CHELTON LIMITED

SUPPLIER QUALITY ASSURANCE MANUAL

CEL/QAM/5

Issue 10.7

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Issuing and Amendment Control

This document is issued under the control of the Head of Quality, Chelton Limited. It is the responsibility of Chelton Limited suppliers to confirm the current issue of this document prior to order acceptance, and to ensure the current issue of this document is available within their business as required. Suppliers are responsible for reviewing changes, and immediately incorporating required amendments within their internal business management documentation to ensure continued compliance. Unauthorised copies of this document must not be produced. Any queries should be directed to the Chelton Limited Quality department in the first instance.

Amendment Number	Change	From Issue	To Issue	Incorporated by
1	Rewrite whole document	7	8	T.Rickard
2	Change Para 3.1 to Distributors/Brokers – Distributors/Brokers shall have a quality system that conforms to ISO 9001.	8	8.1	Gurnaik Dhesi
3	Removal of 'as a minimum they shall have to complete a CEL/QAM/5 supplier questionnaire at least once every 2 years' from para 3.1	8	8.2	Karen Allen
4	Change of company name from Cobham Aerospace Connectivity to Chelton Limited and clarifications made throughout all sections to reflect current business practice	8.2	9	Tony Rickard
5	Minor formatting & grammatical corrections across document	9	9.1	Mike Reekie
6	Various minor updates, addition of paras 27.0 - 35.0, removal of Appendix 1&2	9	10	E Glyde-Coleman
7	Minor amendment para 21.0	10	10.1	E Glyde-Coleman
8	Removal of QAF301 reference para 6.0	10.1	10.2	E Glyde-Coleman
9	Addition of reference to AS5553 para 24.0. Addition of TDS/MSDS requirement para 21.3	10.2	10.3	E Glyde-Coleman
10	Issuing and Amendment Control statement updated. Para 3.1 addition of test suppliers. Para 5.0 updated regarding approval of deviations. Para 8.0 updated to define acceptable FAIR format and delivery. Para 11.0 updated to reference need for certificates of calibration to detail standard performed against. Para 20.0 updated to add requirements regarding material deemed scrap.	10.3	10.4	J Pope
11	Para 6.0 add approval required for sub-tier manufacturing based in China. Para 13.0 add requirement for only new parts and materials to be used. Para 19.0, 19.1 and 26.0 addition of controls for moisture, reflow and process sensitive devices.	10.4	10.5	J Pope
12	Para 4.0 amended to update rights of access and include method of NC communication. Para 12.0 changed to Traceability and Material Identification, clarification on requirements. Para 12.1 updated lifed material controls, amalgamated Para 21.3. Para 19.0 amended to clarify packaging requirements. Addition of Para 20.1 and Para 20.2 for rework and repair. Para 21.0 updated to include expiry date where applicable on CofC.	10.5	10.6	J Pope
13	Formatting updated. Para 3.1 added Design Sub-contractors to supplier type list. Section 5.0 added reference to SoW for sub-contracted design activity. Section 6.0 added restriction against sub-contracting design services. Para 19.1 added liability regarding Free-Issued material. Para 20.2 Clarification on prohibited rework/repair. Para 30.8 Use of Artificial Intelligence added.	10.6	10.7	J Pope

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1.0 Introduction

Chelton Limited values the relationships that it has with its Suppliers. The purpose of this Manual is to provide clear expectations to Suppliers and Sub-contractors (including Sub-Tier Suppliers and Sub-Contractors) for control and performance when delivering product and services to Chelton Limited. These requirements are supplementary to the Terms and Conditions flowed down as part of the normal Contract/Order process.

This Manual outlines the roles/responsibilities of Chelton Limited and its Suppliers/Sub-Contractors in order to achieve the highest standards of Quality. This will be achieved by collaboration and effective communication to ensure that all requirements of the Contract/Order are correctly fulfilled (including flow-down of requirements to Sub-Tier Suppliers and Sub-Contractors).

As a Supplier of communication and navigation equipment, Chelton Limited has a commitment to ensure that its business practices conform to all applicable laws, regulations and ethical business standards and principles, as well as to develop a culture of responsibility, integrity and sustainability.

Chelton Limited is committed to its core values in respect of human rights, labour and environmental practices, both within its organisation and through its business relationships. In particular, Chelton Limited has a zero tolerance for all forms of corruption, modern slavery and child labour, whether public or private.

Chelton Limited requires commitment to responsible business practices and sustainable development from all its suppliers. Wherever suppliers are located, all business shall be conducted in compliance with this Supplier Code of Conduct. Suppliers are also expected to cascade these principles through their own supply chain and go beyond legal compliance in order to advance in social and environmental responsibility and business ethics. Our joint commitment is a key element in securing our success, conformance to applicable laws and a sustainable future of our industry.

Suppliers must comply with all laws and regulations applicable to their business, including the local laws and regulations of all countries outside their home country in which operations are managed or services are provided.

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2.0 Definitions/Abbreviations

EN9100:2016 Quality Management Systems – Requirements for Aviation, Space and Defence Organisations

BS/EN/ISO9001:2015 Quality Management System – Requirements

EASA Part 21 Subpart G European Aviation Safety Agency requirements for Production organisation Approval for Products, Parts and Appliances

EASA Part 145 European Aviation Safety Agency requirements for Production organisation Approval for Maintenance, Tasks and Checks

CAA	UK Civil Aviation Authority
EASA	European Aviation Safety Agency
UKAS	United Kingdom Accreditation Service
TS157	Aerospace Sector Certification Scheme
ASL	Approved Suppliers List
ESD	Electrostatic Sensitive Devices
FAIR	First Article Inspection Report
FOD	Foreign Object Debris
PPM	Planned Preventative Maintenance
SOW	Statement of Work

3.0 Scope and Applicability

3.1 Quality Management System

This Manual applies Quality Assurance contractual terms to Suppliers who directly provide material (raw materials, production services, component parts and assemblies/systems) to Chelton Limited.

All product related goods and services are required to be 'Quality Assured' and shall only be procured from Suppliers and Sub-contractors currently approved and present on the Chelton Limited Approved Suppliers List (ASL).

- Distributors – Distributors shall have a quality system that conforms to ISO9001 (conforming preferably to AS/EN9120) and shall only supply Components, Parts and Materials from manufacturers for which they are Franchised Distributors.
- Manufacturers – Manufacturers of Commercial Off-The-Shelf (COTS) items shall have a quality system that conforms to ISO9001 (preferably AS/EN9100).
- Special Process Suppliers – Special Process Suppliers shall have a quality system that conforms to ISO9001 (preferably conforming to AS/EN9100 or NADCAP).
- Test and Calibration Suppliers – Suppliers performing testing shall have a quality system that conforms to ISO9001 (preferably conforming to AS/EN9100) and that conforms to ISO/IEC17025 UKAS accredited laboratory or other country certifying body. All records must be traceable to the National Physical laboratory or equivalent.

