



Re: COVID-19 Update
April 23, 2020

MI and Milgard Team Members:

It's been just over a month since I wrote to inform you about the first member of our team who tested positive for COVID-19. We now have over twenty team members that have contracted the virus. A couple have already returned to work after making full recoveries.

In the past week we've made several changes to better protect our team and reduce the spread of COVID-19. Face coverings are now required in all facilities and earlier this week we introduced pre-shift temperature checks at a couple sites. We intend to have all facilities doing this in the near future.

Last week I shared that our orders were trending down. Some facilities are faring better than others; however, our overall business is down compared to prior year and our 2020 plan. For some regions and end markets orders are off by more than 40%. With an objective to effectively manage costs during these uncomfortable times we are implementing several changes:

- The company's 401(k) matching contribution will be paused effective with the first pay in May
- Mike DeSoto, Pete DeSoto, and I are reducing our salaries to zero
- The Milgard and MI executive leadership teams are reducing their salaries by 20%
- Other leaders in the business are reducing their salaries between 5-10%

These are the right decisions for the long-term strength of our business. I am unsure as to how long the 401(k) pause will be required, but you have my word that benefits like this are at the top of the list to reinstate as we show sustained improved performance. Along those lines, I will provide business performance updates on a regular basis. As a team we will remain tough and most certainly become stronger for having led our business through this pandemic.

Be smart, stay safe, and remain confident!

With respect,

A handwritten signature in black ink, appearing to read 'Matt DeSoto', written over a horizontal line.

