



AUSTRALIA PTY LTD

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30th March 2020

To our valued customers,

The economic impact of COVID-19 on markets around the world is unprecedented. As a result we have seen significant decline of the AUD to USD in the past 2 weeks.

Like all importers, TECO Australia Pty Ltd has no choice but to effect a price change notification to the market, to ensure we maintain our margins and can remain viable to supply our channel partners through this difficult time.

Our schedule for implementation is:

Home Appliances (Kitchen & Laundry) – effective 1st May 2020.

Air Conditioning (Window/Wall, Wall Splits) – effective 1st June 2020. This follows our October 2019 rise but that rise does not entirely cover the significant forex loss during March 2020 since the collapse of the AUD.

The changes will be category and model specific to ensure we exclude models with no further shipments, and apply to any new range arriving after the scheduled date. You have our assurance that any change is purely to maintain our existing margins, based on foreign exchange; and when the dollar recovers to 0.67 or above that we will review pricing with you.

We aim to have your HA price lists [effective 1st May] to you by mid-April 2020; and for your AC price list to you by the beginning of May 2020.

We appreciate your understanding during this challenging period and we look forward to working with you to ensure we all have a positive future for our respective businesses beyond the current situation.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Troy Evans". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Troy Evans

General Manager

Air Conditioning & Home Appliances

TECO Australia Pty Ltd