



Ancra International, LLC – Aircraft Division Supplier Quality Requirements

10 – Overview and Flow Down Requirements:

This document defines the quality requirements set forth in the Purchase Order (PO) and/or Supplier Agreement issued by Ancra International, LLC (hereinafter referred to as “Ancra”), a subsidiary of Heico Companies LLC. The supplier shall comply with all applicable Supplier Quality Requirements (SQRs) of the Purchase Order. Supplier shall ensure that all applicable SQRs are flowed down to their lower tier suppliers (sub-tiers) in support of the PO effort. Suppliers are required to apply appropriate controls to their sub-tiers to ensure requirements of the Purchase Order are met.

NOTE: Hardware (Products) delivered under this PO shall be manufactured and/ or processed in accordance with the Purchase Order (PO) and released drawing. In the event a conflict exists between PO and supplied drawings, supplier shall notify Ancra (specifically Ancra’s authorized purchasing representative) of such conflict and shall not commence work until PO update and/ or formal deviation is provided.

20 – Supplier Quality System:

The supplier shall establish and maintain a quality system that follows the applicable industry or regulatory standards and is deemed acceptable by Ancra Quality Assurance. This system, at any given time, may be subject to a review by Ancra. Supplier shall ensure employee and sub-tier awareness of the importance of product or service conformity, product safety, and ethical behavior.

A copy of all third-party approval certificates shall be provided to Ancra, including all renewals and/ or updates. The supplier is responsible for promptly informing Ancra when there are any changes to the approval status.

Quality records must be retained in an environment that will prevent deterioration, damage, or loss for a minimum period of ten (10) years. Quality records shall be made available within twenty-four (24) hours upon request by Ancra for its customers and or regulatory / governmental bodies.

Suppliers shall maintain qualifications and certifications for their sub-tiers and the products purchased through them. Supplier shall ensure and control the quality of all raw materials, components and special processes that are purchased to manufacture components and parts deliverable to Ancra.

30 – Right of Entry:

Upon acceptance of any Ancra Purchase Order/ Contract, the supplier agrees to provide Ancra, including its customers and any applicable regulatory/government agency, right of entry to their facility. In specific, the supplier must permit, when requested, Ancra and Air Carrier representatives, FAA, and any other regulatory agencies access to facility and personnel to make an inspection, observe performance and review procedures, practices, processes and related documents.

40 – Certificate of Conformance:

Supplier must submit a Certificate of Conformance (C of C) with a unique certification number containing the following information below (at a minimum):

- a) Title and Specification Number (including revision letter) of the processes performed (if applicable)
- b) Name and address of the processor / manufacturer (including certification)
- c) Buyer’s assigned processor number (if applicable)
- d) Date the C of C was issued
- e) Purchase Order number
- f) Part Number / Drawing revision letter
- g) Quantity
- h) Lot / Batch number
- i) Signature of the authorized personnel approving the C of C
- j) Serial Number (if applicable)

- k) Shelf life expiration date (if applicable)
- l) A statement of conformance

NOTE: Statements on certifications and any test documents shall be positive and unqualified. Statements such as “to the best of our knowledge” or “we believe the information contained herein” are not acceptable for mill certifications and test documents. The recording of false, fictitious, or fraudulent statements or entries on any documents submitted to Ancra for acceptance may be cause for rejection and issuance of corrective action.

50 - Mercury Free Certification:

The equipment and/or supplies furnished under this PO shall contain no metallic mercury or mercury compounds. No mercury bearing instruments or equipment which could cause mercury contamination shall be used in the manufacture, fabrication, assembly or testing of such equipment and/or supplies, and reasonable steps shall be taken to ensure that such equipment and/or supplies are not contaminated with mercury or mercury compounds.

60 – Asbestos Free Certification:

All products furnished under this PO shall be free from contamination by the presence of Asbestos. Compliance to this requirement shall be certified by the supplier and all of Supplier’s sub-tiers.

70 – Requirements for Key Characteristics:

When Key Characteristics (KCs) are specified on the drawing or PO, the supplier shall utilize 100% inspection for these KCs or employ controls per SAE AS9103 Variation Management of Key Characteristics. Data in support of either 100% inspection or control per AS9103 shall be made available to Ancra upon request.

NOTE: Application of AS9103 does not invalidate the need to establish and document compliance with all requirements for First Article Inspection per AS9102 (see Clause 90).

80 – Stamp Control:

If applicable, suppliers shall have a documented process for the control and use of process and inspection stamps. The design of supplier’s stamps shall be such that process and inspection stamps are distinctly different. The supplier’s stamps shall be designed to identify the supplier and the person (unique identifier) authorizing acceptance.

