

Martin Bros. Distributing Co. Inc.

Preparedness Plan

Version: C2020-1.0



Objective/Purpose of the Preparedness Plan

The objective of the Preparedness Plan of Martin Bros. is to prepare personnel to successfully manage potential interruptions or disaster situations while also considering their personal safety during the recovery efforts.

Martin Bros. defines a Disaster as a sudden, unplanned event causing unacceptable damage or loss as defined or determined by a risk assessment; 1.) Any event that creates an inability on the organization's part to provide critical business functions for some predetermined period of time. 2.) In the business environment, any event that creates an inability on the organization's part to provide critical business functions for some predetermined period of time. 3.) The period when company management decides to divert from normal production responses and exercises its plan typically signifies the beginning of a move from a primary to an alternate location.

This plan will identify the necessary personnel and resources required for both disaster preparation and response. Furthermore, it will ensure that the proper steps will be carried out to permit the timely restoration of services and business functions. The plan should minimize decision-making during a disaster or interruption by listing all actions required to restore the ability to complete business processes.

The objective of the Preparedness Plan is to ensure the restoration of critical business functions within the determined Recovery Time Objectives (RTOs). This plan will also minimize the risk of delay in setting up the recovery site through prior preparation and planning. This plan aims to ensure the continuation of services to customers as well as the protection of shareholder interests and the following of any regulatory requirements.

Location of the Preparedness Plan

The most current revisions of this plan are to reside in the following locations at all times:

1. Online myAgility Account
2. Three copies at Operations Center
 - a. North Entrance
 - b. CEO's Safe
 - c. VP of Operations' Office
3. Two copies at Marketing Center
 - a. EVP's Office
 - b. VP of Human Resources' Office

Plan Maintenance

The plan must be continually updated to reflect changes to resources (systems and personnel) as well as the business environment. The plan must be retested and personnel retrained on any changes. Martin Bros. will shred any previous versions of this document due to privacy and confidential issues as well as continually review and update this plan every 6 months to ensure data is current.

Martin Bros. will review the Preparedness Plan and related documents semi-annually in February and in August. Reviews will be performed by the Crisis Communication Team.

Communication Plan

Martin Bros. has developed a Crisis Communication Team (CCT) and the following communication strategy to ensure all critical entities of the organization are kept up-to-date and aware of the circumstances surrounding any business interruption.

The following individuals have been appointed decision-makers and will comprise the CCT:

- Brooks Martin
- Jeff Martin
- Diane Chandler
- Jennifer Meinders
- Ethan DeWall

The CCT is responsible for establishing and maintaining communication among the following entities of Martin Bros.

- Employees
- Investors
- Shareholders
- Clients/Customers
- Regulatory Agencies
- Media

The CCT will determine and document when to activate an emergency communication plan, using the following criteria:

- Duration of outage/interruption
- Severity of interruption
- Percentage/Number of employees, departments impacted
- Prolonged loss of contact with clients or vendors
- Impact on Customer Base

Agility Recovery provides Martin Bros. with the ability to communicate with our employees and key contacts (such as vendors, suppliers, distributors, clients, etc.) over an online Alert Notification System.

Martin Bros. has developed the following communication tools for reaching employees, customers, and/or critical suppliers:

- Agility Alert Notification System
- Phone/Voice mail emergency messaging system
- Multiple forms of communication: text messaging, email, voicemail

Martin Bros. will continue to educate employees about the communications plan by:

- Documenting the crisis communication plan in hardcopy and electronic formats
- Training current and new employees
- Reminding employees about emergency communications, including wallet cards, brochures, and small booklets

Recovery Procedures

Martin Bros. has contracted with Agility Recovery to help us recover in the event of an interruption. We have access to power, space, technology, and connectivity as well as expert advice and coaching for any type of interruption and disaster. Agility Recovery provides Martin Bros. with the ability to recover from a power loss to our building with the use of a portable generator, power distribution unit as well as the required cabling. Generators are available in a variety of sizes and are located in multiple staging yards within our state and region. Agility Recovery provides Martin Bros. with the ability to recover when access our building/office is not permitted by providing mobile, retail, move in ready, and commercial office space in a variety of locations and sizes. Agility will provide all the necessary technology, desks, chairs, generator and satellite access we need to get back-up-and-running at the recovery site.

