



Date: June 1, 2020  
To: All Lacks Enterprises, Inc. Employees  
Re: Important Business, Staffing, and Layoff Update – as seen in video

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I would like to give you an update on how we intend to staff our plants as our customers provide their production needs to us.

Please know that this is going to be a bumpy ride, factors such as market demand, supplier capabilities, financial strength of vendors and suppliers can all impact our customers and ultimately our production needs.

As it sits today, it is impossible to predict when we will get back to 100% production, let alone 70% or even 50%. We hope it is sooner than later, but we have no way to predict this.

One thing we do know is we currently have some locations that need more employees than they have on layoff and given that, it does not make sense to hire employees from the outside when we still have people laid off.

To fill these positions, we need to identify available employees who can fill those openings.

To do so, effective June 1, 2020 we will be moving from a temporary layoff to an indefinite layoff. This will change how we are managing things. Until now, some high seniority employees have had an option to continue to remain off work and allow lower seniority employees to return. That will change. Each plant will try to establish their production needs for the near future – the best tool for this is to use our customers eight week forecast.

Know that these numbers will change and could change drastically from week to week. We will do the best we can to provide stability once you are recalled to work. Each plant will establish their staffing needs based on seniority in the plant. As each plant establishes that base line, the remaining employees, that are not needed in their current plant, will be placed in a labor pool and offered work at other lacks facilities as positions open. This labor pool will be managed by the employment center.

Remember when you are offered work, if you turn that work down you will be putting your unemployment benefits at risk and you may not be recalled again. Each person's individual situation will be managed with their current supervisor and human resources representative. We have already started some of this labor management with our Wheel Trim facilities and our Paint Operations.

In some locations, indirect employees are supporting direct labor positions – these particular situations will be managed at the plant level.

I will keep you informed as relevant information becomes available to us.

Thanks for your attention and patience as we manage our labor needs – I wish health and safety to all of you and your families and ultimately a safe and healthy return to work.

Sincerely,

A handwritten signature in cursive script that reads "James M. Green".

James M. Green  
Executive Director of Human Resources  
Lacks Enterprises, Inc.