

August 4th 2021

RE: Swarco Megalux Glass Bead Plant

Dear Valued Customer:

We are writing to inform you of an unscheduled plant shutdown of our Megalux Glass Bead Facility in Texas due to rapidly eroding glass melting infrastructure and safety concerns associated with operating under such conditions.

Our planned shutdown was originally scheduled for October / November of this year. However, the Texas Winter Storm Event caused significant damage to our production line leading to accelerated decline of our melter and production volumes. Rather than risking a premature failure, involving molten glass and a significant compromise to the safety of our employees, we have decided to schedule the shutdown sooner than originally planned to undertake a safer and faster repair of the Megalux Glass Bead Facility.

Throughout the year, we have worked diligently with our global sister companies and other strategic glass bead partners to secure additional supply to support our customers during the shutdown. However, global supply logistics continue to be volatile and unreliable. We continue to experience more than 2 months delays in the delivery of product and inventory levels are low. Our ability to supply pending and any new orders has been temporarily compromised.

Therefore, we sincerely regret to inform you that current stocks of Megalux Bead and Blend Products will have to be allocated based on contractual obligations and availability of very limited inventory. Considering the tumultuous and unprecedented year our industry has already experienced in supply chain challenges, we recognize that this news presents an additional burden. We sincerely apologize for any additional inconvenience this may cause you.

I assure you that we are working diligently and allocating every available resource to bring the Megalux Plant back online as quickly as possible to restore service to all our customers and our industry.

Swarco values your business and we sincerely appreciate your support and understanding.

Sincerely,



Jon Sproul, Vice President

Swarco Roadmarking Systems NA