Martin Bros. has identified the following core scenarios for outline in the plan. Each core scenario also includes detailed proprietary information for the core scenario and any subset scenario that may exist.

Power Recovery Overview and Plan

Agility Recovery Provides Martin Bros. with the ability to recover from a power loss to our building with the use of a portable generator, power distribution unit as well as the required cabling. Generators are available in a variety of sizes and are located in multiple staging yards within our state and region.

The Martin Bros. recovery plan includes steps for dealing with outages ranging from minutes to days all while removing impact to our customers.

As part of the plan review process Martin Bros. reviews both their power needs and redundancy and recovery plans of the local power company. Martin Bros. keeps this proprietary information on-hand as part of the supporting information of the recovery plan.

In the event that portions or all of the Martin Bros. building or office space has lost power, the CCT will put the power recovery plan in action:

1. The CCT will gather on site or leave the office and assemble at Team Technology Data Center.
2. Calls will be placed to the power company and a request will be made as to the timeframe for power to be restored and the cause of power loss.
3. Contact Agility at 877-364-9393 and place on Alert.

Use the information the power company has provided to determine auxiliary power needs and contingent actions steps.

Space Recovery Overview and Plan

Martin Bros. recognizes that weather and fire present the most likely threats to our physical space. Mitigation practices are in place to minimize these threats.

Agility Recovery provides Martin Bros. with the ability to recover when access to our building/office is not permitted by providing mobile, retail, move in ready, and commercial office space in a variety of locations and sizes. Agility will provide all the necessary technology, desks, chairs, generator and satellite access we need to get back-up-and-running at the recovery site.

Agility Space Options:

- **Mobile Office** – allowing office space to be brought to our existing office or designated alternate recovery site within our community.
- **Move in Ready Office** – fully furnished existing space with desks, chairs, waiting area, conference room tables and break room facilities with technology and support supplied by Agility.
- **Retail Office** – Allows for walk up access for customers to conduct business face to face. Located alongside other businesses within an in-line space shopping center. Agility to provide tables, chairs, technology, connectivity and power if needed.

Mobile Office Parking Space – shopping mall parking lot space availability in designated areas.

In addition to the options provided by our recovery firm Martin Bros. has made arrangements to acquire the use of office and distribution space as required to deliver product to our customers. Recovery plans include losing portions or all of the distribution and office facilities with regionalized approaches for minimizing disruption to our customers given the parameters of the situation at the time of the disruption event.

In the event that portions or all of the Martin Bros. building or office space have been damaged by a weather event or other disaster, the CCT will put the space recovery plan in action:

1. The CCT will gather on site or leave the office and assemble at Team Technology Data Center.
2. The CCT will complete the damage assessment of the location to determine severity of the damage, recovery needs, potential recovery timeframe, and necessary contingency steps to mitigate impact throughout the organization and supply chain.
3. Contact Agility at 877-364-9393 and place on Alert.
4. Use the proprietary recovery plans to create temporary recovery space.
5. Notify personnel, clients, and others of the temporary space locations and how the utilization of such will impact operations.

Fleet Recovery Overview and Plan

Martin Bros. recognizes that weather and fire present the most likely threats to our delivery fleet. Mitigation practices are in place to minimize these threats.

Agility Recovery provides Martin Bros. with the opportunity to recover from damage to our delivery fleet.

In addition to the options provided by our recovery firm, Martin Bros. has made arrangements to acquire the use of fleet resources as required to deliver product to our customers. Recovery plans include losing portions or all of

the fleet with regionalized approaches for minimizing disruption to our customers given the parameters of the situation at the time of the disruption event.

