



“We supply most domestic automotive aftermarket retailers and wholesale suppliers, including their online programs, who in turn, supply individual consumers and all types of repair shops with non-discretionary hard parts. Without the availability of these hard parts, vehicles cannot be repaired, and consequentially key services requiring these vehicles would be impacted. We also supply replacement parts to the agricultural and industrial equipment sectors – industries critical to transportation and supply chains. Customer service is a daily point of focus throughout our company, and being a reliable supplier is particularly critical during this difficult period. Our manufacturing capacity and financial position are well-situated to meet the anticipated near-term challenges.”

--Selwyn Joffe, chairman, president, and chief executive officer of Motorcar Parts of America.

Status:

Motorcar Parts of America is a *critical manufacturer* under a memorandum issued March 19, 2020 by the U.S. Department of Homeland Security Cyber Infrastructure Guidance on Essential Critical Infrastructure Workers During COVID-19 Response. The company is also considered a supplier of goods to Essential Services under the California and Los Angeles County Orders. The company has also received a similar federal designation for its operations in Tijuana, Mexico.

Health and Safety is a daily focus and standard operating procedure throughout our global organization. This is especially true during these unprecedented times.

The company’s manufacturing operations in **Torrance, California** have continued largely uninterrupted during this challenging period, supported by rigorous adherence to policies and procedures to protect workers – including vigorous continuous cleaning, social distancing, and the use of protective equipment. The company’s corporate team is working remotely as much as possible, supported by an exceptional team of IT professionals dedicated to maintaining round-the-clock uninterrupted systems to serve our global operations. In addition to regular weekly executive meetings scheduled throughout the year, the team now conducts daily conference calls to facilitate the timely flow of information to further support its business, customers, employees, and communities during this critical time.

In accordance with the *Shelter in Place* ordinance for the state of Tennessee, Motorcar Parts of America’s supply chain management operation in **Nashville** continues to operate seamlessly, with most of its team working remotely.

A professional service was recently engaged to proactively and thoroughly clean and sanitize as a preventive measure approximately one million square feet of the company’s operation in **Tijuana, Mexico**. The majority of the company’s workforce in Mexico utilize buses provided by Motorcar Parts Mexico, and we are taking extra precautions to ensure the health and safety of our workers. This includes additional buses to the scheduled routes in order to accommodate extra spacing between the riders. Furthermore, additional precautionary measures include extra cleaning procedures to the vehicles and providing protective face masks and temperature monitoring of our workers – supported by the company’s in-house medical professional team.

The company's wholly owned subsidiaries located in **Canada** are considered essential operations under guidelines issued by the Provincial government in Ontario. Dixie Electric is authorized as a manufacturer and supplier of transportation-related parts -- serving the heavy-duty trucking, industrial and agriculture markets; and, D&V Electronics is deemed essential based on its status as a supplier of equipment related to research and as a manufacturer. Both operations have continued largely uninterrupted during this challenging period, supported by rigorous adherence to policies and procedures to protect workers that are consistent with Canadian government policies and global health guidelines.

Malaysia, like most countries around the world, has placed restrictions on its residents, with a *Movement Control Order* in place, and only essential services allowed to operate with government approval. The automotive sector is considered an essential service, and Motorcar Parts of America's team in Malaysia applied and has been approved to resume operations under strict government health and safety conditions. The company's warehouse/distribution in **Singapore** is operating under a restrictive *Circuit Breaker* government directive, requiring time-limited activity to load and unload products that require one-time applications and permits. The company's warehouse and consolidation of products and components at its operations in **China** are back to normal (notwithstanding some backlog challenges), with essentially 100 percent of the workforce back and no disruption from suppliers. Air cargo shipping quantities out of China are being impacted due to restrictions placed on foreign carriers.

Fiscal responsibility remains a guiding principal of the management team, and the company believes it has adequate available resources to meet its commitments for the immediate future. While health experts and government officials are not in a position at this point to provide an exact timeline for the gradual reopening of businesses, Motorcar Parts of America is prepared for the anticipated increased demand for non-discretionary automotive replacement parts. The company's sales, merchandising and operations team are working closely with customers, both Do-It-Yourself and the Do-It-For-Me, to maintain appropriate inventory and fill-rates, and provide all the related value-added service customers have come to expect from Motorcar Parts of America.

Community, Innovation, flexibility, and resourcefulness are important principles throughout our organization. In this regard, Motorcar Parts of America's team of engineers has been working diligently to design and build an Emergency Use Ventilator (EUV) prototype to support our community and help medical professionals who may lack these specialized devices to fight the effects of COVID-19. This prototype will be available on an as needed basis.