

Cygnus Manufacturing Supplier Flow Down Requirements

CMC Purchase orders shall contain the following information to be provided to subcontractors and suppliers:

- A clear description of the supplies ordered, including as applicable:
- Specifications, drawings, process requirements, preservation and packaging requirements, classification of defects, inspection instructions, and/or other necessary data.

The following conditions are also required for all CMC Suppliers:

- Requirements for qualification or other government or contractor approvals, of processes or personnel, where stated.
- Specific requirements for Certificates of Conformance or Analysis, where stated.
- Specific Quality System requirements or inspection/testing instruction, where stated.
- Requirements for a test specimen, where stated.
- When specified on CMC's Purchase Order and/or Drawing, ordered parts and/or services must be RoHS Compliant
- Requirement of minimum of one (1) year shelf life remaining on applicable products at time of shipment to CMC
- Requirements that the supplier maintain Quality Records a minimum of 15 years.
- Requirement to contact CMC of nonconforming processes, products, or services that have been detected by the supplier and obtain approval from CMC regarding the disposition
- Requirement to contact CMC if there has been a significant product or process change, any changes of subtiers, any changes of manufacturing facility location and obtain CMC approval.
- Requirements that the supplier send CMC information/specifications to their sub-tier suppliers.
- Use CMC-designated or approved external suppliers as specified on the purchase order &/or drawing, including process sources (e.g., special processes);
- Supplier shall ensure right of access to CMC, aerospace customer, or regulatory agency to visit facility or review Quality Records. Suppliers to ensure that their employees are aware of
 - their contribution to CMC product conformity;
 - their contribution to CMC product safety;
 - the importance of ethical behavior
- CMC controls and monitors supplier performance (OTD & Quality) periodically; suppliers with sub-par performance may be issued Supplier Corrective Actions:
 - Acceptable delivery performance $\geq 85\%$ as an individual supplier per month
 - Acceptable Quality ≤ 8 internal non-conforming material (NCMR) for all suppliers in a given monthNOTE: Also evaluated are recurring NCMRs in a month for a given supplier, recurring NCMRs in a 3-month period for a given supplier and/or high piece count nonconformities

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The following conditions are also required for all CMC Suppliers (where applicable):

Suppliers shall be compliant in the fields of human rights, labor relations, business ethics, environmental protection and safety by way of the following:

- Abide by the laws and regulations applicable to their activity and business relationship with Cygnus Manufacturing Company, as well as protect Cygnus Manufacturing Company's intellectual property rights with at least the same degree of diligence as they protect their own.
- Respect internationally recognized human rights and promote and oversee compliance within their organizations; and, ensure that neither they, nor their business partners violate any human rights in the course of their business activities.
- Under no circumstances shall child labor be allowed; suppliers must comply with applicable domestic regulations on minimum employment age.
- Foster the eradication of all forms of discrimination based on race, religion, age, nationality, sexual orientation, gender identity, marital status, family circumstances or disabilities.
- Implement effective, task-specific health and safety practices and demonstrate this commitment to its employees regardless of their role in the company.
- Observe antitrust laws and regulations protecting free competition, and they shall refrain from collusive or anti-competitive conduct.
- Refrain from any and all forms of fraud or disloyalty, from insolvency offences, and from corrupt practices, influence-peddling and similar conduct (e.g. inappropriate payment or bribery of or by public officials, private entities or individuals)
- Comply with environmental laws.
- Comply with laws regarding responsible procurement of minerals and implement and conduct any investigations required by law in relation to conflict minerals.

Counterfeit, Suspect and Fraud Prevention:

- Supplier has responsibility to establish a system of preventive measures to mitigate counterfeit items supplied to CMC.
- Suppliers shall provide chain traceability to the Original Manufacturer or Authorized distributor upon request.
- Supplier shall contact CMC if counterfeit or suspect material has been identified in process or in shipments.
- Supplier shall immediately inform CMC if it is not an authorized distributor by the original manufacturer.
- Products shipped to CMC must not exhibit evidence of prior use.
- All accompanying documentation to CMC cannot be altered or incomplete and must maintain chain of traceability back to manufacturer origin.
- If CMC identifies suspect counterfeit or fraudulent materials, items or components, supplier shall be deemed responsible for cost and liability associated with product rectification.
- CMC Reserves Our Right to Refuse Receipt If Proper Documentation (i.e. Certificate Of Conformance, Mill and Test Certifications, or other applicable documentation) Does Not Accompany Shipment