

Monday, January 10, 2022

Dear Sales Team,

I would like to wish everyone a happy and healthy new year and thank you for making 2021 another successful year at Pro Chem. I hope that all of you were able to spend some quality time with your family and friends considering the many challenges that continue to face us. It is hard to believe that another year has passed and that now we are gearing up for our 2022 Annual Meeting and Awards Banquet in February. I am very excited about seeing all of you as well as hearing from our keynote speaker from Chick Fil A, Elizabeth Dixon.

As I mentioned in a recent letter, while we did miss our goal of 10% growth over 2019 sales this year, 2021 was extremely successful in so many ways. We managed to grow our business by 7% this year but if you consider the many challenges we had to overcome, this was a hugely successful year. Of course, the biggest challenge continues to be COVID, however as a result of supply chain issues and labor shortages, our second biggest challenge continues to be constant price increases across the board from vendors, packaging suppliers as well as freight carriers. Over the past few months, we have received massive price increases for just about everything we purchase. We have absorbed those increases for the most part without passing many along to our customers but effective March 1, 2022, we will be forced to pass on updated pricing. We hope to be handing out new price books as well as an updated Product Catalog at the meeting in February.

With that in mind, we have made a few changes to our 2022 sales policies which are attached to this letter. As we have done over the last few years, all club levels have increased by \$5,000 as well as the monthly bonus levels to coincide with the rate of inflation. With so much uncertainty still going on in the world, we have yet to book a summer trip this year, but we are optimistic that a trip in 2022 will be possible. So, while we have not secured a destination yet, we will continue our policy that all Prestige Club members will automatically qualify for the trip. Should we not be able to take a trip again this year, we will award all trip winners the full value of the trip in the form of a bonus.

As I mentioned in a recent letter, I am extremely optimistic about our future and where Pro Chem sits today. With so many dedicated sales associates and thousands of loyal customers, I am confident that we will see continuous growth in 2022 and beyond. However, this year we are going to expect more than we have in the past and hold some of you more accountable. With that in mind, effective in 2022, we are going to expect all sales associates who have been with Pro Chem for 2 years or more to maintain our company minimums in monthly sales. With the cost of doing business at an all-time high as well as the new 100 employee or more mandates, we can no longer accept less than the expected minimum. In addition to this, we are making it mandatory for all sales associates to be a part of a Team in 2022. Our Team Leader program has proven to be very successful for all involved over the years and Pro Chem looks forward to growing this program so everyone can reap the benefits of working with like-minded associates and sharing ideas. We are excited to start providing a guided curriculum to all teams to add even more enrichment to the program as well as provide more support and training programs through our new HR partnership.

I would again like to thank all of you for making 2021 another successful year at Pro Chem and look forward to seeing all of you in Atlanta next month.

Thank you,
Randy