possible. However, this has become more challenging given the fluid and highly volatile nature of the current environment. Market conditions require this adjustment to ensure we can continue to provide consistent quality, reliable supply, and the level of service you expect.

This surcharge will be reviewed regularly, and adjustments will be made as market conditions change. If you have any questions, please contact your account representative for updates. Thank you for your partnership.

Sincerely,

Scott Bowen  
Sr. Vice President of Sales  
Construction Products Division