

Bulletin: 09-20

TO: All Greenheck Representatives
FROM: Tim Kilgore
President, Greenheck Sales/Marketing - Americas
DATE: March 16, 2020
SUBJECT: Greenheck Objectives and Strategies Related to COVID-19



Greetings to all of you, our valued rep partners worldwide!

In my 40 years in business, one major learning is that in times of uncertainty, it is important to increase the frequency of communication. Recognizing the ever-growing seriousness and uncertainties of COVID-19 and its implications for all of us personally and for our business, I felt it important to update you on our objectives and strategies at Greenheck to cope with this pandemic.

We are approaching this challenging situation with three priorities:

1. We're striving to do all we can to keep our employees well-informed as they manage their personal and family decisions, while striving to provide a safe work environment.
2. We're focusing on managing our business to assure exceptional service to our customers, to preserve our market leadership in all respects, and to protect the financial health of the company, upon which we all depend for our financial security.
3. We're trying to act in ways that are responsible to the health and well-being of the communities in which we have operations.

The Greenheck owners, board of directors, and management team know you share these same concerns as evidenced by your strong commitments and dedication that has made Greenheck the envy of our industry over the years. As of this morning, no Greenheck organization employee or family member has a confirmed case of coronavirus.

Over the past 73 years, Greenheck and many rep firms have been through countless events that, in retrospect, have become defining moments of achievement through the resilience of good people doing great things. This includes military conflicts, the economic crisis in the early 2000's, the ripple effects of 9/11, Hurricane Katrina, SARS, the Great Recession of 2008, and most recently H1N1 pandemic in 2009. History will likely mark the 2020 Coronavirus pandemic as one of those defining moments for our company, our families, and for the communities we call home.

Coronavirus remains an ever-changing and dynamic situation, with the President of the United States declaring a National Emergency and the World Health Organization declaring Coronavirus as a pandemic. We're relying on guidelines from the U.S. Center for Disease Control, the CDC, realizing the news media's natural tendency to create hype and often contributing to undo anxiety

I would like to again share with you what we know, review what we have done, and give you confidence that we are proactively deploying forward-thinking strategies to provide you and your families additional peace of mind.

Here's what we expect:

- We anticipate that the Coronavirus situation will continue to be dynamic, and change will come quickly. At this point, nobody knows how bad this will get and how long it will last. Many experts state the number of cases will rise in the days and weeks ahead. We remain committed to staying on top of new information from national health experts and will address changes promptly, making sure our decisions and actions to combat this unique situation are based on the core values on which our company was founded. Expect us to communicate regularly with you in order to keep you well-informed. We ask for your continued trust and cooperation to quickly address situations as they arise.
- The impact of the Coronavirus pandemic will likely last for months, not weeks. The work of our Greenheck COVID-19 Response Team is consciously addressing, not just short-term challenges as they arise; they are also intentionally positioning us for the long haul.
- In the coming days, cancellations of events associated with normal public life and other social distancing actions are going to increase.
- The U.S. Congress and administration announced they will be enacting new legislation this week providing benefits to individuals and certain businesses adversely impacted by actions to curb the spread of the virus. Details are yet to come and their impact on our businesses.
- We know that many of the circumstances our team members find themselves in are the result of national and local decisions. Schools have now been closed in all Greenheck locations as is likely in your area as well. This is difficult on parents who need childcare and may unfortunately impact our production rates.

Supply Chain Update

Our supply chain team has been working extra hard with our tier 1 and 2 suppliers to assure a secure supply of component materials. We have traced our orders with our suppliers and even assessed their providers supply chain for each of the over 200,000 components we utilize in our products. We're pleased to report we are in excellent shape with our supply chain. Of the small number of components originating in China, those manufacturing facilities are reported to be back on-line and 9 of the 11 ports they utilize for shipping have reopened. That is good news!

Orders Remain Strong

Although it is early to assess the impact this crisis will have on sales, I'm pleased to report, **order intake over the past 75 days has been excellent, including the first 10 days of March.** We're dedicated to getting orders out on time and taking care of our customers. We know at this point it will make a BIG difference in preserving the loyalty of existing customers. And, we've learned in past times of crisis it can sometimes help us open new customer relationships that help us grow faster as the crisis ends. Again, we're doing all we can to work with our employees who are facing daycare challenges in order to keep production rates high.

Conclusion

Because of the collective hard work of our team members, you our rep partners, and our suppliers, the Greenheck organization is financially strong and well-positioned to continue serving our customers, our reps and our employee families, and communities where we operate.

With that in mind, we all must strive to be flexible and committed to taking the opportunity to partner with our customers and exceed their expectations while at the same time providing leadership for our families. I have confidence in our team and that together we will navigate the current Coronavirus issue like we have so many other things for the past 73 years.....with actions and behaviors grounded in our core values.

Let's continue to work together to be safe! Thank you!

Tim Kilgore