

CDI Supplier Requirements

1.0 Scope

The CDI Products, LLC (CDI) Supplier Requirements (SR) are to be reviewed by the supplier. Upon acknowledgement and acceptance of CDI's Purchase Order, the SR is considered accepted by the supplier.

The Supplier will comply to all aspects of this document with regards to the products and services delivered.

In the case where the requirements conflict with the requirements of a purchase order, the purchase order will take precedence.

2.0 Supplier's Quality Management System

Where appropriate, the Supplier is required to have a quality system that ensures parts delivered to CDI meet all specifications.

The Supplier shall authorize CDI to determine through audits whether their quality assurance activities meet the requirements of CDI. An audit can be conducted as a system, process, or product audit, and will be announced in timely fashion.

- The Supplier shall grant CDI access to their facility and production documentation for a physical evaluation, if deemed necessary.
- CDI shall communicate the results of this evaluation to the Supplier. If CDI considers corrective actions to be needed, the Supplier agrees to prepare an action plan immediately, to implement it on schedule, and to notify CDI of the progress made.
- The Supplier must have methods for control of documents and data and, shall implement them effectively.

3.0 Contract Review

During contract review, the Supplier shall examine all technical documentation, such as specifications, drawings, parts lists for feasibility and manufacturability upon receipt. The Supplier shall notify CDI immediately of any potential issues and/or risks as well as improvement possibilities identified.

4.0 Process and Production Controls.

The Supplier shall coordinate the manufacturing and test conditions with CDI for prototypes and preproduction parts and shall document these. The goal is to build prototypes and pre-production parts under conditions similar to full-scale production, when applicable. This does not apply to distribution facilities.

Production or delivery activities should not be started until CDI releases it with written authorization via purchase order.

In the case of process disruptions and quality deviations, where the Supplier is unable to supply products conforming to the specification, Supplier must obtain a concession from CDI and nonconforming material must not be shipped to CDI without written approval.

The Supplier must ensure that identification of the packaged products will also remain legible during shipping and storage.

The Supplier agrees to ensure the traceability of the products they supply. The material must be traceable back to the raw material through proper documentation. Measures must be instituted to ensure that if a defect is detected, the defective parts/products/batches, etc., are traceable and contained.

The Supplier agrees to supply a copy of the manufacturing record (either physically or electronically) to CDI for each lot manufactured, if requested. Distribution suppliers shall have the OEM documentation for review, if required by CDI. Records are retained per section 21.0.

If CDI makes production and test equipment available to the Supplier, especially equipment and fixtures related to deliveries, then they must be labeled as CDI property. The Supplier is responsible for protecting this property from damage and ensuring proper function, maintenance, and repair. All measurement and test equipment shall be returned to CDI upon demand.

During the manufacturing process the Supplier shall apply suitable methods of quality planning. (e.g., Work instructions, checklists, documented inspection and/or testing methods, and any other CDI requirements) This does not apply to distribution facilities. These documents shall be controlled by suitable means so as to not be changed without proper review and authorization.

5.0 Shipment Paperwork

Supplier shall provide shipment paperwork with each shipment listing CDI part number and revision, Supplier part number (if requested), CDI part description, quantity, and CDI Purchase Order number. Records of these items must be retained per section 21.0.

- Supplier shall supply all material certifications as requested by CDI.
- Should shipment paperwork not be received or not contain the required information, the material shall be considered as nonconforming.

6.0 Change Controls/No Change Clause

The Supplier agrees to obtain CDI approval in writing prior to changing:

- Production location.
- Raw materials.
- Test and Inspection methods or equipment.
- Production equipment at the same site (for validation processes).
- Production processes.
- Changes in Supplier Senior Management
- Changes in Supplier Ownership

If it becomes evident that agreements reached such as quality characteristics schedules or delivered quantities cannot be met, the Supplier shall notify CDI immediately. The Supplier shall also notify CDI immediately of any deviations detected after delivery. The Supplier shall disclose all necessary data and facts.

Quality records, including but not limited to incoming inspection (concerning purchased parts and other raw materials from sub-contractors), reliability and endurance testing, inspection, end of the line testing and defect analysis, if applicable, must be retained by the Supplier at per section 21.0. The Supplier shall grant CDI the right to inspect records upon request.

7.0 Corrective and Preventive Actions/Non-Conformances

CDI inspects the delivered products in the normal course of business. The Supplier shall be notified immediately of any defects detected in the process. This is including all required documentation.

