

April 18, 2020

UPDATE: BOURNS CONTINUES TEMPORARY SHUT DOWN OF ITS ACTIVITIES IN TIJUANA, MEXICO

This is an update to our letter of April 3, 2020 pursuant to which the Bourns factory in Tijuana, Mexico announced the commencement of a temporary shut-down effective April 4, 2020.

As you are probably aware, the current COVID-19 situation has caused severe disruptions to supply chains around the world. Many governmental authorities in Asia, Europe, and now in the Americas have required non-essential businesses to take protective measures to help stop the spread of the COVID-19 disease, including temporarily ceasing production and sending employees home.

On March 31, 2020, the Mexican federal government issued an Executive Order ordering all "non-essential activity" within México to cease from March 31, 2020 to April 30, 2020. This Executive Order defines essential activities as activities directly related to the response to the Coronavirus sanitary emergency and those activities that are essential to the fundamental operation of the Mexican economy.

The Bourns factory in Tijuana, Mexico initially shut down temporarily effective April 4 through April 12, 2020. Approximately 20% of our employees are considered to be at At-Risk Employees under the Executive Order and will remain at their homes through May 4, 2020 in accordance with the Executive Order.

The Bourns factory in Tijuana, Mexico was planning to restart its operation on April 13, 2020. However, due to ambiguities in the Executive Order, the Bourns factory had to remain temporarily closed. Our best estimate today is that the Bourns factory will reopen upon the earlier of (i) completion of a successful audit of the factory by Mexican authorities authorizing the factory to reopen to support essential business activities of our customers, or (ii) May 4, 2020.

- No shipments of finished goods can take place until the temporary shut-down period ends.
- All work-in-process must cease and corresponding delivery dates will be rescheduled for a date after the temporary shut-down period ends.
- Please continue to provide your weekly updates regarding your demand so Bourns can react in time to any changes consistent with the Executive Order.
- If your operations have been determined to be essential and require ongoing supply from the Bourns factory in Tijuana, México to continue your essential operations, please let us know.

We appreciate your patience and understanding as Bourns complies with the Mexican federal government order to address the Coronavirus emergency. We ALL need to work together to protect each other and be prepared when the crisis passes, and normal operations resume.

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