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March 16, 2020

Valued Warehouse Direct Customers,

Due to increased cases of Coronavirus (COIV-19), our company has been working diligently to provide workplace solutions to keep our employees, customers, and families healthy during this time.

Due to the current spread of COVID-19 and precautionary measures our customers have taken, there has been an increase in demand for specific sanitation, cleaning, and paper products, thus affecting product availability. We are also experiencing supply chain delays with other products.

We understand the pressure the pandemic has put on our customers to increase the use and availability of sanitation products. When supply shortages occur we implement a product Allocation process that helps us serve our customers fairly and gets product where it's needed most.

Our Allocation process is similar to the process that our manufacturer's use to supply product to distributors like Warehouse Direct. Allocated supply is based on pro-rated available supply, current demand, and our customer's historic purchases of the affected products. In this case our Healthcare customers are prioritized due to their critical role of serving our community during a health crisis. In the short term we may not be able to supply all demand to our customers that have been relying on Warehouse Direct for these products, thus we may not be able to allocate any affected products to customer's that have not purchased these items from us in the past.

All major manufacturers of sanitation products have announced increases in production to help meet the significant increase in demand. We are working with vendors to expedite product availability and shipments. These factors have in many cases led to increased supply chain costs. You may see increased prices that reflect our increased product and supply chain costs until supply and demand return to normal levels.

The WD team's top priority is supporting our customers with workplace products and up-to-date communication regarding our supply chain process during this time. We are working quickly with our suppliers to fulfill your workplace needs.

Please note back ordered items are marked on the individual item numbers. Once back in stock, we will remove these notifications. Existing backorders will ship once available unless you cancel your order.

Returns of Volume Purchases: (All returns require a return authorization and are subject to our standard return policy; must be returned within 30 days of purchase in original carton in resalable condition with no damage or marking on boxes. Report any shortages within 7 days). Returns of Volume Purchases that exceed a customer's historical purchase levels will be subject to a 25% restocking fee. Purchases of food, Beverages, First Aid Supplies are non-returnable. Returnable items with expiration dates are nonreturnable after our standard 30 day return policy.

We thank you for being our valued customer during this time. The WD team will continue providing prompt communication to your business. As always, please contact our customer service team at <u>customerservice@warehousedirect.com</u> for immediate assistance for additional concerns.

We expect to see an easing of the product shortages in the coming weeks.

Thank you,

Kevin Johnson, CEO