



June 24th, 2019

Subject: Status Report on 752, 753, 766, 767, 768 Series Resistor Network

In our recent relocation of manufacturing operation of above resistors, we are experiencing unforeseen challenges. Apart from training new operators and engineers, we are also tackling on stabilizing our legacy machines. Regretfully, as of today, our machines are not 100% functional. We have mobilized expertise from Tianjin, China (previous manufacturing location) who has worked many years on these machines to assist on the recovery plan. Top management has been involved on mandatory daily update from factory.

According to the latest update, machines can only be restored to its original condition by July and 100% readiness by August. As a result, this is extending delivery dates further into Q3.

CTS is committed to provide you with a recovery plan by mid July or earlier. We well understand and empathize the urgency. We are doing our utmost to deliver good quality parts as soon as possible.

Please continue to stay in contact with your Inside Sales Rep/Customer Service Rep/Sales Manager for latest updates.

With regards

A handwritten signature in black ink, appearing to be 'Tom Kean', written in a cursive style.

Tom Kean
Global Sales Director
Electronic Components Business Unit