



Wood Adhesives
 Pressure Sensitive Adhesives
 Specialty Polymers

January 27, 2021

Dear : Andrew

Franklin International is committed to delivering quality products at competitive pricing and we are very sensitive to our customers that must compete in their markets. Over the course of the past several months, we have realized increases in costs on raw materials, packaging, labor and overall general operations. High demand of raw materials and packaging supplies has created shortages in many sectors, which has resulted in escalated product costs. We have absorbed these costs over many months but the increases are expected to continue and they have made it necessary for us to announce a price increase on all products.

Specifically related to wood glue technology:

- Strong vinyl acetate & acetic acid demand combined with tight supply resulting in one major supplier announcing 100% sales control and raising costs with minimal notice.
- Pricing for key feedstocks (ethylene and methanol) used to make vinyl acetate for wood glues have been on the rise since Q4 and are expected to continue into 2021. Spot ethylene is currently trading near a six year high and methanol a two year high.
- Force Majeure on methyl methacrylate impacting 17% of all US demand.
- Worldwide shortage of MDI is impacting availability and costs globally.
- Strong demand forecasted well into 2021 will continue to pressure all raw material costs and supply.

As such, Franklin is implementing a price increase on orders placed after February 5th and all shipments after March 1st, 2021. Franklin is currently at three weeks lead time on top selling items due to industry wide raw material shortages and high demand. Orders received after February 5th are likely not to ship until after March 1st thus the early price change. We will not allow additional orders or additional quantities out of your normal order patterns during this time frame. We are asking our customers to work with their assigned account managers for the best outcomes during this difficult time.

The general category increases are as follows:

Water based glues	Pails	+\$0.14 per lb.
	Drums	+\$0.06 per lb.
	Totes	+\$0.04 per lb.
Polyurethane based glues		+\$0.12 per lb.
MDI based hardeners H200 FF200		+\$0.16 per lb.
Polyurethane hot melt cartridges		+\$1.00 each
Bates Booth Coating		+\$0.15 per lb.
Catalyst W		+\$0.10 per lb.
Catalyst A, TSX,		+\$0.07 per lb.
Accessories / Misc.		+6% on each

Sincerely,

Jaye Schroeder
 Vice President

NOTE TO USER: by ordering/receiving product you accept the Franklin Adhesives and Polymers General Terms and Conditions of Sale applicable in the region. Please request a copy if you have not received these. These Terms and Conditions contain disclaimers of implied warranties (including but not limited to disclaiming warranties of fitness for a particular purpose) and limits of liability. All other terms are rejected. In any event, the total aggregate liability of Franklin Adhesives and Polymers for any claim or series of related claims however arising, in contract, tort (including negligence), breach of statutory duty, misrepresentation, strict liability or otherwise, is limited to replacement of affected products or refund of the purchase price for affected products. Franklin Adhesives and Polymers shall not be liable for loss of profit, loss of margin, loss of contract, loss of business, loss of goodwill or any indirect or consequential losses arising out of or in connection with product supply.

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