



DT: April 2nd, 2020
TO: Cristek Customers
RE: COVID-19 Update

Dear Customer:

First and foremost, we hope this letter finds you and your loved ones safe and healthy!

The purpose of this letter is to update you about our status and ask for your help. Cristek remains committed to each customer, and to our role as a critical member in the Defense Industrial Base supply chain. However, as the impacts of COVID-19 continue to escalate, our ability to support the work you have entrusted us with - in the near term - is diminishing significantly.

This week, HR 6201, the “Families First” Act, mandated for businesses of up to 500 employees, went into effect. While this extended sorely needed benefits to our employees, it will undoubtedly create more attendance gaps in our already reduced and anxious workforce. Although some are still discerning what course of action is best for their own health and that of their families, we expect to be down 50% or more in staff at most facilities over the next two weeks.

Once we reach that level, most critical value stream functions do not flow, so our output could be reduced as much as 75% throughout April. The Cristek leadership team and a core group of production workers will continue to work unless the situation deteriorates. The question then becomes – “What items are most essential to our customers?”

DPAS ratings are of little help to inform our decisions since most products will not be served unless processed by the properly trained staff. Fielding requests to status full backlogs and management escalation calls urging us to “do more” will only serve to distract our minimal resources from producing what is essential. Here are some questions and requests so that Cristek can make the right decisions for our employees and our customer partners:

- Have your internal schedules been impacted to the extent that a 30-45 day slip in our schedule to you could be tolerated?
- If our products will be essential through the next 6 weeks are you able to provide an abbreviated list or reduced quantity that we can target as we assess the staffing mix and schedule the next several weeks?
- If circumstances compel us to invoke the force majeure clause of our contract, what would be your organization’s reaction?

If not for the critical products with which you and the Warfighter have entrusted us to provide, Cristek would elect to cease all on site operations and allow our employees to remain home with their families while the COVID-19 crisis continues. In fact several competitors/suppliers have announced their closure. We are choosing to stay open because you depend on us and we have been able to operate within recommended CDC guidelines. Despite the obstacles and concerns, we stand ready to deliver whatever essential product we can. If we don’t hear from you first, we will reach out to you early in the week to get your thoughts.

Thanks, as always for your partnership and kind consideration.

Sincerely,

Cristi Cristich

Cristi Cristich
President/CEO

Brandon Roemer
Director of Sales and Marketing