March 23, 2020  
RE: COVID-19

Dear Employees, Customers and Suppliers,

In light of the unprecedented events relating to the outbreak and spread of COVID-19 in recent months, I would like to take this opportunity to inform our employees and customers of the actions we are currently taking to ensure the health and safety of employees while continuing to provide our products to our customers. We are continually monitoring the COVID-19 situation and following the guidance of our local, state and federal governments, the Centers for Disease Control and the World Health Organization.

As you may have heard, in the past week, Governors Gavin Newsom of California, Phil Murphy of New Jersey and Charlie Baker of Massachusetts issued statewide orders requiring the closure of all non-essential businesses.

First and foremost, all three of our facilities are open and operational. Magnetika, Inc. and Magnetika/East LP are classified by the Department of Defense and Department of Homeland Security as part of the Defense Industrial Base Sector and are therefore deemed as essential businesses that are exempt from state mandated orders to close. Please see attached memorandum from the Department of Defense.

We have implemented the following actions in our facilities to reduce our risk of spreading the COVID-19 virus.

- Provided guidance to our employees on the importance of remaining home if sick.
- Notified and emphasized the importance of hand washing and avoiding touching eyes, nose and mouth.
- Reorganized our manufacturing floor to ensure that we keep a minimum safe distance between employees.
- Enhanced and extended our onsite janitorial cleaning program to provide frequent sanitation of frequently touched surfaces and common areas.
- Staggered our rest and meal breaks to reduce the amount of employees in common areas at any given time.
- Limited all internal in person meetings.
- Cancelled in person meetings with outside contractors and customers unless there is a critical need. In the case of a critical need, we have limited access to our facilities to outside
contractors and customers to only the areas of the facility that are absolutely necessary to the purpose of their visit.

- Practicing no-contact deliveries and cleaning and sanitizing incoming parcels.
- In addition we are establishing a plan, if future conditions warrant, to split our workforce to further reduce the amount of people in the facilities at any given time.

We will continue to monitor the situation and implement further measures to protect the health and safety of our employees and remain in operation.

If you have questions, concerns or would like more information, please contact your normal point of contact, manager or Human Resources representative.

Basil P. Caloyeras  
Chairman  
Magnetika, Inc.

More information on Critical Infrastructure Sectors can be found on the CISA website link below.

MEMORANDUM FOR DEFENSE INDUSTRIAL BASE

SUBJECT: Defense Industrial Base Essential Critical Infrastructure Workforce

The Defense Industrial Base (DIB) is identified as a Critical Infrastructure Sector by the Department of Homeland Security. The DIB sector is defined as the worldwide industrial complex that enables research and development as well as design, production, delivery, and maintenance of military weapons systems/software systems, subsystems, and components or parts, as well as purchased services to meet U.S. Military requirements. The attached Department of Homeland Security memorandum dated March 19, 2020, identifies the essential critical infrastructure workers during COVID-19 response emergency, and provides guidance to State and local officials as they work to protect their communities while ensuring continuity of functions critical to public health and safety as well as economic and national security.

Consistent with the President’s guidelines: “If you work in a critical infrastructure industry, as defined by the Department of Homeland Security, you have a special responsibility to maintain your normal work schedule.” The Essential Critical Infrastructure Workforce for the DIB includes workers who support the essential products and services required to meet national security commitments to the Federal Government and the U.S. Military. These individuals, include, but are not limited to, aerospace; mechanical and software engineers; manufacturing/production workers; IT support; security staff; security personnel; intelligence support, aircraft and weapon systems mechanics and maintainers; suppliers of medical supplies and pharmaceuticals, and critical transportation. These include personnel working for companies, and their subcontractors, who perform under contract to the Department of Defense providing materials and services to the Department of Defense and government-owned/contractor-operated and government-owned/government-operated facilities.

Companies aligned with the essential critical infrastructure workforce definition are expected to maintain their normal work schedules. Everyone should follow guidance from the Centers for Disease Control and Prevention as well as State and local government officials regarding strategies to limit disease spread. If your contract or subcontract supports the development, production, testing, fielding, or sustainment of our weapon systems/software systems, or the infrastructure to support those activities, are considered Essential Critical Infrastructure. If your efforts support manning, training, equipping, deploying, or supporting our military forces, your work is considered Essential Critical Infrastructure. If you are performing such tasks as providing office supplies, recreational support, or lawn care, they are not considered part of the Essential Critical Infrastructure Workforce. We will continue to assess the conditions as the COVID-19 situation evolves.
We need your support and dedication in these trying times to ensure the security of this Nation. I understand that this national emergency presents a challenge and we are dedicated to working closely with you to ensure the safety of the workforce and accomplishments of the national security mission.

[Signature]
Ellen M. Lord

Attachments:
As stated