



DT: July 16th, 2020
TO: Cristek Customers
RE: COVID-19 Update

Dear Cristek Customer:

The purpose of this letter is to inform you of the effects of the COVID-19 surge in Orange County, CA on our Anaheim, CA facility. Over the last 48 hours, we have seen a significant change with an increasing trend in overall impacts. As of today, our production labor availability is down 32% and is expected to worsen. Although we continue to operate safely, only having several employees test positive since the inception of the epidemic, employees are reporting personal circumstances that prevent them from reporting to work. These include self-imposed quarantine, difficulty in securing childcare and other concerns.

Implemented prior to this sudden increase in cases and drop in labor availability, Cristek's business continuity plan remains in effect following DPAS requirements in allocating labor priority. Please note that over 80% of our current backlog consists of rated orders with both DX and DO ratings. The fluidity of the labor outages continues to prevent us from accommodating early delivery requests, and lead times for all outstanding quotations have been extended by 4 weeks, effective immediately.

Please address specific order status inquiries to your primary account manager. We aim to provide proactive notification of specific contractual delivery impacts; however, the uncertainty of production resources, high volume of requests and the number of remote workers presents unique challenges. Any requests that cannot be answered will be escalated by your account manager to the Management Team for response.

Cristek's commitment to you, our customer, has been to keep you informed and up to date while we strive to maintain our quality and delivery objectives for the products and services you rely on us to provide. Our facility in Minden, NV remains fully operational with minimal impacts. Our Lowell, MA facility is improving, but remains below normal labor levels due to various COVID-19 related impacts.

Sincerely,

Cristi Cristich

Cristi Cristich
President/CEO

Brandon Roemer
Director of Sales and Marketing

Roy Sharma

Roy Sharma
General Manager, Anaheim

Anaheim, California

Lowell, Massachusetts

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