

January 29, 2020

RE: 2019 Novel Coronavirus, Wuhan, China – Impact to Supply Chain

From: Seth Choi, VP of Global Supply Chain

CC: Phil Wehrli, Sr. VP of Global Supply Chain and Planning

Josh Chien Sr. VP Sales, Marketing, and Customer Experienc

Dear Valued Customers,

As the developments of the coronavirus have overarching implications to supply assurance and deliveries to you, we at SMTC have been working with our suppliers to understand the impact.

The Guangdong provincial government formally enacted an extension to the holiday from Feb 2 to Feb 9. This means workers in Guangdong are not allowed back until Feb 10.

Electronic distributors have initially stated there is little impact based on the limited updates they have received from their suppliers. But some have enacted measures to flag China COO parts to be prioritized for review. Official letters are forthcoming as more information becomes available.

PCB suppliers have communicated warnings but have not gone as far as specifying the orders that would be impacted. Again, they are awaiting the return of their workforce from the New Year to specify the orders that would have impact.

Next Steps:

SMTC will provide updates to customers affected as more information becomes available.

Regards,

Seth Choi