

March 27, 2020

Dear Shareholders,

I would like to provide you another update on the situation at Linamar in response to this **COVID-19** global crisis.

These are unprecedented times with business and personal lockdowns spreading around the world and leaving us in a constant state of change and volatility. Although the crisis is devastating to so many people and companies around the world, the culture at Linamar of responsiveness, planning, execution and teamwork is well suited to allow us to effectively manage the situation.

I want to reassure you that the Linamar team is proactively and rapidly dealing with this crisis, regularly adapting plans as the situation evolves and communicating constantly with our people.

Here are some updates of the actions we are taking:

- Our Task Force meets frequently to assess the global situation in terms of our people, our customers, our financial situation and government reaction and the resultant impact on us
- We are carefully tracking the health status of our global employee base daily and reacting rapidly to any incidence of the virus
- The safety of our employee base is of course top of mind
 - i. We have a variety of employees working from home, on sick leave, on lay off or at work
 - ii. We have clear protocols for when an employee is required to self-isolate or self-quarantine and when they are permitted to return to work
 - iii. Anyone at work is observing our established working safety protocols including distancing, cleaning at the highest levels, etc.
 - iv. We are looking at additional ideas to continue to enhance our working safely protocols in recognition of the fact that post shutdown this virus will not be eradicated and we need to develop strategies to work in this environment for potentially an extended period of time
- We are working closely in tandem with our customers
 - i. If our customers are working we are working, if they shut down we shut down
 - ii. In Ontario and several US states manufacturing businesses (particularly in agriculture or auto) are considered essential which does allow us to work if our customers need us
 - iii. Some countries Eg. France and Italy are fully shutdown including manufacturing
 - iv. Many of our European and NA customers are currently shut down meaning a large percentage of our work force is also not working
 - v. Our Access business is seeing soft demand and cutting back accordingly as well
 - vi. Our China operations on the other hand are ramping back up with 95% of employees back at work to serve customers slowly ramping up as well
 - vii. We are working closely with customers to ensure a safe and flawless re-launch when production resumes

- Clearly this major shutdown will have a significant impact on us financially
- Cash conservation and cost control are top of mind to mitigate this impact
 - i. We have moved quickly to cut costs and capital spending
 - ii. We have created a global team to pursue additional cost and waste reduction initiatives
 - iii. We have immediately implemented highest level cash payment controls
 - iv. We have a system in place for efficiently adjusting financial forecasts on a weekly basis with our global team giving us excellent up to the minute visibility
- Our balance sheet is strong and we are carefully stress testing to understand our limits; we remain confident that our focus and responsiveness in this area will see us through this situation financially even in the event of a prolonged shutdown period
 - i. Even if auto shutdowns continue longer in Q2 than currently announced we expect our 2020 full year results to still show a profit, generate positive FCF and we do not expect to trip covenants
 - ii. We have no debt maturing this year
 - iii. Predicting the outcome of this situation is impossible but our reaction is swift and we are keeping a close eye on all expected impacts
- We have several initiatives under way to support our communities globally:
 - i. We are assisting 2 Ontario based ventilator companies to rapidly scale up production with an approved design
 - ii. We are launching 12 components for a ventilator for a customer in the US, start of production is April 6th
 - iii. We are investigating similar opportunities in Europe to help increase the supply of ventilators
 - iv. Our Trucking & Logistics Division is working with local Food Banks to ensure vulnerable people in isolation are getting healthy food
 - v. Finally we are leveraging our Global Supply Chain capabilities to source much needed PPE (personal protective equipment) for front line health care workers in our local communities

Linamar is a highly responsive, nimble company; we have demonstrated in the past our ability to act quickly and decisively in a crisis and we are doing so now as well.

In summary we are staying informed to advise good decision making and communication, acting quickly and decisively.

We went into this crisis in a very strong situation financially and are confident in our plan to manage the situation. We will continue to communicate with you regularly.

Thank you for your confidence in the team here at Linamar.

Sincerely,
Linda Hasenfratz
CEO