

November 30, 2020

To Our Valued Customers,

The Gerber® legacy is built on our steadfast commitment and relationship with the wholesale channel. Our company is what it is today because of the trust our customers have placed in us, and we have proudly and profoundly taken that responsibility and honor as the driving force behind all we do.

In just the last couple of years alone, we have invested in initiatives to bolster our support of the wholesale channel, from more manufacturing capacity to bringing together the Danze® by Gerber and Gerber brands for a unified, simplified and fortified brand experience.

To ensure we are always supporting our customers and partners in the best way possible, we continually ask for feedback and insight.

A barrier to profitable growth for our trade partners and ourselves that we have heard time and time again is that Gerber lacks the name recognition to make it a bonafide powerhouse.

So, we asked ourselves, "What's keeping Gerber's legacy from being legendary for our customers?" We have an 88-year strong legacy, and to take us through the next 88 years and beyond, we'll need to have a legendary legacy.

Which, has led Gerber to make the exciting decision to thoughtfully and strategically enter the retail channel. We are thrilled to share this news with all of you and to see how this change for Gerber will propel our wholesale customers to new heights.

This significant next step in Gerber's journey will help bring brand recognition among homeowners and end users. To quote a phrase made popular by President John F. Kennedy, "A rising tide lifts all boats." This positive shift into the retail space will universally help Gerber, and more importantly, our partners and customers, to truly harness the strength of Gerber's product offering and market position as a consistent and reliable supplier of both vitreous china and brass products.

To kick off Gerber's retail debut, you will see a Gerber-branded toilet-in-a-box product in Costco stores across the country. Product has begun appearing in some regions of the country and will continue to roll out for national distribution through the New Year. The Wrightwood™ Dual Flush 12" Rough-In Two-Piece Elongated ErgoHeight™ Toilet is exclusively designed for and available at Costco.

You may be wondering, "What's next?"

Entering the retail space is a new endeavor for Gerber. This strategy and plan is under development. We will actively communicate along the way and share any important updates as part of our commitment to serving wholesale channel customers with diligence and transparency.

However, please rest assured that Gerber is not reallocating resources for the retail initiative, but rather focusing stronger efforts on all channels. This includes the continued commitment to new product development for the wholesale channel. Additionally, rolling out in various stages in

2021, Gerber has created a thorough plan to become a better partner to plumbers and is revamping our entire showroom display program with new and refreshed resources.

Our commitment to being the most consistent supplier for our wholesale customers is steadfast and we will not allow this change to operationally affect, or limit the growth of the wholesale channel at all. We encourage our wholesale customers to remain confident in their outstanding ability to support their customers through strong relationships, and Gerber is always standing by to back up those important efforts.

Any capacity that we dedicate to retail is specific to that channel and does not take away from the wholesale channel and is reinforced by our recent acquisition of a manufacturing facility in Mexico and planned expansion of our existing facilities. For decades, Gerber has had private label retail partnerships managed by a dedicated team outside of our wholesale team. Gerber expanding and taking the brand to retail will not affect the capacity dedicated to the wholesale channel or our planned growth for wholesale. More importantly, this means that our team's commitment and service to our customers will not be diluted by this change.

All of us at Gerber are wholeheartedly thrilled about what lies ahead in our adventure together with all our customers and partners. We are so grateful for everyone along for the ride, supporting the changes our organization is going through.

However, one thing that will never change is the Gerber team's unwavering dedication to serving you and your business.

Please reach out to your regional sales manager, customer care team member, or Gerber representative with any questions.

Thank you for your continued support and partnership.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith E. Yurko".

Keith Yurko  
CEO, Globe Union North American Group