

February 18, 2020



Subject: Notice of Force Majeure Event Due to Coronavirus COVID-19 Epidemic

Dear Valued Customer:

As a result of the Coronavirus COVID-19 epidemic (“nCoV”), the Chinese government has ordered business operations in several provinces, including Grad Conn Ltd. (“**GradConn**”) main production sites in Guangdong Province, to remain closed until February 10, 2020.

Factories may only reopen following receipt of express permission from Chinese governmental authorities after local health authorities have undertaken an on-site audit of anti-contagion measures within each such factory.

GradConn is complying (and shall continue to comply) with all Chinese government’s orders regarding nCoV. GradConn’s production sites will resume production as soon as the required governmental permissions are obtained for each site.

Unfortunately, this will also impact supply chain and production schedules at GradConn’s production sites. Additionally, this situation may create disruptions on GradConn’s third party materials suppliers in the Guangdong region and elsewhere in China, which may further delay customer shipments.

Accordingly, pursuant to GradConn’s terms and conditions entered into and agreed to by you (the “**Agreement**”), this letter is to advise you that GradConn is declaring a Force Majeure Event (as that term is defined in the Agreement) due to nCoV. As stated in the Agreement, GradConn will not be liable for any causes of action for breach or damages that arise as a result of GradConn’s inability to meet its delivery obligations due to this Force Majeure Event.

These circumstances continue to develop and at this time GradConn is unable to determine how long this Force Majeure Event will continue. We regret any inconvenience this situation may cause you.

If you have any questions regarding this matter, please contact your local GradConn Sales or Customer Service Representative, and we endeavor to support your needs as best we can during this Force Majeure Event.

Sincerely,
Grad Conn Ltd.