



Matrix Electronics Limited

Operating During Health Order 3-16-20

Background:

On March 16th, 2020 six Bay area counties announced a health order for all residents to “shelter in place” starting at Midnight Monday night. This directs everyone to stay inside their homes and stay away from everyone else for the next three weeks until April 7th. This was established to reduce the spread and effects of the Covid-19 virus on the community.

People will be allowed to leave their homes for food, pharmacy, doctor visits, etc. but must abide by the social distancing regulations to stay at least 6 feet apart from other people. Residents in these counties are expected to stay at home except for these defined activities. All non-essential businesses are to be closed. Restaurants can remain open for order pick-up and delivery services only as dining room are to remain closed. There is a whole list of permitted activities in the order that will not be reviewed here. In Section 10 of this order there is a comprehensive list of what is defined as “essential businesses” that are not affected by this order.

The purpose of this review is to provide details about the Matrix Santa Clara locations decision to remain open during this period. More than 70% of Matrix product sales go to local and North American customers that are doing work on important Department of Defense, Homeland Security, Energy and medical devices. Many of our customers are working on projects that are defined as defense priority projects and are rated DO and DX. These are projects when agreed to by our customers cannot be delayed. In addition, we have one customer that is doing work for a Covid-19 test instrument and another supporting the ventilators that are needed to support patients with Covid-19 that are in the hospital under critical care. Matrix has canvased our customer base and have determined that most are doing work that fits under the essential services definition as defined by this latest health order.

As a result of this investigation Matrix Santa Clara will remain open to support our customers request to continue to support these priority projects. Our normal order load may be negatively impacted by a reduction in orders that do not fall under the “essential services” classification that may be delayed until after this order is lifted on April 7th. We are reviewing all orders and customer demand and be open to support these requirements. We may have to have a few days with reduced staff or close if the workload is not enough to stay open. We will provide adequate notice if this decision needs to be made.

Excerpts from Section 10 of the Santa Clara order related to “essential services” definition and Matrix Santa Clara Activities:

Section 10 Definitions and Exemptions:

- a. To perform work providing essential products and services at an **Essential Business** or to otherwise carry out activities specifically permitted in this Order, including Minimum Basic Operations. *(Note – Our customers that are doing DOD – DO and DX classified projects fit under an Essential Business classification)*
- b. For purposes of this Order, individuals may leave their residence to provide any services or perform any work necessary to the operations and maintenance of "Essential Infrastructure,"



including, but not limited to, public works construction, construction of housing (in particular affordable housing or housing for individuals experiencing homelessness), airport operations, water, sewer, gas, electrical, oil refining, roads and highways, public transportation, solid waste collection and removal, internet, and telecommunications systems (including the provision of essential global, national, and local infrastructure for computing services, business infrastructure, communications, and web-based services), provided that they carry out those services or that work in compliance with Social Distancing Requirements as defined this Section, to the extent possible. *(Note – our customers are supporting the servers, switches, routers and 5G roll-out in the North American telecommunications market.)*

- c. The minimum necessary activities to maintain the value of the business's inventory, ensure security, process payroll and employee benefits, or for related functions. *(Note: we need to continue the basic business process to support the essential business activities at the Santa Clara Location)*
- d. Any travel related to the provision of or access to Essential Activities, Essential Governmental Functions, Essential Businesses, or Minimum Basic Operations.

Matrix will continue to abide by the required social distancing, hygiene, and travel as outlined in the Matrix Covid-19 Outbreak Update published on March 16th.

Please contact Bob Berg or Jim Alves with any questions on this.

Customers with DOD DO and DX rated projects:

- a. PCI – Minneapolis
- b. Summit Santa Clara
- c. Summit Anaheim
- d. Summit Orange
- e. APCT – all locations
- f. TTM – Forest Grove
- g. Cirexx
- h. Lenthor
- i. Gorilla
- j. All Flex
- k. FTG - LA