



December 7, 2020

To: All Bertch Bath Dealers
From: Denny McLaughlin, Executive Sales Manager
Bath Division Price Adjustment Effective February 15, 2021

Dear Bath Dealers:

2020 was one of the most challenging years in Bertch's nearly 44 year history, and we know it was equally challenging for our dealers. We are so grateful for all of our customers, and for all of our associates as we weathered this most difficult time together. We look forward to 2021 with excitement and optimism for a continuing recovery of the cabinet business and all of your businesses.

As with all businesses in 2020, Bertch absorbed some unique costs in the past year, including unprecedented employee absenteeism, dramatically reduced production levels early in the pandemic, increasing health care costs, increased direct labor costs and most recently, price increases from suppliers in virtually every facet of our supply line, as they, too, fight to recover. Raw material supply disruptions due to both production and transportation have been an everyday issue. We know some of those challenges will also continue into 2021, but we expect to continue to supply complete shipments, on time, and as reliably as ever.

We have had a sustained and successful effort by our entire production team to increase productivity in our plant operations. Thankfully, that effort and our expectation that recent increases in orders and production levels will provide some further offset to increased costs into 2021. This has allowed us to minimize the increased manufacturing costs impact to our dealers.

Nevertheless, the overall 2020 cost increases continue to outpace our best efforts, and we will be implementing a modest 3.3% increase on all Bertch Bath products, with the exception of the new quartz top program recently introduced.

New list prices will be published prior to the February 15, 2021, implementation, reflecting the increase. Bath Online Ordering will also be updated effective February 15, 2021.

Therefore, your current cost factor (or discount from list price) will remain exactly the same. If you have a need to quote at the 2021 prices before February 15th, please remember to add 3.3% to cover the pending change.

We appreciate every dealer and look forward to serving you and growing together in 2021.

Sincerely,

A handwritten signature in black ink, appearing to read 'Denny McLaughlin'.

Denny McLaughlin
Executive Sales Manager