- Agreed quantities of the defective parts shall be returned to the Supplier.
- The Supplier agrees to analyze each deviation or forward to the OEM, without delay and to notify CDI promptly of the cause of the deviation. The Supplier will inform CDI of any initiated corrective and preventive measures, as well as their effectiveness upon request.

If the supply of components not conforming to CDI requirements should threaten to cause a production interruption at the Supplier and/or CDI, the Supplier must seek a remedy through suitable immediate actions approved by CDI for which the Supplier is responsible (e.g. substitute deliveries, sorting, rework, special shifts, rush shipment, delivery method etc.).

Nonconforming material received or produced by the Supplier must be communicated to CDI. In the event material is rejected, all suspect material must be quarantined until a final disposition is reached.

Prompt action will be taken by the Supplier to correct conditions that cause defective material.

Response to Corrective Action should be returned to CDI within the specified period of time by CDI.

8.0 First Article Inspection

Where applicable, the supplier will furnish a FAI report with all dimensions and characteristics shown with a corresponding bubble drawing.

9.0 Inspection Records

Where applicable, the seller shall maintain records of all inspections and tests performed on items delivered to Buyer. These records shall identify nonconformances and shall be made available for Buyer, Buyer's customer, and regulatory review. Records are retained per section 21.0.

10.0 Sub-tier Management

Purchase Orders require that all requirements invoked or applied to the customer's purchasing document and its associated documents, including key characteristics where applicable, are to be flowed down to all sub-tier suppliers.

11.0 Counterfeit Parts

At a minimum, Seller shall have a counterfeit parts prevention plan that incorporates the following:

- Assesses potential sources of supply to determine risk of receiving counterfeit parts.
- A process to specify contract/purchase order quality requirements to minimize the risk of being provided counterfeit parts.
- A process to assure detection of counterfeit parts prior to formal product acceptance.

12.0 Control of Special Processes

Supplier will control processes requiring validation (special processes). Processes requiring validation are, at a minimum:

- Heat Treating
- Coating
- Plating
- Non – Destructive Examination (NDE)
- Welding

Other processes may be added as required. These controls must be made available to CDI when required. If a process requiring validation is flowed down to a sub-tier supplier, then the supplier will maintain records of all certs and be able to obtain process records. CDI maintains the right to approve all processes requiring validation that are performed by the Supplier or the supplier's supply chain. Records are retained per section 21.0.

13.0 Part Marking

Marking of the parts is required in accordance with the CDI or CDI customer drawing and/or specification.

14.0 Packaging

Material shall be packaged or segregated in such a way as to assure lot integrity. Tags, labels, or test data may be used to assist in this process. In addition, any and all CDI or CDI customer packaging requirements must be adhered to on all shipments, where applicable.

15.0 Reach and RoHS

All parts sold to CDI must be RoHS and REACH compliant.

16.0 Third Party Inspection Notification and Sharing of Findings

Supplier must notify CDI of any action by the FDA, or any other regulatory body, regarding the products or facilities covered in the agreement and must send a copy of the audit report/findings. The Supplier must also notify CDI of any action by any government and/or official agency regarding the products or facilities covered in the agreement and must send a copy of the report/nonconformances.

17.0 Ethical Standards

The highest legal, moral, and ethical standards of honesty, integrity and fairness are to be practiced by the Supplier. To meet this standard, CDI expects each of its business partners to operate and act in full compliance with all applicable laws and regulations. CDI expects that our Suppliers will hold their business partners and other third parties to the same standards.

18.0 Environmental, Health, & Safety Requirements

Suppliers of CDI shall conduct their business in such a manner as to promote a healthy, safe, and environmentally responsible atmosphere for all its stakeholders. This includes, at a minimum, a program of Health, Safety, & Environment that conforms/complies to all applicable local, state, and federal requirements. This is including all internal processes, sub-contracted processes, and all goods or services provided to CDI. All processes will comply with any and all EPA, OSHA or any other regulatory body at the local, state, or federal level. These outsourced processes include but are not limited to:

- Painting
- Laser Marking
- Passivation
- Bead Blasting
- Electro-plating
- Anodizing
- Coating

19.0 Applicability

This agreement is applicable for all Purchase Order issued to the Supplier by CDI.

20.0 Supplier Scorecard

Critical Suppliers as determined by CDI shall have a quarterly scorecard and rating system communicated. Non – critical suppliers may be issued a scorecard based on circumstances determined by CDI.

21.0 Record Retention

All records shall be retained for a minimum of 10 years or per purchase order requirements, whichever is greater.