In the event that portions or all of the Martin Bros. fleet have been damaged by a weather event or other disaster, the CCT will put the fleet recovery plan in action:

1. The CCT will gather on site or leave the office and assemble at Team Technology Data Center.
2. The CCT will complete the damage assessment of the fleet to determine severity of the damage, recovery needs, potential recovery timeframe, and necessary contingency steps to mitigate impact throughout the organization and supply chain.
3. Contact Agility at 877-364-9393 and place on Alert.
4. Use the proprietary recovery plans to create temporary recovery fleet.

Notify personnel, clients, and others of the temporary fleet and how its utilization of will impact operations.

Pandemic Overview and Plan

Martin Bros. recognizes that emergency situation that is often overlooked is that of the threat of pandemic disease. Severe influenza pandemics represent one of the greatest potential threats to the public's health. Pandemics are distinct from seasonal influenza epidemics that happen nearly every year, causing an average of 36,000 deaths annually in the United States. Seasonal influenza epidemics are caused by influenza viruses, which circulate globally in humans. Over time, people develop some degree of immunity to these viruses, and vaccines are developed annually to protect people from serious illness. Pandemic influenza refers to a worldwide epidemic due to a new, dramatically different strain of influenza virus, to which there is no immunity. The new virus strain may spread rapidly from person to person and, if severe, may cause high levels of disease and death around the world. The Centers for Disease Control and Prevention (CDC) estimates that in the U.S. alone, an influenza pandemic could infect up to 200 million people and cause between 200,000 and 1,900,000 deaths.

The worldwide public health and scientific community is concerned about the potential for a pandemic to arise from the widespread avian influenza A (H5N1) found in birds across several continents. Although many officials believe it is inevitable that future influenza pandemics will occur, it is impossible to predict the exact timing of their arrival. It is difficult to predict the severity of the next pandemic, if it will be associated with the current H5N1 strain or an entirely different strain, and whether the pandemic virus strain will be treatable with existing medicines.

There are several characteristics of an influenza pandemic that differentiate it from other public health emergencies. Unlike other natural disasters, where any disruption to business service provision is likely to be infrastructure-related, disruption to business operations in the event of a pandemic is anticipated to be human and material oriented. A pandemic has the potential to cause illness in a very large number of people, overwhelm the health care system, and jeopardize services by causing high levels of absenteeism in the workforce. Basic services, such as health care, law enforcement, fire, emergency response, communications, transportation, and utilities could be disrupted during a pandemic. Finally, the pandemic, unlike many other emergency events, could last many months and affect many areas throughout the world simultaneously.

In a pandemic situation, the goal is to slow the spread of disease to prevent illness. The most effective strategy to accomplish this is through vaccination. However, it is likely that effective vaccines will not be available for many months following the emergence of a new pandemic strain of influenza. Existing antiviral medications may also

not be effective or available. Other infection control strategies such as social distancing, improved hygiene and respiratory etiquette, isolation, and quarantine may be used to control the spread of disease.

The County Health Officer has broad powers to address a pandemic influenza emergency. A local health officer who believes a contagious, infectious or communicable disease exists within the territory under his or her jurisdiction "shall take measures as may be necessary to prevent the spread of the disease or occurrence of additional cases" and to protect the public's health.

The following assumptions were made in the development of the Martin Bros. Pandemic Response Plan:

- There may be less than six weeks of warning from the time the pandemic is announced before it reaches geographic region
- The time interval between alert stages may be rapid (ranging from days, to weeks, to months)
- The pandemic may last as long as eighteen months in several waves with mortality and morbidity fluctuating throughout
- Waves of severe disease may last from one to four months
- A vaccine may not be available for up to eight months after an influenza pandemic begins
- Antiviral medicines may not treat or protect against the pandemic
- If effective, antiviral medications may be in short supply
- Infection control strategies will be used to slow the spread of the disease
 - Controls may include social distancing
 - Controls may include isolation
 - Controls may include quarantine
- Absenteeism could be as high as 50%
- City services will be very stressed
- Critical goods and services could be interrupted
- Mutual aid resources in some areas may be limited

Martin Bros. response to a pandemic situation will be predicated on predetermined trigger points for staffing considerations for each department. Martin Bros. goal in this situation is to continue to provide our customer base with the goods and services necessary to continue their operations with a minimum of disruption to their respective organizations/establishments while protecting personnel throughout the supply chain.

