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Medline Canada Communication Update of 01/30/2020 Regarding the Wuhan Coronavirus (2019-nCoV)

January 30, 2020

Dear Valued Customer,

The Wuhan Coronavirus continues to spread with 7,711 confirmed cases, 170 deaths as of today according to the *New York Times*. Here are some important facts related to the outbreak that we expect will affect capacity and/or delay shipments from some of our factories:

- The Chinese government is prioritizing facemasks and PPE production for the domestic China market.
- The Hubei Province, where a large percentage of Medline and other organization's PPE products are manufactured, is the same province as the origin as the Coronavirus. Highways, public transport, rail, river, and air travel have all been restricted to emergency medical teams only. Some cargo shipments will experience delays as well.
- The Chinese government has extended Chinese New Year holidays, so production workers will return to work later than planned. This will potentially have an impact on multiple product categories.

This level of action is unprecedented, and at this time, we do not have an understanding of when these restrictions will be lifted.

As communicated on January 28, 2020, we are already experiencing a dramatic surge in demand for PPE and infection protection supplies and are actively working to ensure the continuity of fulfillment. We have placed the following product categories on allocation to ensure that we can supply our existing customers and their frontline medical staff with the equipment they need to protect themselves and their patients most likely to be exposed to the Coronavirus.

Categories on Allocation

- PPE
- Facemasks
- Exam Gloves
- X-Ray Detectable Gauze, Lab Sponges, OR Towels for both Sterile and Kit Usage





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Specific Products on Allocation

Ven	Ven Name	Catalog	Description
204	ALLIANCE HEALTHCARE PRODUCTS	0010	ALOE CARE FOAMING 72% ALCOHOL HAND SANITIZER 1L PUMP BTL
204	ALLIANCE HEALTHCARE PRODUCTS	0011	ALOE CARE FOAMING 72% ALCOHOL HAND SANITIZER 110ML PUMP BTL
211	ALLIANCE HEALTHCARE PRODUCTS	2202	FACE MASK WITH PLASTIC SHIELD 3 PLY WITH EAR LOOP
211	ALLIANCE HEALTHCARE PRODUCTS	P703020	FACE MASK PROCEDURE 3 PLY WITH EARLOOP LATEX-FREE
211	ALLIANCE HEALTHCARE PRODUCTS	P703030	FACE MASK ISOLATION 3 PLY WITH EARLOOP LATEX-FREE
211	ALLIANCE HEALTHCARE PRODUCTS	P704020	ISOLATION GOWN DISPOSABLE REG/LRG SIZE LF
320	MEDLINE CANADA CORPORATION	NON27378	FACE MASK PROCEDURE 3 PLY WITH EARLOOP LATEX-FREE
320	MEDLINE CANADA CORPORATION	NON27412EL	FACE MASK WITH EARLOOPS FLUID RESISTANT 120 WITH ANTI-FOG THIN FOAM STRIP
320	MEDLINE CANADA CORPORATION	NON24506A	FACE MASK N95 CONE-STYLE PARTICULATE RESPIRATOR NIOSH APPROVED
321	MEDLINE CANADA CORPORATION	NON24507A	FACE MASK N95 CONE-STYLE PARTICULATE RESPIRATOR NIOSH APPROVED SMALL
355	3M CANADA INC	1804	FACE MASK 3M VFLEX N95 PARTICULATE RESPIRATOR MASK REGULAR SIZE WHITE
355	3M CANADA INC	1804S	FACE MASK 3M VFLEX N95 PARTICULATE RESPIRATOR MASK SMALL
355	3M CANADA INC	1860	FACE MASK 3M N95 RESPIRATOR MOLDED HEALTHCARE FLUID REPELLANT REGULAR SIZE
355	3M CANADA INC	1860S	FACE MASK 3M N95 MOLDED HEALTHCARE FLUID REPELLANT SMALL SIZE
355	3M CANADA INC	1870+	FACE MASK 3M AURA N95 RESPIRATOR FLAT FOLD HEALTHCARE FLUID REPELLANT REGULAR SIZE
355	3M CANADA INC	8110S	FACE MASK 3M N95 RESPIRATOR MOLDED SMALL SIZE
355	3M CANADA INC	8210	FACE MASK 3M N95 MOLDED REGULAR SIZE
355	3M CANADA INC	8210+	FACE MASK 3M N95 MOLDED REGULAR SIZE
355	3M CANADA INC	8271	N95 RESPIRATOR MASK
355	3M CANADA INC	8511	RESPIRATOR MASK N95 FILTRATION
355	3M CANADA INC	9105	FACE MASK 3M V-FLEX N95 RESPIRATOR REGULAR SIZE
355	3M CANADA INC	9105S	FACE MASK 3M V-FLEX N95 RESPIRATOR SMALL SIZE
355	3M CANADA INC	9210+	FACE MASK 3M AURA N95 FLAT FOLD WHITE

The above allocation categories and product list is as of 01/30/2020. As this is a fluid situation, additional items may be included daily. We will provide regular updates as the list of allocated products expands.

We have implemented the following steps to manage demand:

- 1) Designated first priority** – Our first priority for fulfilling orders is for existing customers who are directly on the frontlines of medical care, and based on level of acuity. Distributors, dealers, resellers, and retailers will find their access to products limited for the time being.
- 2) Allocation based on historical demand and on-hand supply** – Even those customers who may be on the frontlines may find their ability to order limited as we ensure equitable distribution of product. In some cases, the requested quantity may not be fulfilled complete due to on-hand supply challenges. Any part of an order not shipped, will be cancelled. You will have the option to place another order within 5 days.
- 3) Maintain pricing** - We will maintain pricing for regular demand. To eliminate artificial demand, we have suspended all promotional pricing on certain protective products as we seek to navigate this situation together.





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- 4) **Customer Care Procedure and Resourcing Plan** - We ask that you understand the dramatic increase in inbound call volume, email requests, electronic data interchange, and faxes to our Sales and Customer Care teams during this period. Responses to these enquiries will be delayed - falling short of the targets we set for ourselves in the short term. Our high call and order volume may mean a delay in next day delivery service, and some orders may take 2 to 3 days to arrive.

To mitigate this situation, Medline will be taking the following procedural and staffing steps:

- **Updating Phone Tree** - We have updated our phone tree to allow a separate option for Customers to order items related to protection against the Coronavirus, thereby reducing extended wait times.
- **Rapid Response Team** – We have assembled a rapid response team of dedicated Customer Care Representatives to manage rush orders specific to this event.
- **Email Triage** – We are triaging emails with a focus on order emails taking precedence over other routine enquiries.

We appreciate your understanding and will continue to keep you informed as events unfold.
We are all in this together.

Together improving lives,

Ernie Philip
President
Medline Canada