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- Raw Material Suppliers – Raw Material Suppliers shall have a quality system that conforms to relevant industry quality standards, and airworthiness regulatory requirements, as required.
- Proprietary Suppliers – Suppliers providing parts built to Chelton Limited design documentation shall ideally have a quality system that conforms to ISO9001 (preferably conforming to AS/EN9100).
- Independent Distributors/Brokers shall have a quality system that conforms to ISO9001 (preferably conforming to AS/EN9120) and shall additionally hold AS6081 certification.
- Design Sub-contractors – Suppliers supporting Chelton Limited's Design Organisation by provision of Design Services shall have a quality system that conforms to AS9100 incorporating Design within the Scope of Approval (preferably the supplier shall hold an APDOA approval or Part 21J certificate issued by the applicable National Aviation Authority).

Suppliers shall only provide goods and services to Chelton Limited that fall within their documented scope of approval. All approvals shall ideally be provided by a UKAS or country-authorised equivalent certification body.

Note: Any change to the Supplier's approval status shall be communicated to Chelton Limited within 48 hours. Any loss of approval shall be communicated within 24 hours.

Should Chelton Limited decide to pursue a business relationship with a Supplier not meeting the above quality system requirements, the Supplier shall be assessed via a Chelton Limited CEL/QAM/5Q Supplier Questionnaire. This may be supported by an audit or site visit, if required, dependent on level of risk.

Evidence of conformity to the above quality standards must be demonstrated by either third-party certification or Chelton Limited approved Assessment.

3.2 Contractual Obligations

In accepting this document as a condition of conducting business with Chelton Limited, the Supplier is accepting an obligation to those Quality Management System requirements that have been assigned to them and to which they will comply with when undertaking work or supplying products to Chelton Limited. Any deviation from these requirements shall only be enacted upon receipt of written approval from the Chelton Limited Quality Department.

3.3 Precedence

In the event of any conflict between the requirements of this document and conditions contained within a Chelton Limited Purchase Order, the Purchase Order conditions shall prevail.

3.4 Supplier Performance assessment

Supplier Performance is based primarily on two key elements:

- On Time Delivery Performance
- Supplier Defective Parts Per Million (SDPPM)

In addition to the above measures the Supplier shall also be assessed for overall performance at Chelton Limited reviews including responsiveness, Audit findings, effectiveness of RCCA, and SCAR management.

Supplier reviews may be conducted via on-site visits and/or conference calls depending on the criticality of parts supplied, level of spend and risk identified. In cases where a Supplier has provided non-conforming product they may be asked to re-inspect their deliverables at Chelton Limited.

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If Supplier performance is deemed as consistently unsatisfactory, a Supplier Performance Improvement Plan may be raised. This plan will be communicated formally to the Supplier requesting an improvement in performance with agreed targets and timelines. Following completion of the plan, the Supplier will either be informed that Chelton Limited will no longer be using their services (notice will be given to allow for Transfer of Work and closing of Purchase Orders) or that they have improved sufficiently such that business will continue based upon maintenance of current performance.

4.0 Rights of Access

The Supplier shall allow Chelton Limited, a Chelton Limited Customer, or a specified third party (Customer/Regulatory Agency), right of access to the facility and all records related to product ordered by Chelton Limited or one of its suppliers. Failure to allow regulatory agencies right of access could result in removal from the ASL or restricted purchasing limitations.

Chelton Limited reserves the right for Chelton Limited, a Chelton Limited customer, or a specified third party (customer/regulatory agency), to perform an audit or inspection at the Supplier's facility. Such audits or inspections shall occur during business days during hours which are reasonable under the circumstances and where deemed necessary on 2 business days' notice. Such verification shall not be used as evidence of effective control of quality. This verification does not absolve the Supplier of the responsibility to provide acceptable product and does not preclude any subsequent rejection by Chelton Limited or its Customer. Any non-conformance identified during audit activity will be documented and formally communicated to the Supplier by email or as appropriate, for Root Cause and Corrective Action to be conducted.

5.0 Order Review

It is expected and required that on the receipt of a Chelton Limited Purchase Order, a full contract review will be conducted. The Purchase Order should detail all documents required to complete the work requested.

If the supplier is performing sub-contracted design activity for Chelton Limited, a Statement of Work (SoW) shall additionally be provided by Chelton forming part of the contractual agreement and supplier order review process.

Any documents that have changed since the previous Purchase Order for a repeat requirement should be replaced and the superseded documents destroyed. These flow down requirements may also include additional Drawing Office Instructions, Non-Conformance Reports or Change Order instructions.

Note: Verbal instructions and email correspondence do not provide authorisation to deviate manufacture/supply from the contracted specification. All requests of this nature must be documented and approved by the Chelton Limited Quality Department via an approved Non-Conformance Report or Change Order.

6.0 Sub-Tier Selection/Control & Contract Requirement Flow-down to Sub-Tier Suppliers

Chelton Limited may specify or approve Sub-Tier Suppliers contracted by its Suppliers for work performed on Chelton Limited material if required. This includes but is not limited to special processes, materials testing services, distributors, and other sub-contractors.

Sub-contracting of Design Service provision is strictly prohibited without formal approval from Chelton Limited.

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Suppliers shall flow down all relevant quality requirements imposed by this document and other contractual documents to its Sub-Tier contractors.

The use of manufacturing sources based in China is prohibited without formal written approval from Chelton Limited, and/or its Customers, on a case-by-case basis.

Note: Second Tier Suppliers, refers to the further sub-contracting of production processes or procurement by the Supplier of product to satisfy a Chelton Limited requirement. This is inclusive of the procurement of raw materials by Suppliers and, in the case of Distributors, their own procurement activity.

7.0 Special Process Suppliers

The Supplier shall validate any process for production or service provision where the resulting output cannot be verified by subsequent monitoring or measurement. This includes any process where deficiencies become apparent only after the product has been delivered or is in use. e.g. those processes for which end results could not be checked without destructive testing.

Typical Special Processes:

- Chemical Processing and Heat Treatment
- Coatings and Surface Finishes
- Composites and Materials Testing
- Potting and Sealing
- Welding and Brazing

Suppliers and Second Tier Sub-Contractors working in accordance with Chelton Limited Specifications must ensure that training has been provided for those adhering to associated documentation (Process Specifications, Production Test Schedules, Acceptance Test Procedures, etc.) and competence is assessed in a timely manner. Training Records must be maintained to evidence that process operators have skills commensurate with their roles and responsibilities.

8.0 First Article Inspection

To ensure conformity of product, a First Article Inspection Report shall be submitted to Chelton Limited.

