

August 18, 2021

***UPDATE - Lead time and change order adjustments

Attn: Valued IDI Composites International Customer

RE: 10 - 12 week lead time, 3-4 week "lock-in" of acknowledged order

This memorandum supersedes the current sales and service guidelines which are provided to you on all order acknowledgements. Specifically, this is in regard to the <u>lead time</u> and <u>changes to purchase orders/ cancellations</u> sections of the aforementioned guidelines.

IDI Composites International and our industry continue to experience raw material supply chain constraints, delays, and disruptions. The shipping challenges with regard to: border crossings, freight arrangements and scarcity of bulk tankers/ trucking, have impacted our resin and fiberglass suppliers greatly. Due to this, much of our supply base have extended our raw material lead times to 12 weeks.

A number of our suppliers have incorporated and are enforcing a "freeze order" period for changes on the scheduled receipt of their product(s). Given this requirement from our suppliers, the management of our raw materials, and the subsequent manufacture of SMC & BMC, all <u>orders must be firm and remain unchanged for a period of 3-4 weeks of the original acknowledged ship date</u>.

For the above reasons, we will be <u>extending our lead times for all compounds</u>; <u>BMC, SMC and STC to 10 to 12</u> <u>weeks.</u> This lead time extension will be in effect from the date of this memorandum until further notice.

We will continue to monitor and update this situation accordingly. We want to make certain we plan accordingly with you to satisfy your composite material requirements.

Your account representative is available to discuss this in more detail if needed. Thank you for your continued business and understanding through this challenging time.

Regards,

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