



March 19, 2020

Hamilton Partners and Customers,

A quick update on the ever-changing situation with COVID-19 and the impact it is having on our business. Hamilton has undertaken the following actions in order to keep serving our customers and partners:

For our supply chain:

- We analyzed our supplier base and confirmed their ability to continue to support us. We do have several components we buy from a Chinese company that is part of the Gunnebo global supply chain. They have confirmed their ability to continue to provide components. However, we have already established second sources for any component produced in China in case we need to re-source. We control a large percentage of our parts as we cut, bend, machine and assemble in-house and we have made significant investments in new production equipment in the last year.

Our technology infrastructure:

- Over the last two years Hamilton has moved all critical servers to a secure, off-site data center (CyrusOne). In addition, we recently completed an update to our ERP system, moving to the latest version and upgrading our database. We also increased bandwidth between our three locations and the data center. These moves have improved our IT infrastructure speed, security, reliability, redundancy and capacity. Most importantly, we now can work much better remotely, which unfortunately may become even more prevalent as the government considers further actions that will restrict our ability to work in an office with other associates.

For our associates:

- We initiated extensive daily cleaning/disinfecting processes in all three of our facilities.
- For office personnel, we have authorized people that can work at home to do so.
- In Ohio, where most of our associates work and live, the governor canceled school until the end of the month. This will more than likely be extended until the end of the school year. Also, all day care is closed. That has left many associates searching for childcare. To help that situation, we have provided five additional days of paid time-off (including sick days) to all Hamilton associates. This should help our associates and the company to proactively manage our schedules over the coming weeks. We have also implemented stricter guidelines (aligned with CDC recommendations) on associates returning to work after being sick. The additional PTO days will ease the urge to return to work before being completely well.

Our production remains strong. As an example, we are on track to build and deliver more safes in a month than we have ever produced (in excess of 200). We have seen very few orders push out and our order book remains strong.

I believe banks will do their best to remain open as much as possible to maintain confidence in our financial infrastructure. In particular, if a branch has drive-ups, the feedback we are getting is that lobbies may close temporarily, but drive-up lanes will remain open. To support this, we are building ahead in drive-ups and stocking service parts for drive-ups. We have extended hours in our parts department and have eliminated expedite fees. One of our largest national accounts has already ordered more drive-ups in 2020 than in all the previous year.

Please contact us if you have questions or would like to provide feedback, which we always welcome. At times like this you tend to reflect what you are grateful for.... I and all of us at Hamilton are grateful for you - our partners and customers.

Stay healthy,

John

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President, Gunnebo North America

Hamilton Security