

TO: TT Electronics Customers and Partners
FROM: Glenn Lee, VP/GM Sensors
SUBJECT: COVID-19 Operational Status Update
DATE: April 11, 2020

MEMORANDUM

Thank you for your ongoing support as we navigate the COVID-19 outbreak together. Our priority will always be the safety of our people, and as long as we can ensure that employees are following safety protocols, our plan is to remain operational and support our customers through this challenging time.

A summary of our current operational status across can be found below:

General Operations

All TT manufacturing facilities have implemented enhanced processes and controls including visitor restrictions, daily temperature screenings, flexible shift patterns to ensure social distancing, and remote work options.

Our China facilities are fully operational at full capacity, and we remain open for business in compliance with all local government guidance in the UK, Europe and North America. As I'm sure you are aware, several countries and states have issued orders for residents to "shelter in place" or "stay at home". The severity and duration of these directives vary regionally. We have proactively requested when necessary, that affected states or countries designate TT Electronics and its employees as "essential infrastructure" and an "essential business" as our communities respond to the COVID-19 pandemic.

TT currently has five facilities that are temporarily closed due to government directives at this time, and we continue to support affected customers via remote customer service teams as we await approval for "essential business" status:

- Christ Church, Barbados – closed until at least April 14th
- Kuantan, Malaysia – closed until at least April 14th
- Tunis, Tunisia – closed until at least April 19th
- Mexicali, Mexico – closed until April 20th
- Juarez, Mexico – closed until April 20th

Supply Chain

Our individual business unit and divisional supply chain teams are working hard to secure materials with our vendors. While there have been challenges, we have been working through these to find solutions using our global resources to underpin regional difficulties. Widespread shortages are not anticipated at this time. TT is experiencing some increases in freight charges and delays particularly for materials coming out of Asia, as affected countries seek to air freight critical medical supplies and thus, consume capacity. We are evaluating alternative logistics methods to mitigate disruption. We have a global manufacturing footprint with available capacity and are doing all that we can to keep our customers up and running, particularly in critical industries where capabilities are required to support the fight against the virus and keep people safe.

Juarez Operations

Our Juarez, Mexico facility manufactures many "essential" components in support of medical devices, communications and energy sectors which include products such as IVD for blood testing, MRI machines and ventilators. We are in the process of obtaining the official government approval as an "Essential Business" to ensure we can continue making the components that are so desperately needed in these life-saving applications. While we are confident that we are an essential business, we understand that not all of our product lines manufactured at the Juarez facility may be considered "essential". As such, we are only proposing the product lines that can be used in medical applications be deemed "essential".

In an effort to support the Mexican government and local authorities, we are taking the proactive position to close the Juarez facility until 20 April 2020. By this date, we believe we will have received the appropriate approvals needed to continue the manufacturing of essential product lines.

Due to this unforeseen event, we anticipate some delays to planned customer deliveries from our Juarez facility. We will provide recovery plans for affected items once operations resume, which is tentatively after April 20th. In addition to employee safety, mitigating the risk of business disruption as much as possible remains our priority.

Rest assured that our staff can be contacted through your normal channels without issue, and we stand ready to answer any specific questions that you may have. Again, we appreciate your understanding during this difficult time and will provide further updates as necessary.

Sincerely,

Glenn Lee
VP/GM Sensors
TT Electronics - Sensors & Specialist Components Division