First Article Inspection Reports shall be performed by the Supplier in accordance with AS/EN9102, and shall be supplied to Chelton Limited Buyer electronically in PDF format via email, or secure electronic transfer.

First Article Inspection Reports (FAIRs) shall be submitted with first shipment of product to Chelton Limited. This requirement also applies to any subsequent shipments where production, process or design requirements have changed (delta FAIRs). All certificates of conformance/compliance for each component or/and material used to manufacture Chelton Limited product shall be included with the FAIR submission.

A FAIR will be required in the following situations:

- A change in the design characteristics affecting fit, form or function of the part.
- A change in manufacturing source(s), process(es), inspection method(s), location of manufacture, tooling or materials that can potentially affect fit, form or function.
- A change in numerical control program or translation to another media that can potentially affect fit, form or function.
- A natural or man-made event which may adversely affect the manufacturing process.
- An implementation of corrective action required to complete a previous FAI.

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- A lapse in production for two years (this lapse is from the completion of last production operation to the actual restart of production)

Chelton Limited will, when the FAIR has been satisfactorily authorised, sign and copy the FAIR approved front sheet and return to the Supplier.

9.0 Process Control for Key Characteristics

Suppliers shall implement a process to control key characteristics when defined on Chelton Limited design documents or requested by the Purchase Order (PO).

10.0 Customer Supplied Tooling, Jigs, Gauges and Fixtures

The Supplier shall exercise care with property belonging to Chelton Limited while it is under the Supplier's control or being used by the Supplier.

The Supplier shall identify, verify, protect and safeguard Chelton Limited property provided for use or incorporation into the products and services. Any tools in the possession of a Supplier shall be recorded along with records of any transfers (date, transfer details, location and condition as a minimum).

If Chelton Limited property is lost, damaged or otherwise found to be unsuitable for use, the organisation shall report this to Chelton Limited and document the event.

Note: Chelton Limited property can include materials, components, tools and equipment and intellectual property.

If a Supplier has possession of Chelton Limited tooling, jigs or fixtures, it becomes the responsibility of those using tools to ensure that they remain in working order through the implementation of Planned Preventative Maintenance (PPM) and to ensure calibration is carried out as stated in Chelton Limited Ts&Cs.

If maintenance or modification is required for tooling, Chelton Limited should be informed and provide approval prior to any modification being undertaken to assess whether delta FAIR is required. Documents shall be retained minimum 12 years to record dates, timing, changes and the identity of personnel involved in any maintenance or modification.

11.0 Calibration

The Supplier is responsible for ensuring that all measurement equipment used on production of Chelton Limited product is calibrated and that calibration is traceable to National Laboratory Standards. The calibrated equipment shall have a label clearly indicating the Calibration expiry date and this shall be easily visible to the operator.

All calibration performed on Chelton Limited owned equipment, or on supplier owned equipment which is used on production of Chelton Limited product shall be conducted in accordance with an applicable recognised industry standard, which shall be referenced on the Certificate of Calibration for the equipment.

Any equipment found to be outside national standards requirements for acceptance shall not be used to measure unless approved for conditional use by Chelton Limited via a formal NCR.

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12.0 Traceability and Material Identification

The Supplier is required to establish a documented system for the control and traceability of all works, assemblies, and materials.

The inspection and test status of all materials should be easily identifiable by the system, and documentation should include a description of any applicable containment areas.

Parts or products removed from the normal process flow due to non-conformity must be positively segregated and clearly marked.

The Supplier shall procure components direct from the original equipment manufacturer (OEM), or through franchised or authorised distributors. The Supplier shall require all procured materials are accompanied by a Certificate of Conformance (CofC) with each delivery; perform incoming inspections of components and paperwork to ensure conformity to Specification; and maintain and document incoming inspection specifications used for each component used in manufacturing product for Chelton Limited.

Upon request from Chelton Limited, material certifications and test reports must be made available within a 24-hour period on a free of charge basis.

NOTE: All Parts or Assemblies which are subject to ATP/PTS tests shall have an individual serial number issued and applied by the Supplier prior to shipment to Chelton Limited. This number must be unique and non-repeating.

12.1 Consumable Material Control (Lifed Materials and decanted Materials)

Consumable materials used in manufacturing processes which have a defined 'life restriction' shall be subject to a control process that assures no risk of out-of-life material being used. This process shall be preventive through effective labelling, monitoring and disposal.

In addition any materials that are subject to decanting shall always be fully traceable in respect of Material Identity, Batch Traceability and life restriction if applicable.

All age sensitive materials or components must be properly identified on the CofC to include manufacture date, shelf life of the product or expiration date. All products must have minimum 80% of the shelf life remaining upon receipt to Chelton Limited, unless otherwise stated on the Purchase Order requirements.

Suppliers shall provide copies of Manufacturers Technical Datasheets (TDS) and Safety Datasheets (SDS), where applicable, with each delivery of product.

Suppliers shall ensure that any materials requiring specific environmental conditions (e.g. temperature-controlled storage) are stored following manufacturers guidance.

For any free-issued materials received from Chelton Limited, the supplier is responsible for ensuring that these materials are managed in accordance with their life controls and that no out-of-life material is used in production.

The expiry date of free-issued material shall be carried over to the CofC for product delivered to Chelton Limited, unless the material is altered so that the life limitations are removed (e.g. cured adhesives).

13.0 Manufacturing Processes

The Supplier is responsible for ensuring that all manufacturing processes are documented to enable repeatability of product produced to a compliant standard. The manufacturing process shall where required include clear instruction for the operator and may take the form of photographs and text. These

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documents shall be revision controlled and records maintained of each revision for a minimum of 12 years. The manufacturer shall have defined workmanship standards.

Manufacturing processes shall define the use of only new parts and materials in the fulfilment of Chelton Purchase Orders, preventing the use of reused, reinstalled, recycled, reattached, or salvaged parts and materials. Parts or materials previously installed or otherwise attached to another assembly are considered used and not new.

Note: Where it is impossible to validate the measurement or requirement after manufacture due to physical constraints, parts shall have special process controls that enable feature conformity, these may be subject to Statistical Process Control.

14.0 Inspection

All Supplier personnel performing manufacturing operation(s) and inspections on product procured on behalf of, or produced for Chelton Limited, at a minimum, shall be trained to the specifications stated in the Contract/PO or type design documentation.

14.1 Delegated Inspection

Delegated Inspection Authority will be approved at Chelton Limited discretion, when such training and delegation is mutually agreeable.

14.2 Inspection Sampling

Non-Proprietary Suppliers may use reduced inspection frequency (sampling) inspection plans only when historical records indicate that a reduction in inspection can be achieved without jeopardizing the level of quality. The Supplier may employ sampling inspection in accordance with nationally accepted or customer required standards, as-specified by Chelton Limited.

Sampling cannot be applied to part or sub-assembly and assembly level Electrical or Radio Frequency Tests unless specified on Chelton Limited documentation.

