



Wacker Chemical Corporation, 3301 Sutton Road, Adrian, MI 49221-9397, USA

Dear Valued Customer,

As you are aware, because of the economic recovery from COVID-19 and related supply chain, logistics and manufacturing challenges outside of our control along with exceptionally high demand across all product lines, we were forced to implement an allocation approach on most of our elastomer products. These allocations were developed based on the best information that was available at the time with regard to logistics, supply availability, target manufacturing output and, based on that information, we provided notice of the situation as quickly as we could earlier this year. As initially communicated, the situation was certainly fluid and, as such, subject to update.

We write you now to provide such an update. At this point, we are ~two months into the necessary allocation approach (April and May), and for many products, the volumes that were initially targeted have not been possible. To update this situation, we are now adjusting applicable allocation figures to match production outputs that have been possible as well as those that are anticipated. Please keep in mind that, because some of April's allocations were produced in early May, and some of May's allocations will be produced in early June, this has the effect of pushing back and stretching /reducing figures, significantly so in some cases, to bring allocation figures back in balance with projected production output.

While your allocation on some products may be updated, we hope to achieve the following benefits:

- supplying within the allocated month (or as close as possible).
- more accurate and timely acknowledgment of your orders, facilitating further customer visibility

As a reminder, these allocations are targets based on the best available information available today but remain subject to update as the situation is dynamic and continues to develop. As these situations arise, we will inform you about the need to make adjustments to amounts and/or delivery dates. Please note that the supply situation is constantly developing so this approach is subject to change and, as such, delivery dates, lead times, and allocation figures may fluctuate. Any allocation figures are provided for informational purposes only and are not a commitment of any specific amount of material.

The allocation adjustments we are making at this time are for products produced in our Adrian, MI facility. Allocations for those materials produced in Europe will remain in place and may be adjusted as the production situation in Europe and international logistics warrant.

We are working very hard to work around the issues faced. Unfortunately, these issues are out of our control. We expect to be able to produce more material in the middle of Q3, 2021. However, these new allocations will stay in place until we are confident that we can deliver additional volumes. For some articles from Adrian, we have not yet projected allocations for future months. Your sales manager will update you with those allocations as soon as we are able to provide them.

Should you have any questions, please address them to your assigned Sales Manager who will be able to assist you. We look forward to working with you during this challenging period of time.

We thank you for your business, and the trust you place in Wacker.

Best regards,

Peter Zorney
Director of Engineering Silicones