We will have a communication link available for daily updates and questions in regards to the pandemic protocols and procedures. This will be in place once a pandemic alert is announced.

Each of our respective divisions will have varying forms of response staffing given the severity of the situation. To limit exposure to our customers and staff all efforts will be to minimize face to face interaction during the pandemic. This will result in the following protocols being implemented which would affect our customer partners:

- Sales and communication calls will be made via phone/internet/e-mail
- Delivery staff may drop at door only. Martin Bros. staff will utilize provided masks and gloves
- Delivery schedules (may) be altered to accommodate reduced staff levels. This could include the possibility of shipping 7day schedule compared to the current 5-day delivery period
- All efforts will be made to reduce, where possible, multiple deliveries during the week to minimize exposure

Certain aspects of value added services maybe reduced during the pandemic as various staff members help out in other areas due to employee shortages.

In the event that a pandemic emergency situation is determined, Martin Brothers Distributing Co. will implement its pandemic plan in order to best service our customers while still providing for food and employee safety. Naturally, one of the largest areas of concern during a pandemic is limiting the potential opportunities for the

disease to spread. With this in mind, Martin Bros. will implement a limited returns policy during the pandemic emergency, and will maintain this more limited policy until it is determined that returning to our standard returns policy is safe for everyone involved.

As always Martin Bros. will want to continue to provide our Legendary Customer Service throughout the pandemic emergency. However, with the threat of mishandled product carrying such high potential for severely negative results we will have to implement a stricter set of returns guidelines.

In the event of a pandemic our returns policy will be that no fresh produce will be accepted as a return except on same day refusal when it has not been out of our driver's immediate possession. All other cases will only be accepted for return within three days of their delivery, and only if they are unopened and in good quality at the point of return. Additionally, Martin Brothers Distributing Co. reserves the right to change this policy to further protect the food distribution chain, our employees, and our customers at any point during a pandemic emergency.

Questions about returns during a pandemic should be directed through the sales representative and/or the inside sales representative that generally handles a customer's account.

Martin Bros. will make every effort to stock pile essential items such as; water, gloves, masks and other support type items during the pandemic for our customer and internal staff members.

We will coordinate our activities along with the requirements of the Health Departments and other governmental agencies to ensure our community and health obligations to our customers and staff is met.

Post Recovery Review

The Post Recovery Review will help Martin Bros. determine the effectiveness and improve the recovery process. Martin Bros. will conduct a review both after a test and an actual recovery. In conducting a review, we will gather data and perform an overall analysis of our crisis response efforts and plan to address the following participants and/or aspects of the recovery process and their success and/or need for improvement:

- Management Team
- Support Teams
- Personnel
- Vendors
- Customer Experience
- External Contacts and Support
- Recovery Location(s)
- Communications (internal/external)
- Logistics and Coordination
- Response Time
- Documentation
- Document and Data Storage
- Data Recovery

After finalizing the post recovery review, we will complete the following steps:

- Determine required plan changes based on findings
- Implement changes and test changes as necessary
- Update documentation to support the changes moving forward

Media Communication Guidelines

The Crisis Communication Team CCT (CCT) will be responsible for communicating the company position for Martin Bros. to key contacts and the media. Given the heavy responsibilities of the CCT during the recovery phase of any disaster, Martin Bros. has predetermined that public statements will be kept to essential information until such a time as the situation permits a more comprehensive statement. Brooks Martin will serve as the primary spokesperson with Ethan DeWall and Diane Chandler serving as alternate spokes people if necessary.

Plan Summary

Martin Bros. understands that any disaster situation will present challenges on many fronts. Whether the situation most impacts us, our customers, or our vendors we take great pride in having contingencies in place to help at all levels of the supply chain to minimize impact and to aid in recovery. After all the planning that we all take the time to do in order to minimize these potential threats it's the teamwork in recovering and moving on after disaster strikes that really matters.