The Supplier shall maintain quality records in sufficient detail to establish evidence that any sampling was representative, the required tests and verifications were properly performed, and that only material meeting specified requirements have been accepted for production and delivery to Chelton Limited. These records shall be available for review by Chelton Limited or a Chelton Limited authorized representative, as required. Copies of individual records shall be furnished to Chelton Limited upon request, on a free of charge basis.

14.3 Source Inspection

When invoked via Contract/PO, the Supplier shall support Source Inspection activities by Chelton Limited, a Chelton Limited Customer, a Chelton Limited authorized representative or Government representatives. The Supplier will contact the appropriate party for source inspection upon completion of the product.

Product shall not be shipped until source inspection has been completed including appropriate documentation.

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15.0 Configuration Control

Where Chelton Limited is procuring Supplier COTS product, the Supplier shall advise Chelton Limited Procurement and Supplier Quality if any changes to the product design is implemented that could affect Fit, Form, Function, interchangeability, or reliability. The Supplier's quality system must ensure that the latest engineering drawings and specifications are available at the manufacturing, test or inspection location per the Purchase Order requirements.

The documented procedure(s) should indicate the method utilized for receipt, review or distribution of all changes and the method of recalling and disposing of an obsolete item.

A systematic review process must be established to confirm that applicable drawings and specifications are at the latest revision level with the issuing source.

15.1 Change Orders

The Chelton Limited Business Management System allows the use of fully approved Change Orders to introduce changes into the Design and Manufacturing process. If a Purchase Order references a Change Order this document shall be used in conjunction with the drawing and relevant specification to produce the part. The Change Order number shall be referenced on the release documentation supplied with the parts.

16.0 Quality Records

The Supplier shall retain adequate quality system records to demonstrate the conformity of the product for a minimum of 12 years.

The Supplier must retain quality records, not limited to manufacturing process, Purchase Orders and amendments, material certification, tooling records, training records, FAIRs, inspection, audit records and test results.

Suppliers are expected to create, store and maintain business records, and not alter any record entry to conceal or misrepresent the underlying transaction represented by it. Suppliers are expected to have in place appropriate related controls to ensure the above activities are accurately and securely performed. All records, regardless of format, made or received as evidence of a business transaction must fully and accurately represent the transaction or event being documented.

At a minimum, the Supplier must retain the records for the periods indicated herein and make them available for review as required within 24 hours of request on a free of charge basis.

The Supplier agrees to transmit to Chelton Limited, those records kept in support of Chelton Limited work, in event that the supplier discontinues business operations with Chelton Limited.

17.0 Changes to Process, Product, Supply Chain or Facility

Suppliers are required to obtain documentation of Chelton Limited approval prior to implementing any applicable change as listed below. This requirement applies to direct material Suppliers, including Distributors.

Applicable 'changes' include but are not limited to:

- Approved production processes

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- Materials (Material sources are restricted by virtue of design requirements specified in the Drawing, Bill of Materials and Approved Supplier Listing).
- NDT and special processing including sequencing of same.
- Change of Sub-Tier Suppliers for raw materials, purchased components or services
- Change to Test/Inspection sequencing or methods
- For bulk material suppliers: Alternative source of raw material from new or existing Suppliers
- For distributors: Alternative sources of component parts other than those previously qualified changes in third party certification status

A Continuous Improvement philosophy encourages process improvements. However, prior to any modification to a process being implemented, the Supplier must complete all verifications and tests necessary (including preliminary capability studies) to ensure that a new process continues to yield components that meet specifications.

Additionally, if there is a significant facility or organisational change such as company name, change in approval status, location and Senior Management, the Supplier must notify Chelton Limited Quality department in writing of such changes.

18.0 Foreign Object Debris/Damage (FOD) Prevention program

Product Suppliers must have a FOD program for the purpose of prevention, detection, and removal of foreign objects. The program should meet the following requirements as applicable:

FOD prevention must be implemented in all areas as applicable and FOD awareness training must be given.

Parts must be protected from handling and storage damage in all areas; material handling awareness training must be provided to all employees and handling/storage standards documented.

Supplier must document all FOD incidents and conduct root cause analysis.

19.0 Packaging, Handling, Preservation and Marking

The Supplier shall ensure that all articles are packaged in a manner that prevents deterioration, corrosion, or damage during storage and transit. Packaging shall be robust, secure, and compliant with the requirements outlined in this document.

Individual Packaging

- Separate Packaging: Each item must be packed individually or in small, distinct quantities depending on the item size and packaging capacity.
- Bag Specifications: Bags should be durable, resealable (if possible), and appropriate for the contents to ensure no damage or contamination occurs.
- Labelling of Bags: Each individual package must contain a label that clearly identifies the part number and quantity of items contained within. This label must be durable and legible.

Example of Label Information: Part Number: ABC1234, Quantity: 10 pcs.

Outer Packaging

- Boxing of Individual Bags: Individual bags should be placed in a strong outer box to protect items from damage during transit. The outer box must be made of sturdy, high-quality material capable of supporting the contents weight and ensuring secure transit.

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- Lot Numbers: Lot numbers should not be mixed within the same box. Each box must contain only items from a single Lot number to maintain traceability.
- Documentation: Any associated paperwork pertaining to the delivery should not be included inside the outer box. All documentation must be provided separately in an external envelope attached to the outer box and via electronic means.
- Protection of Sensitive Components: For electrostatic-sensitive devices (ESD), packaging material must be ESD-protective. For moisture-sensitive components, ensure packaging includes moisture barriers and refer to Section 26.0 for specific instructions.

Outer Box Labelling Requirements:

Outer boxes must have labels clearly marked with:

- Part Number(s) of items contained in the box.
- Quantity of items in the box.
- Lot Number (do not mix Lot numbers in the same box).
- Supplier's name
- Any relevant handling or storage instructions (e.g., "Keep Dry," "Fragile," or "ESD Sensitive").
- Serial Numbers if applicable

Example of Outer Box Label Information: Part Number: ABC1234, Quantity: 100 pcs, Lot Number: 98765, Serial Number XXX (if applicable)

Material Life Control and Traceability

- Materials with Life Limitations: Materials with expiration dates or specific life limitations (e.g., adhesives) must be clearly identified with the expiration date or "use by" date on the packaging.
- Special Storage Conditions: Ensure that any materials requiring specific environmental conditions (e.g. temperature-controlled storage) are packed accordingly and identified for proper storage and handling.
- Free-Issued Materials: For any free-issued materials received from Chelton Limited, the supplier is responsible for ensuring that these materials are managed in accordance with their life controls and that no out-of-life material is used in production. A copy of the relevant technical data sheet (TDS) must be provided with the shipment.

