

Bulletin Dated July 14, 2020

An Important Message from our CEO, Paul Robinson

It has been just over a month since my last communication. All countries in which we operate are in varying states of re-opening their economies and substantially all our customers have recommenced production. We have seen some very encouraging trends in some countries including Canada, Germany, China, the UK and France while other countries continue to have high infection rates such as the US, Brazil, India and Romania. Of particular concern is the United States as several of their states have opened back up with little controls in place and have experienced significant growth in daily new cases. All our operations are up and running again and all are experiencing increased customer demand. LAC is back at full strength with sales for the first 6 months of 2020 exceeding the prior year. The European market is ramping up faster than North America with both LAEE and LAG producing at solid levels. LAP is experiencing a slower return of business, but we are seeing increased releases in future months.

Again, I would like to thank each employee and their families for their continued support of Litens and their friends and co-workers. We must all continue to be diligent and careful as governments reduce restrictions to ensure we minimize the risk of contracting or passing on Covid-19.

EMPLOYEE HEALTH

We continue to monitor the health of the employees and provide any support we can. At this point in time, we have one employee at LAP that has contracted Covid-19 and we are actively managing the situation. We believe we have the situation well controlled and there is minimal risk to our employees. It is important that each person take personal responsibility to protect themselves and those they come in contact with.

We continue to request everyone to do the following:

- Do not come to work if you feel sick. We also recommend that you also avoid outside contact, discuss with your doctor and get a test as soon as possible based on your doctor's recommendation.
- If you are sick, or anyone in your family or close contacts ("your bubble") is sick, please contact your HR team as soon as possible. Each country has different policies on testing etc.
- Wash hands on a regular basis and refrain from touching your face. Use approved hand sanitizer if washing of hands is not available. Make sure you wash your hands after receiving a delivery (such as Uber eats etc).
- Cough into your sleeve and wash your hands as soon as possible.
- Practice physical distancing at all times including family members and friends.



- If you are at work, stay in your own area. Only use washrooms in your own work area.
- Avoid high touch areas where possible and wash your hands after. We provide gloves to all production operators and we ask you to wear them at all times and be careful to take them off carefully and dispose of them as required.
- We have provided sanitizing products to clean your own work areas. This is in addition to our increased cleaning efforts.
- Wash your work clothes as soon as you get home.

We continue to require the use of face masks or shields in all our facilities (except China which is optional). Please ensure you are following the PPE rules as posted at your facility.

LAP has completed the testing of dry and wet disinfectant foggers and now incorporated them into our standard cleaning and disinfecting procedures. Each other facility is evaluating the implementation of these devices in their operation.

GOVERNMENT AND CUSTOMER UPDATES

There are many positive trends happening on a global basis.

China is continuing to move forward to fully open up their economy and we have now eliminated the requirement to wear face protection at LAC. The government is providing incentives to encourage consumers to purchase vehicles and our plant is now operating at pre-Covid-19 levels.

Many countries in Europe have continued to have reducing number of new cases and deaths due to Covid-19. Romania is lagging in this area. The European community has opened its borders within the EU and has identified certain “Low risk” countries that can enter without quarantine.

Brazil continues to have high daily new case levels but continues to open back up its economy with restrictions. LASA is continuing to increase its activity level as the OE's and aftermarket continue to increase their demand for new product.

While Canada has continued to have a positive downward trend in daily new cases and deaths, the United States and Mexico have experienced increased daily new cases, albeit with lesser growth in deaths, as they have opened back up their economies. Certain states in the US are now re-instituting restrictions in an attempt to reduce the spread. LAP continues to run on a reduced two shift basis. LAI has now reopened and is meeting current customer demand.

We continue to expect all markets will experience a slow ramp up of production in the coming weeks and months as governments ease restrictions and OE's balance production with demand from the market.



LITENS OPERATING PLANS FOR JULY AND THE FALL

Our policies will continue to be based on ensuring the health and safety of all employees as well as supporting the best practices and government policies and rules in each country we operate. We expect that each of our plants will continue to experience increasing demand from their customers over the next several weeks and we will ramp up our manufacturing facilities accordingly.

CANADIAN OPERATIONS

The Government of Ontario announced yesterday the next stage of opening back up the economy (Stage 3) for most of the province as of July 17th. This announcement excluded Toronto and certain adjoining regions, however, the government did state that Toronto should move to Stage 3 as early as next week if the data supports it.

Reflecting the continued improvement in Ontario and the expected move to Stage 3 for Toronto in the near term, we are taking the following steps:

- All employees will be expected to be working full time or on vacation as approved.
- We will continue with our plan to have all employees take at least 80% of their annual vacation allotment for this year by Labour Day.
- Effective immediately all office employees are to work from the office for at least two days per week. This will be coordinated by each of the department directors/managers based on several factors including maintaining physical distancing, project and workload and work coverage. Certain departments may require employees to spend more than 2 days per week at the office based on workload and other factors.
- It is our plan currently to return to normal, pre-Covid work arrangements after Labour Day. This means that all employees will return to work on a full-time basis. This decision is based on several factors including the health and safety of all our team members, the just announced intention of the Ontario Government to move to Stage 3 including the reopening of schools for the fall term on a full-time basis, an increase in child day care openings, the reopening of many more businesses including eat-in restaurants and the increased allowable size of social groups to 100 for outside and 50 inside.
- We also must move forward with several significant business activities including the continued launch of our new LPM system and our Dynamics S&OP implementation as well as a significant focus on our business plan for this year to ensure we target and implement improvements in our product development processes and internal processes to make us leaner, more focused and better positioned to compete effectively in the more competitive and challenging auto industry as it recovers from the economic impact of the last 6 months and continues to transition to new technologies. Of course, we will continue to monitor the situation and we must be flexible and adaptive to pivot as necessary to respond to the environment as it unfolds.



- We plan to continue to operate the plant during this time period, on a scaled down two shift basis to support customer demand and the manufacturing management team will continue to co-ordinate with all the affected teams to share the workload through the scheduling of vacations. We may have to introduce additional measures dependent on customer demand.
- We will continue with all our current health protection strategies including the requirement of use of masks or shields as well as improved sanitation and physical distancing.
- We will not open our cafeterias including our free coffee machines until at least Labour Day. Microwaves in our cafeterias will be made available in all locations with the need for all users to properly sanitize after every use.
- Business travel will continue to be minimized and any necessary business travel will continue to be approved by senior management. Any personal travel outside the country will require quarantine for 2 weeks upon return, such time to be also included as vacation. Personal travel outside the province of Ontario, whether by air or other means will require the employee to obtain a negative Covid-19 test prior to return to work. We strongly recommend that all employees traveling use best practices to protect themselves and their families including the use of masks and applying the rules outlined above. We will continue to assess this policy as we move forward.

I continue to appreciate everyone's support during these challenging times and we are working hard to ensure all our team members remain safe, healthy and employed. I am confident that we are past the worst, but that does not mean we can relax and become complacent. We all must continue to do our part in eliminating Covid-19. That being said, it is now time to take the right steps to position our company for success for the future. If you have a question, please do not hesitate to reach out to your manager, HR, or any of the senior management team. Keep safe and healthy.

Warm Regards,

Paul