



Hardware &  
Home Improvement

September 17, 2018

Dear Valued Customer,

On September 17<sup>th</sup> the US Government imposed round three of tariffs on Chinese imports. Spectrum Brands HHI absorbed the first two rounds of tariffs with zero effect on our Customers or Consumers, despite the impact to our business.

As we analyze our business, Spectrum Brands HHI has determined we will not be able to fully absorb this round three of tax. As a result, we will implement a tariff surcharge on all our affected product portfolios. With the round three tariffs set to go into effect Monday September 24<sup>th</sup>, we will follow up with a second communication later this week to answer your questions around surcharge implementation methodology and timing.

The surcharge is being applied to offset the tax that affects all of us in the supply chain as we strive to serve our customers with excellence. We will continue to relentlessly pursue additional ways to contain costs in our business so we consistently provide you with superior service and quality products at competitive prices.

Thank you for your business and continued support of Spectrum Brands Hardware and Home Improvement Group.

Sincerely,

Tim Goff  
Chief Marketing Officer  
Spectrum Brands HHI Group