Packaging for Hazardous or Regulated Materials

- Compliance with Regulations: Any hazardous or regulated materials (e.g. chemicals, flammable items) must be packaged and labelled in compliance with local, national, and international regulations (e.g., IATA, DOT, IMDG). A copy of the relevant safety data sheet (SDS) must be provided with the shipment.
- Proper Labelling: Ensure that any hazardous materials are properly marked with hazard symbols, handling instructions, and other relevant information, as required by regulation.

Non-Conformance Handling

- Compliance: If any packaging does not meet the specified requirements outlined above, the shipment may be rejected and returned to the supplier for re-packaging at the Supplier's expense. Any deviations from these packaging requirements must be communicated and approved by Chelton Limited prior to shipment. Suppliers must ensure that all packaging materials and methods comply with Chelton Limited's specified standards. In the event specific packaging or labelling is required, this shall be detailed on the associated Purchase Order.

General Handling and Shipping Conditions:

- Temperature and Humidity Sensitivity: If products require specific temperature or humidity control during transit, the Supplier must use appropriate protective materials (e.g. refrigerated containers,

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desiccants or temperature monitoring devices) to ensure the integrity of the items during shipment.

- Fragile Items: For fragile items, appropriate protective materials (e.g. bubble wrap, foam inserts, corner protectors) must be used to prevent damage during transport.
- Continuous Improvement: Suppliers are encouraged to propose any improvements to packaging processes that may lead to cost reduction, sustainability or better protection of the products, subject to Chelton Limited's approval.

19.1 Chelton Limited Free Issue of Parts to Suppliers

Chelton Limited will supply and free-issue parts and materials to Suppliers packaged sufficiently to prevent any damage or any FOD contamination.

ESD sensitive parts will be packaged with the necessary ESD handling packaging and signage.

Moisture, reflow, or process sensitive parts will be packaged with the necessary handling packaging and signage.

If on the receipt of parts to the Supplier from Chelton Limited, parts have not been adequately packaged causing damage, the Chelton Limited Buyer shall be contacted immediately for Corrective and Preventive Action.

Chelton Limited will maintain and control documentation and traceability of the material provided to Suppliers. This includes holding liability and responsibility for free issued material.

The Supplier will hold liability and responsibility for material storage, handling and manufacture of final product in accordance with this document and any additional requirements flowed down via purchase order or other contractual agreement.

19.2 Supplier Supplied Parts to Chelton Limited

It is expected that all parts sent to Chelton Limited will be transported and packaged with the necessary precautions to prevent damage and contamination of FOD. Any parts received in an unsatisfactory state will be rejected back to the Supplier.

19.3 Return of Non-Conforming Goods to Suppliers

In the event of goods being returned to a Supplier due to non-conformance, Chelton Limited will ensure that goods are packaged adequately to prevent any damage during return.

20.0 Control of Non-conforming Material

The Supplier shall have controls in place that assure for control, identification and segregation of non-conforming material.

For all non-conformances identified by Chelton Limited either through an internally raised Non-Conformance Report (NCR) or Supplier Corrective Action Request (SCAR) notification, the Supplier shall submit a formal corrective action response with containment actions and a corrective action plan within requested timescales. The Supplier shall also provide supporting evidence of corrective actions taken to prevent recurrence of the issue.

If known non-conforming product has escaped the Supplier's facility (and has been shipped to Chelton Limited), the Supplier will notify their respective Chelton Limited Buyer and Quality department representative immediately.

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For product that has been found or suspected non-conforming prior to shipment to Chelton Limited, all requests for approval for concession to use as is, or production permit to allow deviation from process, must be submitted to the Chelton Limited Buyer, for approval. All material must be held at the Supplier's site pending receipt of documented Chelton Limited approval on formal NCR and amended PO, prior to further processing and/or shipment of nonconforming material. The associated NCR number shall be referenced on the release documentation supplied with the parts.

Failure to respond to a corrective action request may result in penalties up to and including suspension and/or removal from the Chelton Limited Approved Supplier List.

Note: Chelton Limited reserves the right to re-claim expenses incurred where it is clearly deemed and agreed that the Supplier has full responsibility for the non-conformance.

In instances where material is confirmed to be non-conforming and cannot be either reworked to meet requirements or accepted by Chelton Limited under concession, then material shall be deemed scrap.

Any material that has been manufactured or fabricated to Chelton Limited design documentation that has been deemed scrap shall be held in secure storage, preventing unauthorised access until destroyed.

20.1 Rework and Repair

Rework is defined as any action taken on a non-conforming product intended for supply to Chelton Limited to make it conform with requirements using standard manufacturing processes.

PCB/PCBA rework shall be conducted i.a.w. the latest revision of IPC 7711/21 except those listed in Section 20.2 Restricted Methods of Rework and Repair. Other commodity-specific rework schemes that are documented within applicable Process Specifications shall be conducted i.a.w. latest issue of relevant document.

Repair is defined as any action taken on a non-conforming product intended for supply to Chelton Limited to make it acceptable for the intended use using methods which deviate from standard manufacturing processes.

Any intended repairs shall be submitted to Chelton Limited for approval on a case-by-case basis prior to work being undertaken. Any repaired product identified by Chelton Limited which has not been formally approved shall result in formal rejection.

20.2 Restricted Methods of Rework and Repair

PCB/PCBA rework/repair:

- Mounting/Rework of Multi-Layer Ceramic capacitors (MLCCs) or other ceramic parts using a soldering iron is prohibited due to the risk of damage.

- The following IPC 7721D methods are prohibited due to the introduction of unacceptable risk into the repair process.
    - Method 3.2 – Bow and Twist Repair
    - Method 3.5.2 – Base Material Repair, Area Transplant Method
    - Method 3.5.3 – Base Material Repair, Edge Transplant Method
    - Method 4.2.6 – Conductor Repair/Modification, Conductive Ink Method
    - Method 4.2.7 – Conductor Repair, Inner Layer Method
    - Method 4.3.2 – Conductor Cut, Inner Layer Conductors
    - Method 4.3.3 – Deleting Inner Layer Connection at a Plated Hole, Drill through Method
    - Method 4.3.4 – Deleting Inner Layer Connection at a Plated Hole, Spoke Cut Method
    - Method 4.5.2 – Land Repair, Epoxy Method
    - Method 5.2 – Plated Hole Repair, Double Wall Method

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- Method 5.3 – Plated Hole Repair, Inner Layer Connection
- Method 6.2.1 – Jumper Wires, BGA Components, Foil Jumper Method
- Method 6.2.2 – Jumper Wires, BGA Components, Through Board Method
- Method 6.3 – Component Modification and Additions