90 – First Article Inspection (AS9102):

Suppliers of hardware shall perform a First Article Inspection (FAI) Report (FAIR) in accordance with the latest revision of AS9102 or equivalent. FAIR is used as a representative from a Supplier’s first production run of a new part or assembly to verify that production processes can produce parts that meet PO requirements. Supplier assumes risk for all material deemed non-conforming as a result of a FAIR rejection. Copies of the approved FAIRs shall be submitted to Ancra with all other required shipping documents. Ancra reserves the right to request any and all data packages related to the FAIR (or delta FAIR resulting from design change). Supplier must inform Ancra in writing (email transmittal is acceptable) when a new or partial FAI is required due to the suppliers change in manufacturing location, process, equipment, sub-contracting of operations, or change in tooling.

100 – Traceability:

Traceability to the Original Equipment Manufacturer (OEM) shall be maintained by Supplier and its sub-tiers from receipt of raw material (or service) through finished product (or service). Records and material must be identified by the lot number, material type, specification and applicable revision identifier or date of issue, heat number, serial number, etc. as required to maintain traceability. Final certification, including sub-contracted products and/or services, must show linkage to Ancra purchase orders. Records shall be retained at the supplier’s facility for a minimum of ten (10) years.

110 – Change Control:

There shall be no changes to any design, material, part, process, procedure, tooling, or test equipment without the prior written approval from Ancra’s authorized purchasing representative (or delegate).

The supplier shall notify Ancra of any management changes (ownership or key leadership), location changes, or key supplier changes.

120 – General Workmanship:

The Supplier shall ensure consistently high-quality workmanship at all times. Workmanship shall be monitored periodically to assure that the work performed is in accordance with the SQRs and PO requirements. Failure to adhere to the

requirements may result in Ancra initiating a supplier corrective action request including, but not limited to, cost recovery.

130 – Material Certifications:

Supplier shall submit original mill certifications and any required reports supporting the conformity of the material. Certifications should be identified by lot numbers as well as material type / heat number and must be traceable to the industry spec requirements. All material shall be DFAR compliant in accordance with Defense Federal Acquisition Regulation Supplement Part 252 Section 225 unless otherwise specified by Ancra. Supplier shall ensure sub-tier compliance.

140 – Special Process Suppliers (Certifications):

Suppliers that perform special processes (Heat Treat, NDT, MPI, Plating, Anodize Finishing, Brazing, Conformal Coating, etc.) for Ancra are responsible for compliance to the applicable specifications, whether the operation is performed within their facility or by an Ancra approved subcontractor. A legible and reproducible copy of special process certifications shall accompany each shipment of products or services. If outsourced with Ancra prior approval, Supplier's process certification must identify the supplier performing the process, reference the applicable specification, and be signed by Supplier's authorized Quality Assurance personnel.

150 – Product Safety:

The supplier is responsible to ensure the compliance and controls over any product, as provided by or manufactured for Ancra, is processed, inspected, controlled, and shipped in a manner which ensures the integrity and safety of the product. The supplier shall ensure that employees and people working on its behalf are aware of their contribution to product or service conformity.

160 – Ethical Behavior:

Supplier shall be aware of the importance of ethical behavior and maintain an Ethics Policy for employees as it relates to their contribution to product or service conformity and product safety.

170 – Proprietary Agreement:

All drawings, technical data, and other information provided under or used in conjunction with this PO are considered confidential and proprietary to Ancra and/or its customers and shall be handled by Supplier in accordance with PO and Non-Disclosure Agreement (NDA) terms. No unauthorized reproduction of information/ media is allowed in any form other than that intended to produce products and or services directly associated with Ancra PO. The supplier agrees to not make changes in products or design details without prior written approval from Ancra. The supplier is required to maintain a process for the control and use of digital data sets in compliance with customer requirements.

180 – Preservation and Packaging Requirements:

The supplier must ensure that all products shipped to Ancra are adequately packed and/or packaged to prevent damage, contamination, the introduction of Foreign Object Debris (FOD), and/or deterioration. Unless otherwise specified on the PO, the supplier must use best commercial practices (such as described under ASTM-D-3951) to prevent damage, contamination and/or deterioration to all products during transit. No loose fill material shall be used in the packaging of products. Product lots must be packaged individually (seller shall not mix lots). Products which are sensitive to ozone and UV, must be packaged in black Mylar bags. In addition, shelf-life items must also be packaged appropriately for protection and preservation of material.

190 – Source Inspection:

Ancra reserves the right to inspect all items to be delivered under the PO at the supplier's facility prior to shipment. This includes but is not limited to surveillance of procedures, Standard Operating Procedures (SOPs), shop floor facilities etc. The supplier shall furnish, at no cost to Ancra, the necessary facilities and inspection equipment to verify the conformity of the product and or service onsite.

