Date: March 31, 2020

To: Corporate Account Customers

From: Kevin Rudd, Chief Sales & Marketing Officer

Re: Proof of Delivery- Change in Protocol

Public health circumstances require action be taken to support social distancing efforts while continuing to provide goods and services to our valued customers. In an abundance of caution, and to ensure the safety of our employees and that of our customers, NETWORK will begin to adopt no contact delivery practices that will remain in effect for the foreseeable future.

This safety measure will impact a driver’s ability to obtain signed proof of delivery at the time of delivery. As an alternative to standard POD processes, NETWORK has provided drivers the following options to provide proof of delivery as necessary. (Option deployed is dependent upon local distributor system capabilities.)

1. While maintaining social distancing, driver asks receiving person’s name and records on the delivery document.

2. Driver receives text or email from dock personnel before leaving the dock area.

3. Driver takes video or photos of products and/or receiving person and the photos are maintained with the delivery document.

If your organization has concerns regarding this method of delivery documentation, please contact your NETWORK customer service representative for further discussion.

Thank you for your support.
Valued Customers

We continue to monitor the evolving landscape of the COVID-19 outbreak and are committed to do all we can to meet the evolving needs of our customers. We balance this focus with an ongoing dedication to protect public health and the extended community that is the foundation of the NETWORK family. To that end, we share the following updates.

The State of the Supply Chain:

■ Customers across industries have increased demand for product. High order volumes for infection prevention items like hand sanitizer, masks, and personal protective equipment have created a global shortage impacting all channels of distribution. Foodservice disposables have also been impacted as a result of increased activity in take-out food options for restaurants and grocery stores.
■ Orders for healthcare facilities and first responder organizations have, and will continue to be prioritized. Needs at these facilities continue to increase and demand is expected to continue rising.
■ Customers may experience a change in their normal delivery patterns.
■ Lead times for product are being pushed well beyond normal. Any dates provided by suppliers are estimates and should not be perceived a guarantee. Additionally, inventory volumes do not guarantee product availability.
■ Manufacturers are challenged in receiving raw materials and components from their partners which are necessary in the manufacturing process of their final product. This unexpected obstacle further impacts fill rates.
■ Information sharing continues to be impacted during this time. We are committed to responding to your needs with the information available.

The State of our Staff:

NETWORK and our distributors continue to focus on operational continuity as this situation evolves. Of utmost concern is the safety and well-being of our staff, their families, and the extended community. Across the organization we are utilizing the public health guidance put forth by The Centers for Disease Control and Prevention and The World Health Organization. The recommendations of these organizations serve as our foundation for wellness and safety in the workplace.

■ We have provided communication and education on hygiene practices aimed at reducing the spread of infection.
■ We have implemented measures to reduce the risk of transmission—social distancing, work-from-home options, and enabling virtual meetings. Meeting size is limited to less than 10 participants.
■ Employees who show symptoms of illness are restricted from the workplace.
■ All distributors have been provided OSHA Guidance on Preparing Workplaces for COVID-19 and are employing the CDC’s recommended strategies. For specific business continuity details by distributor, contact your local representative.

We continue to bring our best everyday in taking care of our customers and of one another. Thank you for your understanding and cooperation as we strive to support a healthy community.

Sincerely,

Kevin Rudd
As the world absorbs the far-reaching implications of the health situation associated with COVID-19, the entire NETWORK organization continues to share information and updates.

NETWORK’s number one priority is to protect and support existing customers. Our distributors are working hand in hand with suppliers and customers in the local market to ensure inventory and ordering levels are appropriately managed. We intend to satisfy demand for critical anti-infection items for all customers but may at some point prioritize organizations directly involved in maintaining public health — including healthcare professionals and first responders. This directive will be followed if dictated by a government agency.

**Inventory Points of Emphasis:**
- A number of manufacturers have instituted supply pacing programs for distribution. Supply pacing means purchases of certain products - disinfectants, hand sanitizers, gloves, masks, etc., may be limited to specific quantities or to previous purchase history. This could impact our ability to deliver product. We ask for your understanding in this time of strain on the supply chain.
- We are committed to responding to your needs. Your patience is appreciated as you request order status updates. Information sharing from supplier to distributor to NETWORK has also been impacted during this time.
- Return policies will be modified to ensure customers are dissuaded from ordering excess inventory. Returns will not be allowed for volume outside the normal purchase history.

Beyond caring for customers, NETWORK is also taking steps to ensure the health of staff, those who support our customers. The organization has communicated and instated the following -
- Education for employees on recognition of symptoms and simple preventative activities.
- Flexible working options including telecommuting and flexible work hours have been enabled.
- Employees who become ill are encouraged to refrain from coming to the office.
- Conveying best practices on how to minimize transmission of infection — social distancing, increased hand hygiene and surface cleaning, cover coughs and sneezes, avoid touching eye, nose, mouth, eliminate sharing (i.e., food, drinks, pens, phones, etc.,)

NETWORK strives to provide customers timely and accurate information during this rapidly changing and unprecedented situation. We thank you for your continued cooperation and patience as we come together to support a healthy community.

Sincerely,

Kevin Rudd
Chief Sales & Marketing Officer
NETWORK® — FAQs

Can you confirm how much inventory you have?
The inventory position at our facilities changes constantly, anything we provide would be dated and does not guarantee availability due to allocation by the distributor.

Will you hold inventory for a customer?
We do not hold inventory for any customers. All orders are honored on a first come/first served basis. In addition, distributors have put many items on allocation and are limiting purchases to historical purchase volumes.

