



March 23, 2020

To: All Employees

From: Pandemic Working Group

Re: **COVID-19 – CEO State of the Company Summary**

On Friday, March 20, 2020, Eric Wintemute hosted a call among representatives of all functions and businesses globally. He described how the company is coping with the COVID pandemic and invited commentary from participants on their regions or functions. In the course of doing so, he painted a picture of the overall company and our prospects. This is a summary of that call.

Bottom Line

Despite a worldwide pandemic, our prospects are very good. Because we are in both the “Food and Agriculture” and “Chemical” sectors, we are part of the “critical infrastructure” under federal law and are specially permitted to operate. President Trump has stated that companies such as ours have a “special responsibility to maintain our normal work schedule.” This status has been followed by all states that have issued COVID restrictions. With respect to international laws, even the country with the highest level of infection, Italy, has singled out the ag supply chain as being of paramount importance to its survival. We are working on a plan to provide wallet cards for our employees which set forth our permitted status in case anyone is questioned on the nature of our business.

COVID Preparedness

Even with a favorable status, however, we are committed to ensuring the health and safety of our workers (and others) while continuing business operations. To that end, we have formed our Pandemic Work Group, which stays current on state, federal and global developments; keeps employees informed; assists in creating the infrastructure for remotely working; implements protocols for social distancing, testing at the workplace and sick leaves; creates contingency plans for manufacturing and other operations; and tracks supply chain, transportation and logistics.

Employee Well-being

We polled all business heads and country managers and are pleased to report that our workforce is healthy. As of today, we know of no COVID detections within our population. Most all operations that can work remotely are doing so in large part. Also, we are exercising conservative policies on home quarantine for those presenting flu-like symptoms or have been in contact with others who have.

Business by Region

Most all regions, to their credit, have shifted sales to be remote, as customers are typically not meeting face-to-face. This appears to be working well. US Crop reports a spike in orders over the past week or so, as customers in some instances are buying ahead. Envance/Tyratech is working at full capacity, while Non-crop is seeing a pick-up in vector control products with weaker demand for turf products on golf courses. OHP reports that all is well except for ornamental (flower) businesses. Mexico is taking necessary precautions, even as its government is dragging behind

other countries in COVID preparedness; that region reports normal operations by its tollers. Agricenter is also working remotely and finds that transport of goods between countries is still clear, although borders are closed to tourists. Some customers in LATAM are also buying ahead. Brazil reports that its supplies are largely sourced locally and has sufficient inventory to meet demand. Finally, in China, we are seeing the reopening of factories for non-registered chemicals and government subsidies for exports, so there may be reductions in prices for certain raws and active ingredients.

Supply Chain

Our Supply Chain reports that our suppliers, both foreign and domestic, are still operating normally. Ports are generally open, cargo is shipping from Asia (where there is heavy demand for ships) and both rail and truck are unimpaired.

Manufacturing

Keeping our personnel healthy at the factories is of paramount importance, as we cannot run the plants remotely. Out of an abundance of caution, we have created contingency plans to ensure continued operations in the unlikely event that critical staffing at the factories becomes tight. At present, all factories are operating at full capacity. In factories that require services and/or labor from other parties (i.e., Axis and Hannibal), we have ensured that both FMC and BASF intend to continue providing those without interruption.

Other Functions

Technology has implemented staggered shifts in the name of social distancing. Product Development reports that field trials are continuing without disruption. Regulatory is operating largely remotely and reports that, because government offices have gone remote, the timetable for processing may be affected. Customer service is working at full force; to the extent they are not remote, our reps in Newport have been repositioned to ensure adequate social distancing. IT continues to work diligently to ensure that we have adequate resources and infrastructure to facilitate remote working. Finance has moved its entire operations to remote stations, while maintaining appropriate safeguards and controls. Finally, Investor Relations reports that investors and analysts will be reassured that we are specially permitted to operate and are seeing strong demand in many markets.

We will be holding these calls weekly and providing a summary to our larger population.

If you have questions on any of these matters, please contact either Kelly Willmott (kellyw@amvac.com) or Tim Donnelly (timd@amvac.com).