21.0 Certificate of Conformity

Unless otherwise specified by PO/Contract, a Supplier must provide adequate certification of conformity for all materials and processes specified on the Purchase Order or Contract, for each shipment.
In the event that an original CofC cannot be obtained, testing and certification of parts must be completed via a Chelton approved Independent Distributor holding AS6081 certification prior to shipment to Chelton Limited.
Suppliers are responsible for all PO terms and conformity characteristics per the PO/Contract accepted i.e. for Tier 1 (Direct) Suppliers delivering a product which includes sub-contracted or special processes, all such processes must be indicated on the Direct Supplier's certificate of conformance.
When required by contract, components procured from a Supplier holding an applicable Airworthiness Approval from their local regulatory authority, shall be supplied with the applicable Airworthiness Tag/Certification (i.e., EASA Form1 or 8130).
In addition to any specific requirement for Airworthiness Release Certification, the basic categories of the CofC documentation for all products or services are:

- General
- Raw Material
- Functional Test
- Age-Sensitive materials

Chelton Purchase Orders require the Supplier to provide Chelton Limited with release certification in accordance with their scope of approval. Suppliers shall only undertake work or provide products that are within the work scope stated on their certification or Chelton Limited approval. Services requested by a Chelton Limited order which are outside the registered scope of approval must be referred to the Chelton Limited Buyer and approval for the revised scope obtained from Chelton Limited Quality Department.
Certification of Conformance shall be used for all parts and materials, unless otherwise indicated herein.
The certificate of conformance will contain at a minimum:

- Part number
- Specification number
- Revision level
- Purchase Order number
- Lot number
- Serial numbers where applicable to contract
- Expiry date of age-sensitive materials as applicable

It shall also contain verification/validation tests and associated results if specified on PO.

21.1 Raw Material Certificates

Raw materials supplied or used in the manufacture of Chelton Limited design controlled products shall include a copy of the original mill certificate or material test report (certification) from the manufacturer or test lab acceptable to Chelton Limited. These must be included with each FAI shipment. For follow on builds, these certs shall be retained on file by the Supplier, but made available upon request by Chelton Limited on a free of charge basis.

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Raw material certifications may not be altered or have any markings other than check marks from verification of physical and chemical values and/or indication of inspection acceptance. Stamps may be applied by warehouses/distributors to add incidental information such as the Chelton Limited Purchase Order, weight, etc.

When required by PO/Contract, certification shall show that all materials comply with all requirements including country of origin and country where the material is melted.

21.2 Functional Test Certification

As defined by design documentation, functional testing may be required. Test reports showing conformity to design requirements are required. The CofC submitted with each shipment shall list the appropriate functional or electrical test that was performed, along with the specification, revision, and status of the testing. Any results/reports generated from the testing are to be kept on file at the Supplier site unless specifically requested on the Purchase Order. Suppliers are responsible for proper storage of the test records to ensure retrieval within 24 hours of Chelton Limited request on a free of charge basis.

22.0 Software Controls

22.1 Supplier

Organisations that supply Software to Chelton Limited against a PO requirement shall ensure that the Software revision status quoted on the Purchase Order is that supplied. The organisation shall advise Chelton Limited if the Software is to be changed prior to the change being implemented.

22.2 Chelton Limited Supplied Software

Chelton Limited may supply software either for incorporation into product or for incorporation into Test Equipment. The Supplier shall ensure that the Software status is configuration controlled within their organisation and latest issue used unless otherwise specified.

23.0 Human Factors

Suppliers and Sub-Contractors not approved to AS/EN9100 shall ensure that Human Factors are taken into consideration in the identification of non-conformities and subsequent corrective and preventive actions. This should include factors associated to physical, psychological and social well-being.

24.0 Anti Counterfeit Process

The Supplier shall implement and maintain an appropriate and effective process, compliant to the requirements of AS5553 and/or AS6174, to ensure that counterfeit parts/materials are not delivered to Chelton Limited. Supplier controls shall include the direct procurement of parts from OEMs and Authorised/Franchised Distributors. The purchase of parts from Independent Distributors must only be conducted with Chelton Limited written approval. When authorization is provided by Chelton, only Independent Distributors certified to AS6081 (with capability to test component authenticity) can be used for procurement of parts/materials.

If a Supplier is aware or suspects that it has provided counterfeit parts/materials to Chelton Limited, the Supplier shall immediately notify Chelton Limited and replace, at Supplier's expense, all associated components with conforming items. The Supplier shall be liable for costs related to the replacement of counterfeit parts/materials and any verification necessitated by the installation of authentic articles after counterfeit items have been replaced. The Supplier bears responsibility for procuring authentic articles or

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items from its Sub-contractors and shall ensure that such Sub-contractors/Suppliers comply with these requirements. If suspect parts are confirmed to be counterfeit, the Chelton Quality Department will report the incident to ERAI and inform UK authorities of its findings in accordance with AS6174.

Any suspect counterfeit parts/material shall be retained by Chelton Limited until investigations are complete. Under no circumstances will suspect counterfeit parts/material be returned to the Supplier other than under controlled conditions for testing.

25.0 Obsolescence Management

All Suppliers shall have an Obsolescence Management process. This process should be proactive in ensuring identification of potential obsolescence in processes, parts, components and materials supplied to them.

The Supplier shall also have a process that ensures Chelton Limited are proactively advised of any potential obsolescence issues in respect to parts, components and materials that Chelton Limited may procure from them.

26.0 Electrostatic and Moisture Sensitive Devices

Suppliers that handle Electrostatic Sensitive Devices (ESD) shall have a control program compliant with BS EN IEC 61340 or technically equivalent standard in place to protect parts during manufacturing, inspection/test, packaging, shipping, rework, and/or failure analysis.

Suppliers that handle moisture, reflow, or process sensitive devices to the levels defined in IPC/JEDEC J-STD-020 shall have a control program compliant with IPC/JEDEC J-STD-033 or technically equivalent standard in place to protect parts during manufacturing, inspection/test, packaging, shipping, rework, and/or failure analysis.

27.0 Business Continuity

All Suppliers shall have a business continuity plan that assures continuity of supply to Chelton Limited. The plan shall provide for recovery of services to Chelton Limited in the most expedient manner.

28.0 Human Rights

Suppliers are expected to conduct their business and operations in a way that respects human rights by treating their own workers, and those working for their suppliers, with dignity and promoting fair employment practices. This includes providing fair and competitive wages, prohibiting harassment, bullying and discrimination, prohibiting use of child, forced, bonded or indentured labour or prison labour and not engaging in trafficking of persons for any purpose. Suppliers are expected to identify risks and actual adverse human rights impacts related to their activities and through their business relationships. They should take appropriate steps to reduce risk and ensure their operations do not cause or contribute to human rights abuses and to remedy any adverse impacts directly caused, or contributed to, by their activities or through business relationships

28.1 Child Labour

Suppliers must ensure that child labour is not used in the performance of work. The term "child" refers to any person under the minimum legal age for employment where the work is performed, and/or the

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minimum working age defined by the International Labour Organization (ILO), whichever is higher. All workers under the age of 18 must be protected from performing work that is likely to be hazardous or that may be harmful to their health, physical, mental, social, spiritual, or moral development.