Will you protect a customer's demand history/forecast for future purchasing?
Our distributors will make every effort to protect and support existing business, but they are also under supply pacing from several manufacturers. In addition, allocating inventory is a very manual process for our distributors. Every attempt will be made to prioritize existing customer business and existing demand history volume.

Will you prioritize orders (for Hospitals)?
All of our customers are important to us and many of them serve very important segments that can protect the spread of the virus - through our first responders, our educators, our elderly etc. Unless the CDC or the government requires it, we are not prioritizing any customer group or segment.

Will you accept new customers/orders for critical anti-infection items?
At this time, our priority is to our existing customers and their needs. Where we have new opportunities and or available inventory, we can look to add new locations/business.

Can I return product if we purchased too much.
Any purchase volume that exceeds historical purchase demand cannot be returned.

Why would a supplier put distributors on allocation, why can't they just order as much as they want?
Allocating inventory is meant to ensure that every customer has access to some level of a limited product.
To our valued customers -

NETWORK is closely monitoring the changing circumstances related to the Coronavirus (COVID-19). We are issuing this communication to provide information to our customers regarding business impacts of the situation.

Our top priorities are the support and satisfaction of our customers, as well as the health and wellbeing of all constituents. As such, we want to ensure we keep you informed regarding our Business Continuity plans and the current state of the business as we see it.

■ **Business Continuity**: NETWORK headquarters has a contingency operation plan in place. As such, our employees are equipped to work from home if necessary due to quarantine. Additionally, independent distributors are geographically dispersed to help reduce any risk tied to a single location. Based on what we know at this time, we do not see any concerns around our ability to support your operational needs.

■ **Supply Chain**: As your partner, we know you may have concerns about the potential of impacts on the supply chain. At this time we are seeing some manufacturers lengthening lead times for non-critical products. This is due to products that in part, or in whole, originate in areas experiencing significant implications to supply, labor, and transportation. Given the uncertainty of short- and mid-term impacts of the Coronavirus on the supply chain, some manufacturers have instituted a level of supply pacing but at this time NETWORK has no knowledge of strict allocation programs. NETWORK will work with our distributors to aggregate inventory impacts and relay that information should it begin to significantly encumber order fulfillment capabilities.

Our goal at NETWORK is to support customers with the best people, information, and programs at our disposal. We will continue to monitor manufacturer production and our ability to meet your evolving needs. Additional information will be shared as warranted. For direct assistance, please contact your NETWORK Corporate Account Director or customer service representative.

Sincerely,

Kevin Rudd
Chief Sales & Marketing Officer
Outbreak Response Kit

As information on the Coronavirus continues to develop, the Centers for Disease Control (CDC) reports that most people in the US have limited risk of exposure. Even with limited risk, the CDC recommends that companies identify and communicate how they can help decrease and limit the spread of the disease. NETWORK’s objectives, in order of importance, are to maintain the health and safety of our employees and their families and maintain our business processes and services without disruption to customers. In support of these objectives NETWORK shares the following information from the Centers for Disease Control.

**WHAT IS THE CORONAVIRUS DISEASE 2019?**
Coronavirus disease 2019 (COVID-19) is a respiratory illness that can spread from person to person. The virus that causes COVID-19 is a novel coronavirus first identified during an investigation into an outbreak in Wuhan, China.

**WHAT CAUSES THE CORONAVIRUS DISEASE 2019?**
The disease is caused by a virus that has been named “SARS-CoV-2”, which is a betacoronavirus, like MERS-CoV and SARS-CoV. All three of these viruses have their origins in bats.

**THE VIRUS AND SURFACES**
An analysis of 22 studies reveals that human coronaviruses such as Severe Acute Respiratory Syndrome (SARS) coronavirus, Middle East Respiratory Syndrome (MERS) coronavirus or endemic human coronaviruses (HCoV) can persist on inanimate surfaces like metal, glass or plastic for up to 9 days. Currently, there is no US EPA registered disinfectant available on the market with the Coronavirus (2019 nCoV) efficacy claim specifically listed on their container label. With respect to the Coronavirus (2019 nCoV) on January 22, 2020, Anita Pease, the Director of the US EPA Antimicrobial Division announced that the Coronavirus (2019 nCoV) has triggered the EPA Emerging Pathogen Policy. Due to the need for guidance on disinfectants to use in cases of outbreaks, this policy-initiated criteria for disinfectants to meet which allows for professional judgements on effectiveness of disinfectants with current registrations with similar, representative microorganism families based on their cell structures and the microorganisms vulnerability to types of disinfectant chemistries.

**SPREAD IN THE U.S.**
The first case of COVID-19 in the United States was reported on January 21, 2020. The current count of cases of COVID-19 in the United States is frequently updated and available on CDC’s website at http://www.cdc.gov/

**RISK ASSESSMENT**
The risk from an outbreak depends on how well the virus spreads, the severity of the resulting illness, and measures available to control impact. At this time most people in the U.S. have little immediate risk of exposure to COVID-19. However it is important to focus on proper cleaning and prevention protocols to control transmission.

**PROTECTION AND PREVENTION**
Everyone can do their part to help plan, prepare, and respond to this emerging public health threat. There are simple everyday preventive actions to contribute to reduction in spread of COVID-19 and other respiratory viruses.

Avoid close contact with people who are sick.

Avoid touching your eyes, nose and mouth with unwashed hands.

Wash your hands often with soap and water for at least 20 seconds.

The following pages are a compilation of resources from NETWORK Strategic Supplier Partners and their COVID-19 information. This is not a reflection or guarantee of product availability.

Information source: The Centers for Disease Control and Prevention | www.cdc.gov