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Letter to Stakeholders of “Residencia Virgen de Lourdes”.

Covid19 Strategy. May, 2020.

As renovation works proceed and we approach the scheduled February 11, 2021 opening of our “Virgen de Lourdes” residence in Villanova de Arousa, Galicia, I would like to take this opportunity to update our stakeholders through this letter. For those not familiar with the term, stakeholders are all those who have an interest or commitment in a company or organization. In the case of “Residencia Virgen de Lourdes”, our stakeholders are composed of several groups, including firstly our future residents, secondly their families and loved ones, and finally our caregiver employees who are dedicated to providing our residents with world-class care twenty-four hour a day, seven days a week.

In this the first letter of the series, I would like to address in more detail a matter which is foremost in our minds, that is how to best protect the residents and employees of “Residencia Virgen de Lourdes” from COVID-19 and other infectious diseases. We have no higher priority than the well-being of our residents and employees. I can assure our stakeholders that we are determined to make “Residencia Virgen de Lourdes” a model for infectious disease control in the senior care sector, and that our family owned and operated group has both the means and motivation to make this happen.

What is the foundation of this commitment? In a nutshell, it is a comprehensive infectious disease control system for “Residencia Virgen de Lourdes” based on three elements, which we refer to internally as our “hardware”, “software”, and “care commitment”. I will outline each of these only briefly in this letter. In future letters in the months leading up to the inauguration of “Virgen de Lourdes” I will provide greater detail concerning each element.

What do we mean by “hardware”? These are the physical elements that we bring to the fight against infectious disease. First and most importantly is the “Virgen de Lourdes” building itself, luminous and spacious, with seaside views and a marvelous location in charming town of Villanova de Arousa. This large complex is undergoing an integral renovation from foundations to rooftop that will not only comply with all requirements of the regulatory authorities, but in fact go far beyond in terms of quality. For example, a state-of-the-art, hospital-quality air filtration system will



complement natural ventilation provided by the ambient sea breezes. Oxygen is a key focus of our program, as all residents will have blood oxygenation levels monitored quickly and non-invasively using infrared fingertip measurement devices. To quickly detect fevers, the body temperature of residents will be monitored daily in a similar non-invasive way using hand-held infrared detectors. These oxygen and temperature measurement protocols will enable our employees to rapidly identify any resident who is becoming ill with a respiratory ailment before it reaches a more serious stage. Additionally, supplemental oxygen will be available as recommended by in-house medical staff, and a large enclosed area of the residence will be available furnished with medical services to receive and immediately isolate any and all residents who show signs of having an infectious condition. To further protect our residents and staff, a disinfection misting tunnel will be installed in our reception area and be operated in times of higher risk.

By "software", we mean the instructions, or standing protocols that our employees and visitors will follow continuously to reduce the risk of transmission of any infectious disease. These measures include rigorous cleaning and disinfection regimes to covering the entire building over fixed time intervals, as well as handwashing and disinfection stations throughout the building that are used according to protocol by employees and visitors.

Finally, there is what we call "careware", the distinguishing component that brings everything together. This category includes measures that are not directly related to suppression of infectious agents, but nonetheless are extremely important for the well-being of our residents. For example, a strong immune system is critical to resist infectious disease, and diet and exercise are critical to maintain a health immune system. In Virgen de Lourdes, residents will be encouraged to walk through the ample gardens, and visit the seashore when weather permits, either walking or using our shuttle service. Unlike too many senior care residences, the meals of the residents will be 100% prepared in our own kitchen, from the freshest ingredients from local markets and supplement by our own fruit and vegetable garden.

A second key element of "careware" is the residence employees, and their motivation and commitment to belonging to our team. The best facilities and most thorough infection-protection protocols are worthless if they are not applied correctly and consistently by dedicated employees who see themselves as highly appreciated and well-rewarded members of a team. Clearwater is family owned, takes a long-term view, and is not subject to pressures to minimize costs to maximize profits quarter by



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quarter as are many publicly owned groups in the senior care sector. The employees of Virgen de Lourdes will be compensated financially with salaries well above industry averages as a key element of our strategy. This policy creates not only a more motivated workforce, but also reduces turnover to the absolute minimum, which is very beneficial for residents and their families who like to know personally the people who care for their relatives day in and day out. Furthermore, when and if another pandemic occurs, the salaries of our employees will be automatically increased to better retain them and avoid any possibility of not having sufficient human resources to care for the residents in times of crisis.

In summary, the "hardware, software, careware" strategy of the Virgen de Lourdes senior care residence is meant to operate as a single integrated system to achieve a single aim: to increase the well-being of our residents. Providing our residents, employees, and visitors with the highest possible protection against infectious disease is a primary objective. Be assured that this objective will not be compromised for any reason at any time. I give my word on that and look forward to communicating further with our stakeholders through additional letters in the coming months.

Clearwater Team, 4th may 2020.