

November 2, 2021

Subject: Delivery Delays Due to Global Supply Chain Constraints

Dear Valued & Dedicated Customers,

We are sending you this communication today in efforts to provide an update regarding issues impacting delivery of Lydall Sealing products to you.

Not unlike our prior correspondence, global supply chains continue to face significant headwinds towards resolving existing backlogs and meeting current demand. Whereas a few months ago, there were a select number of our suppliers struggling to meet requirements, today, there are many and the root causes are more varied.

These supply chain issues have resulted in the elimination of safety stocks, caused periodic plant shutdowns due to lack of raw materials, significantly increased expediting freight charges/costs, and escalated prices for nearly all raw materials. Although some of our suppliers are starting to improve with delivery targets, there are others where we remain on allocation due to lack of necessary raw materials, large backlog of orders, and capacity constraints.

Our recovery plan/risk mitigation plan continues to focus on what we can control which includes the following:

- Allocating limited raw materials towards specific and prioritized products to support your current production orders
- Recommending alternative products if there is eminent risk of supply
- Evaluating & approving alternative raw materials (and suppliers) to reduce risk of single sourced suppliers
- Negotiating with incumbent suppliers for additional fulfillment of orders
- Anticipating order fulfillment recovery and impacts on capacity

At this time, we are encouraged to report that we have made progress on all the above efforts. We anticipate additional improvements to continue while realizing that plans are subject to change based on our supplier's capabilities.

We are sincerely grateful for your many years of loyalty and commitment to Lydall/Interface. While we understand the pains these delays have caused, we ask for your continued patience and partnership. Our team is 100% committed to resolving the current and future challenges!

Sincerely,



Jon M. Preston  
Vice President, Sales