



March 1, 2021

## TechNH notice of supply issues with regard to a wide range of material grades

Dear Valued Customer,

TechNH is reaching out to provide you with feedback regarding notifications we have received from our raw material supply base. Many of our plastics resin manufacturers and compounders have sent TechNH notices that they are facing historic supply challenges in the thermoplastic market and there is not much hope for improvement on the horizon.

These supply challenges are based both on the COVID-19 epidemic and on recent weather conditions in Texas where much of the raw material processing occurs. Several major manufacturers have declared Force Majeure, which has sent ripples through the industry. At issue is not just an inability to produce plastics resins; it's the inability for manufacturers to source the basic raw materials coupled with the ever growing difficulty of logistics in the areas of production. Utility services such as electricity, water, nitrogen, and natural gas will need to be restored before plants can restart production. Additionally, feedstocks to the crackers and refineries will be needed as well, in order to get operations up to full production.

The materials that TechNH has received direct notification of supply issues are:

**ABS, Acetal, Nylon6, Nylon 66, Polycarbonate, Polyethylene, Polypropylene**

Because force majeure clauses relieve manufacturers of their contractual obligations when circumstances beyond their control arise, it is very possible that material lead times and pricing will increase as part of this situation. Please note that a force majeure declaration does not impact only future orders; confirmed purchase orders may also be in jeopardy of having delivery dates and/or pricing modified. Rest assured that TechNH is working diligently to mitigate the force majeure events and we will provide updated information as it becomes available to us. We will advise you once the force majeure event concludes but encourage our customer base to place orders for as far out as you can feasibly forecast, as material supply is uncertain at best at the current time.

Best regards and thank you for your business,

The TechNH Team