28.2 Modern slavery including human trafficking, forced, bonded or indentured labour

Suppliers must prevent any involvement in all forms of modern slavery, including human trafficking, forced, bonded or indentured labour.

All work should be voluntary on the part of the employee. Suppliers are expected to provide all employees with a written contract in a language they understand clearly indicating their rights and responsibilities with regard to wages, working hours, benefits and other working and employment conditions. Suppliers should not retain any form of employee identification (passports or work permits), nor destroy or deny access to such documentation, as a condition of employment unless required by applicable law. Suppliers must not charge employees fees, recruitment costs or deposits, directly or indirectly, as a precondition of work. Suppliers must respect the right of workers to terminate their employment after reasonable notice and to receive all owed salary. Suppliers must respect the right of workers to leave the workplace after their shift (see also Wage, Benefit and Working Hours).

29.0 Employment Practices

29.1 Harassment and Bullying

Suppliers are expected to ensure that their employees are afforded an employment environment that is free from physical, psychological, sexual, and verbal harassment, intimidation or other abusive conduct.

29.2 Diversity and Inclusion

Suppliers are expected to foster a diverse and inclusive work environment where employees are treated with dignity, respect and fairness, regardless of their race, colour, religion, gender, age, ethnic or national origin, disability, sexual orientation or preference, gender identity, marital status, citizenship status, political preference or other personal characteristic. Suppliers are expected to provide equal employment opportunity to employees and applicants for employment without discrimination and comply with all non-discrimination laws and regulations. Suppliers must ensure employment, including hiring, payment, benefits, advancement, termination and retirement, based on ability and not any personal characteristics.

29.3 Wages and Benefits

Suppliers must pay workers at least the minimum compensation required by local law and provide all legally mandated benefits. In addition to payment for regular hours of work, workers must be paid for overtime at such a premium rate as is legally required or, in those countries where such laws do not exist, at least equal to their regular hourly payment rate. Suppliers must not permit deduction from wages as a disciplinary measure nor permit any other deductions which are not provided by national law.

29.4 Working hours

Suppliers are expected to operate in consideration of the International Labour Organisation (ILO) standards regulating working, resting hours, maximum consecutive days of work and annual leave. Hours worked beyond the normal work week shall be voluntary and suppliers must provide a rest period of at least 24 consecutive hours in every seven day period to all their employees.

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29.5 Social dialogue and freedom of association

Suppliers are expected to respect the rights of workers to associate freely and communicate openly with management regarding working conditions without fear of harassment, intimidation, penalty, interference or reprisal. Suppliers are expected to recognize and respect any rights of workers to exercise lawful rights of free association, including joining or not joining any association of their choosing within the appropriate national legal framework.

29.6 Disciplinary and grievance mechanism

Suppliers are expected to have an employee disciplinary process in place to address concerns regarding employee work, conduct or absence. Suppliers are expected to have a grievance mechanism for employees to raise a workplace problem or concern or to appeal a disciplinary decision.

29.7 Migrant workers

The term "migrant worker" refers to a person who is to be engaged, is engaged or has been engaged in a remunerated activity in a State of which he or she is not a national. Suppliers must ensure that migrant workers are employed in full compliance with the immigration and labour laws of the host country.

30.0 Integrity and Business Ethics

30.1 Anti-Corruption Laws

Suppliers shall comply with all anti-corruption laws and regulations applicable to the performance of its obligations and activities in its relationship with Chelton Limited. Suppliers are expected to put in place a compliance programme tailored to the risks of their business and to conduct reasonable due diligence to prevent and detect corruption in all business arrangements, including purchasing contracts, partnerships, joint ventures, offset agreements, and the use of third parties such as agents or consultants.

30.2 Illegal Payments

Suppliers must not offer, promise, make, accept or agree to accept any improper payments of money or anything of value to government officials, political parties, candidates for public office, or other persons. This includes a prohibition on so called 'facilitation' or 'grease' payments intended to expedite or secure performance of a routine governmental action like obtaining a visa or customs clearance, unless there is a formal legal governmental fee schedule for such expediting services and the government provides receipts. Personal safety payments are permitted where there is an imminent threat to health or safety. Suppliers must not offer any illegal payments to, or agree to receive any illegal payments from, any customer, supplier, their agents, representatives or others. We expect suppliers to prohibit their employees from receiving, paying, and/or promising sums of money or anything of value, directly or indirectly, intended to exert undue influence or improper advantage. This prohibition applies even in locations where such activity may not violate local law.

30.3 Fraud and deception

Suppliers must not seek to gain an advantage of any kind by acting fraudulently, deceiving people, making false claims or allowing anyone else representing them to do so. This includes defrauding or stealing and any kind of misappropriation of property or information.

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30.4 Competition and antitrust

Suppliers must not enter into formal or informal anti-competitive arrangements that fix prices, collude, rig bids, limit supply or allocate/ control markets. They must not exchange current, recent, or future pricing information with competitors. Suppliers must not participate in a cartel or any activity that would unlawfully restrain or impact competition.

30.5 Gifts/business courtesies

Suppliers are expected to compete on the merits of their products and services. Suppliers must not use the exchange of business courtesies to gain an unfair competitive advantage. In any business relationship, suppliers must ensure that the offering or receipt of any gift or business courtesy is permitted by applicable laws and regulations, and that these exchanges do not violate the rules and standards of the recipient's organisation, and are consistent with reasonable marketplace customs and practices. No cash gifts or cash equivalent should be offered or accepted.

30.6 Insider trading

Suppliers and their personnel must not use any material or non-publicly disclosed information obtained in the course of their business relationship with Chelton Limited as the basis for trading or for enabling others to trade in the stock or securities of any company.

30.7 Conflict of interest

Suppliers are expected to avoid all conflicts of interest or situations giving the appearance of a conflict of interest. Suppliers will provide immediate notification to all affected parties in the event that an actual or potential conflict of interest arises. This includes a conflict between Chelton Limited and personal interests or those of close relatives, friends or associates.

30.8 Use of Artificial Intelligence

Artificial Intelligence (AI) denotes the simulation of human intelligence processes by machines, including learning, reasoning, and self-correction. AI systems may include machine learning models, natural language processing, and predictive analytics.

Chelton mandates that all use of AI technologies shall be secure, ethical, and compliant to this procedure.

Acceptable use of AI:

- AI tools shall only be used for authorised business purposes.
- AI tools should have efficiency gains and process effectiveness as main objectives.
- Suppliers must validate AI outputs before use; AI is not a substitute for professional expertise.
- AI-generated content must be reviewed for accuracy, security, and compliance before use with regards to fulfilling requirements for Chelton.

