

June 19, 2020

UPDATE - SUPPLY CHAIN STABILITY AND THE COVID-19 VIRUS

To Our Valued Customers, Suppliers and Friends:

I wanted to update you since my last correspondence on May 28, 2020.

Manufacturing operations at SHECO Industries (Southern Heat Exchanger, Worldwide Exchangers, and Worldwide Air Coolers) have continued uninterrupted at three (3) of our four (4) operating locations during the COVID-19 pandemic. However, this week, we had our first positive COVID-19 test result at our Tuscaloosa, Alabama location. Given the recent reopening of non-essential businesses and increased testing capabilities in Alabama, we have noted an increase in COVID-19 cases in the areas surrounding our Alabama plant. We prepared for this eventuality and, when the first positive test was confirmed, we reacted according to that plan. As per our COVID-19 response plan and out of an overabundance of caution, we immediately ceased shop operations at our Tuscaloosa location, required all our employees to take a COVID-19 test and professionally cleaned and sanitized our facilities and company vehicles. We resumed normal operations in Tuscaloosa at 7 AM this morning, Friday June 19, 2020 for those employees that tested negative for COVID-19. As of this writing, we only have one Tuscaloosa employee test positive for COVID-19.

Those of you that were impacted by this temporary event were contacted in less than 24 to 48 hours to advise you of the situation and what, if any, impact this may have with respect to your order. It should be noted that our Tuscaloosa non-shop operations (sales, engineering, procurement, etc.) were not affected and have continued uninterrupted this week. In all cases, our operations have excess capacity and we will have no issues making up this time and meeting customer needs.

As a result of the above event, we have reviewed our existing COVID-19 prevention practices and have made enhancements where necessary to help mitigate and/or prevent any future temporary shutdowns. We will continue to closely monitor the situation and will follow the guidance provided by governmental and public health authorities to ensure we take appropriate actions to protect our employees, customers, vendors, and the communities in which we work. The health, safety and welfare of our employees is paramount and we will continually improve our preventative techniques during his pernicious pandemic.

Given the above situation, we have made the decision to continue at Level 3 of our COVID-19 Response Plan indefinitely. We will re-evaluate the situation each month with respect to changing or maintaining our COVID-19 Response Level. You can obtain a copy of our COVID-19 Response Plan, plus other communications with respect to COVID-19, at our websites www.sheco.com and www.worldwidehx.com.

While this week has been challenging, I want to personally thank all our employees for pitching in and helping us respond quickly and forcefully to this situation. It is through their hard work and selflessness that we have been able to get back up and running in Tuscaloosa so quickly.

We hope you are all doing well and staying safe during these most difficult of times.

Sincerely, your partners at:

A handwritten signature in black ink, appearing to read "Bob Giammaruti", written in a cursive style.

Bob Giammaruti
Chief Executive Officer