

March 25, 2020

NSPA is still open and operating as normal. Continuing our new procedures to keep our team as healthy and safe as possible. Based on our interpretation of the US Dept. of Homeland Security, "IDENTIFYING CRITICAL INFRASTRUCTURE WORKERS DURING COVID-19" website, NSPA would qualify as a "critical manufacturer" supporting the transportation workforce and infrastructure. With that being said, most of Florida (and Escambia county, where we are located) has not mandated work stoppage to employers. We have no information of a potential shutdown looming. If a shutdown order is given, we will seek guidance on our status and try to stay open if we can ensure the safety of our employees while doing so.

Information from website US Dept. of Homeland Security: https://www.cisa.gov/identifying-critical-infrastructure-during-covid-19

CRITICAL MANUFACTURING

• Workers necessary for the manufacturing of materials and products needed for medical supply chains, and for supply chains associated with transportation, energy, communications, food and agriculture, chemical manufacturing, nuclear facilities, the operation of dams, water and wastewater treatment, emergency services, and the defense industrial base. Additionally, workers needed to maintain the continuity of these manufacturing functions and associated supply chains.

However, we DO anticipate being impacted on the Families First Coronavirus Response Act which goes into effect on April 1, 2020. Essentially, this law impacts two groups of people impacted by Coronavirus

- 1) employees quarantined related to COVID-19 and employees caring for someone quarantined related COVID-19
- 2) the children of employees who need to be cared for because the child's school or place of care is closed

We are still waiting for the Department of Labor to provide the guidelines on how we need to communicate this information to our employees. Once we are provided this information, we will need to determine the impact of this new law on our existing employee base. Again, we don't anticipate that we will need to stop our manufacturing and processing of orders, but we anticipate having a smaller workforce while these schools & daycares are closed. Depending on the impact, we may need to extend our lead times, which will be a function of % of employees working and purchased orders received during this time period.

NSPA will continue to update our situation based on the changing marketplace. Wishing all our customers, suppliers, and their families to stay healthy and well!

All the best, John Endacott, CEO, NSPA



March 17, 2020

We are getting several requests from our suppliers inquiring about various issues and impacts regarding the COVID-19 pandemic. Here are a few of their questions and NSPA's responses:

- 1. What steps are you taking to ensure your workforce is safe from the effects of COVID-19?
 - NSPA's policy has and continues to be, if you are sick ... stay home
 - We have communicated that policy to all our employees
 - Additionally, we are asking them to take their temperature prior to coming into work
 - If they have a temperature of 100.4 or greater, they need to stay home and contact their doctor
 - NSPA's health insurance provides the option to see a doctor or to call a doctor (TelaDoc)
 - We started checking temperatures of our employees before they clock-in on March 17, 2020
 - March 16, 2020, we began cleaning and disinfecting common work areas on an hourly basis
 - We have asked our employees to wash their hands regularly and often with soap and water for at least 20 seconds
 - We have also made hand sanitizer more readily available throughout our complex
 - Additionally, we have asked employees to avoid touching their eyes, nose and mouth without unwashed hands
 - Minimize process and procedures where multiple people handle the same product and equipment
 - NSPA is suspending work related travel for the next three weeks, and will reassess this
 policy the week of March 30th
 - Employees that need to care for their children due to the school and childcare closing, we are doing our best to allow them to work from home
 - Regarding PTO (personal time off) days, we are allowing our employees to have negative hours/days (allow them to stay home, regardless of how much PTO they have "banked")
 - NSPA is committed to providing our employees with their regular paycheck so they can pay their normal expenses
 - NSPA doesn't plan to reduce our workforce or lay anyone off
- 2. Have you seen any disruption in supply?
 - NSPA hasn't experienced any disruptions in our supply chain
 - Currently, we aren't experiencing any disruptions in our normal day to day business procedures
 - Additionally, we did increase our inventory levels last month from all OUS (outside the US) suppliers
 - Based on our OUS components and finished goods inventory, we have 5-6+ months of core products



- We haven't received any disruption notifications from our US and North American suppliers
- 3. Do you anticipate any disruption in supply?
 - Unfortunately, this worldwide pandemic is a fluid and ever-changing crisis, so it is not possible for me to answer this question
 - Communication will be the key to ensure that our customers know our current and expected business environment
- 4. What actions are you taking to ensure no disruptions in supply?
 - NSPA did increase our inventory levels last month from all OUS (outside the US) suppliers
 - NSPA typically stocks our OUS components between 4-9 months depending on volume, MOQs, and size of containers
 - NSPA has requested our customers continue with their normal POs
 - If all our customers ordered significantly larger orders, it could cause problems with processing orders and eventually inventory issues
 - NSPA is communicating with our suppliers daily and will notify our customers if we see any potential disruptions with our business and products



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March 16, 2020

NSPA's Communication on the Wuhan Coronavirus (COVID-19)

NSPA is open and we plan to remain open for business if our local and state authorities give us the option to do so. We are dealing with the same disruptions to our normal lives as most of you are (school closings, daycare closings, etc.). First and foremost, the safety and well-being of our employees and their families will ultimately guide our management team decisions as this pandemic plays out. We have looked at all our internal processes and will follow CDC recommendations when possible to improve our hygienic routines and daily habits with the goal to ultimately maintain a safe, virus-free work environment. We have already procured additional hand sanitizer, soaps, gloves and masks and have instituted "wash and clean breaks" which will be mandatory going forward in our operations area. Starting tomorrow, we also will take the temperature of all employees before they start their shift to ensure sick employees do not infect our healthy workforce. NSPA is committed to contain this virus and ultimately flatten the curve of its spread.

How can you help? Just like it does no good to the general population when a few people hoard hand sanitizer so that the rest of the population can't utilize it; we ask that your orders match your current demand or historical ordering habits. It is likely that over the coming weeks NSPA will be navigating this unprecedented period with partial staffing at times, please help us make sure that we can meet the needs and demands of ALL of our customers and industries by ordering your normal volumes without adding additional safety stock. Currently, we do not anticipate any shipping delays or inventory issues; however, we will likely not be able to meet future demand and lead times if some of our customers decide to order outside of their normal ordering habits to stockpile additional inventory. Also, please be flexible when possible. NSPA has a very long history of exceeding the expectations of our customers. We will do everything in our control to do the same during these crazy times.

If you have additional questions, please direct them to your Sales Manager or our Customer Service Team. Our entire team stands ready to meet your customers' needs.

Kind regards, Brooks Endacott, President

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