

# The **Master Lock** Company

Property. People. Life.

April 1, 2020

To Our Valued Customers,

The COVID-19 coronavirus continues to profoundly impact people and businesses throughout the world. We are communicating today with an update on our Nogales, Mexico operations. We value your partnership and will continue to provide you with on-going updates regarding our business operations.

As you may recall, the State of Sonora, Mexico ordered TMLC to cease operations 3/30/2020 in an effort to slow the spread of coronavirus in this region. We complied with a safe ramp down of our operations as mandated. Over the last 24 hours, we successfully executed exemption actions that have resulted in the resumption of some of our Locks, Safes and Safety product manufacturing and distribution. Here are more details:

1. TMLC applied for an exemption to the State order based on the essential products we provide to critical industries during the pandemic. On 3/31/2020, Mexican officials began conducting assessments at those facilities seeking exemptions, including ours. Our application for exemption was approved and we will reopen our Nogales distribution center and resume some operations in our Locks and Safes plants. Critical drivers of this positive outcome were our adherence to the shutdown order and resulting immediate actions to close; as well as our strong safety and sanitation protocols which clearly demonstrated our commitment to keep our employees safe in this environment. We are working through SKU specific details now, and we thank you for your patience as we further assess, and safely resume production.
2. In addition, many other measures have already been taken to proactively mitigate risk to your supply:
  - We proactively secured additional warehouse space in the US to supplement our AZ and KY DC's to respond to the changing environment in Mexico. We are assessing next steps related to the inventory in this facility, and we thank you for the assistance that may be needed regarding new ship from and pick-up point locations.
  - We have been running our Nogales and Milwaukee, WI manufacturing facilities on over-time for the last several weeks, adhering to our strong safety and sanitation protocols, to mitigate these changing business conditions.
  - Our Milwaukee manufacturing facility remains open as an Essential business. We will continue to assess how can we further leverage our US capabilities.
  - Our China vendors are continuing to improve production output, operating now at nearly normal capacity levels. We will continue to direct inbound containers to our US facilities.
3. Throughout all of this, we are up and running with remote work for office associates, and our call center is available to support you and your customers when needed.



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We remain committed to serving your needs and the needs of your customers as best as we can amid this evolving situation. We will continue to communicate with you regularly. We hope all your associates are doing well during this time, and we thank you for partnering with us as we navigate through these challenges.

If you have questions or need more information, please contact your Sales Representative with any questions.

Sincerely,



Matt Dudgeon  
Vice President Sales