Prohibited actions reference use of AI:

- AI must not be used for activities that are harmful, deceptive, discriminatory, or illegal. This includes generating misleading content or impersonating individuals or entities.
- AI systems must not access or reproduce data they are not authorised to use. Suppliers must report any suspected breaches to Chelton immediately.
- Chelton data must not be uploaded to public AI platforms (e.g. Copying Chelton's technical specifications into ChatGPT or other public AI tools).
- AI-generated content must respect privacy standards and intellectual property rights.

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31.0 Environment, Health and Safety

31.1 Environmental, health & safety management system

Suppliers are expected to conduct their business in a manner that actively manages environmental risks across their operations, products and supply chain. Suppliers are expected to establish an appropriate environment management system (e.g. ISO14001 or equivalent), including policies and procedures aimed at effectively managing their environmental performance, including integrating environmental considerations into their product design or service.

Suppliers are expected to establish an appropriate health and safety management system (e.g. ISO45001 or equivalent) including policies aimed at protecting the health, safety and welfare of employees, contractors, visitors and others who may be affected by their activities by striving to eliminate fatalities, work-related injuries, health impairment and limiting exposure to safety hazards. Suppliers should take reasonable steps to provide a hygienic working environment and must ensure that employee's performance and safety is not impaired by alcohol, controlled substances, legal and illegal drugs.

31.2 Substances and chemical management

Suppliers are expected to communicate to Chelton Limited up to date information in regards to environmental, health and safety (EHS) matters of their products to enable safe usage of the products in the whole life cycle. Suppliers are further expected to cooperate with Chelton Limited to enable downstream requirements in relation to suppliers' products and/or services to be fulfilled. In addition, suppliers are expected to anticipate future regulatory constraints on some chemicals/substances in order to ensure continuity of supply.

31.3 Sustainable product and process development

Chelton Limited suppliers shall actively support the sustainability strategy of Chelton Limited and make their best effort to develop, manufacture and deliver innovative products and processes that have the lowest possible environmental impact throughout the lifecycle. Suppliers are expected to reduce their climate change impact, improve their efficiency of usage of energy, water and natural resource, minimise waste and use of hazardous materials, dispatch goods in an adequate outer packaging and foster reusable / recycled packaging materials such as reduced usage of single used plastic and responsibly manage their air emissions.

32.0 Product Safety

Suppliers are expected, by their own organisation and processes, to actively support the Chelton Limited Product Safety strategy and contribute to continued airworthiness and safety regulations.

32.1 Safety engagement

Suppliers are expected to ensure that each of their employees is fully engaged and never forgets that lives of passengers, airlines personnel and fellow employees depend on their personal commitment for product safety.

32.2 Safety first

Suppliers are expected to ensure that the "Safety First" principle is fulfilled and promoted at all levels within their organisations and that each of their employees does his/her utmost to ensure that product safety is never compromised.

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32.3 Alertness and sharing in the regulatory framework

Suppliers shall maintain continued airworthiness and safety and shall dully report potential safety issues to Chelton Limited as per applicable regulation.

- Suppliers are expected to support Safety issue analysis in an acceptable time frame.
- Suppliers shall support accident/incident investigation as per applicable regulations.

32.4 Safety enhancement

As per Safety Management System principles, Suppliers are expected to proactively report to Chelton Limited, based on their own Engineering judgement, all events which may potentially impact the product safety and/or the safety of the product operations.

33.0 Information Protection

33.1 Protecting sensitive, confidential and proprietary information

Suppliers are expected to ensure that all sensitive, confidential and proprietary information is appropriately protected. In its relationship with Chelton Limited, Suppliers must comply with all applicable data privacy laws and regulations. Suppliers must protect the sensitive, confidential and proprietary information of others, including personal data/information, from unauthorized access, destruction, use, modification and disclosure, through appropriate physical and electronic security procedures, including mitigating emerging risk to information systems by implementing appropriate IT cyber security programmes. Suppliers must report to Chelton Limited any suspected or actual data breach or security incident as soon they are aware.

33.2 Intellectual property

Suppliers must comply with all the applicable laws governing intellectual property rights assertions, including protection against disclosure.

34.0 Global Trade and Export Control

34.1 Import

Suppliers must ensure that their business practices are in accordance with all applicable laws, directives and regulations governing the import of parts, components, technical data and services.

34.2 Export control

Suppliers must ensure that their business practices are in compliance with Export Control laws and regulations including the US, EU and any applicable national regulations, including compliance with Sanctions and Embargoes legislations. Suppliers shall provide truthful and accurate export control classification, information and obtain export control licences or otherwise authorisations when required and must communicate any declarations where necessary.

34.3 Responsible sourcing of minerals

Suppliers must comply with applicable laws and regulations regarding direct and indirect sourcing of critical material and conflict minerals (i.e. when integrated in purchased products). Those materials include "conflict minerals" (tin, tungsten, tantalum and gold), rare earth elements, as well as other minerals or

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metals (e.g. bauxite, cobalt, titanium, lithium). Suppliers shall establish a policy and a management system to reasonably assure that the "conflict minerals" as well as critical material, which may be contained in the products they deliver are sourced responsibly (i.e. with limited environmental impacts and not detrimental to Human Rights). Suppliers shall support efforts to eradicate the use of any conflict minerals which directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses. Suppliers are expected to conduct due diligence and provide Chelton Limited with supporting data on their sources and supply chain of custody for these minerals when requested, and to identify to Chelton Limited any potential doubt on the origin and/or on the production means. In the event that the material 'chain of custody' supplied is "indeterminable" or otherwise unknown, the supplier is expected to attain the appropriate certifications, or phase out that source of mineral.

34.4 Payment of taxes

Suppliers must ensure they comply with all applicable tax laws and regulations in the countries where they operate and be open and transparent with the tax authorities. Under no circumstances should suppliers engage in deliberate illegal tax evasion or facilitate such evasion on behalf of others. As such, suppliers must put in place effective controls to minimise the risk of tax evasion or its facilitation, and provide appropriate training, support and whistleblowing procedures to ensure their employees understand and implement them effectively and can report any concerns.

34.5 Payment practices

Suppliers are expected to be fair and reasonable in their payment practices and pay undisputed and valid invoices on time in accordance with agreed contractual payment terms and applicable laws.

35.0 Governance and Management Systems

35.1 Speak up culture and whistleblower protection

Suppliers are expected to provide employees and third parties with access to adequate reporting channels to seek advice or raise legal or ethical concerns without fear of retaliation, including opportunities for anonymous reporting. Chelton Limited expects suppliers to take action to prevent, detect and correct retaliatory actions.

35.2 Consequences for violating the code

In the event that the expectations of this Code are not met, the business relationship may be reviewed and corrective action pursued subject to the terms of the related procurement activity.

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