200- Control of Non-conforming Product:

Ancra will not accept supplier's product and/ or service that does not meet engineering drawing and Purchase Order requirements (reference note under Clause 10). Supplier's product and or service discovered after shipment by the supplier to be nonconforming to any engineering drawing and/or Purchase Order requirement shall be immediately disclosed to Ancra upon discovery, including but not limited to quantity shipped, date shipped, and the extent of the non-conformance. Suppliers that receive notification of non-conforming product shall take appropriate action to contain the non-conforming condition and prevent reoccurrence. The supplier will be notified if formal corrective action is required. Documentation errors shall be resolved by the supplier within 24 hours of the request.

210 – Corrective Action Request:

A Corrective Action Request (CAR) may be issued if nonconforming Product and/or documentation is received by Ancra. When requested, the supplier is required to provide a root cause and corrective action for failures detected at Ancra, regardless of the material, product and or service. Failure to comply with the rules of this process requirement may deem supplier non-compliant with the PO/ contractual requirements. Failure to provide acceptable and timely responses to CARs may be cause for revocation of business as Supplier would be in default and considered a high risk to Ancra and its customers. If the supplier fails to remedy non-conformances as required by the CAR issued, or if the supplier fails to make prompt and continued progress towards corrective action until it is satisfactorily resolved, Ancra may exercise any rights and remedies available in the terms and conditions of the PO or Supplier Agreement. If Ancra determines the CAR progress to be insufficient, Ancra may place the supplier on probation status. Suppliers on probation status will not be considered for any new procurement activity.

220 – Controlled Processes and Approved Processors (Ancra Approved Processors List- APL-100):

A controlled process is an operation performed on a Product where the operation cannot be readily verified after processing. Controlled processes have verifiable controls inherent to the process, e.g. heat treat, plating, nondestructive testing, etc.

All suppliers, when subcontracting a controlled process, must use Ancra approved processors per Ancra's Approved Processor List (APL), APL-100. If Supplier's preferred subcontractor is not listed on the APL-100, a written request (email is acceptable) from the Supplier must be submitted to the buyer at Ancra (prior to use) for review and approval. Failure to adhere to this requirement shall constitute an immediate rejection during Ancra's receiving inspection process and the right for Ancra to disapprove the supplier's quality system. Ancra strongly suggests all (applicable) suppliers review Ancra's approved processors (APL) prior to issuance of any sub-tier purchase order.

The use of Ancra's approved processors does not relieve the Supplier from its obligations to ensure the sub-tier supplier is in full compliance with all applicable process specifications and ensure delivery of conforming items. In addition, all applicable flow downs from Ancra shall be included on the purchase order to the sub-tier supplier. Traceability of all hardware must be maintained and documented in accordance with the related SQR-001.

In the event Ancra's customer(s) requires the use of a specific suppliers or sub-tiers, this requirement will be specifically flowed down on Ancra's PO or Supplier Agreement along with a copy of the customer's approved list of suppliers. Obtaining a copy of customer required vendors from Ancra prior to processing is the responsibility of the supplier.

Note: Clause 220 does not apply to suppliers outside California. However, processors shall be Nadcap certified.

221 – Transfer of Work

Suppliers are not authorized to subcontract any product (including sub-components) without Ancra's prior written authorization for any scenarios deemed as Transfer of Work.

The following scenarios are considered as Transfer of Work:

- Ancra Sub-tier (1) to another Sub-tier (2) (Supplier Driven Make 2 Buy)
- Sub-tier (2) to another Sub-tier (2) (Supplier Driven Buy to Buy)
- Ancra Sub-tier (1) facility change from A to B (Supplier Driven Make 2 Make)

Request for transfer of work shall be submitted to the Ancra buyer for consideration. Failure to adhere to this will result in immediate removal from Ancra's Approved Supplier List (ASL). If authorization is granted, PUR-18 is required.

230 – Counterfeit Parts Prevention:

Supplier shall establish and maintain a Counterfeit Parts Prevention Program. This program shall be implemented to prevent the delivery of counterfeit parts to Ancra. The supplier shall only produce Products or purchase components/hardware direct from the Original Equipment Manufacturer (OEM) or authorized distributor. Work/ hardware shall not be acquired from non-approved suppliers, independent distributors, or brokers without prior written approval from both Ancra Purchasing and Quality Representatives. Supplier shall notify Ancra immediately if the Supplier suspects they may have supplied Ancra with counterfeit parts. Any Product(s) delivered to Ancra that contains or includes counterfeit parts will be rejected and Supplier shall promptly replace the rejected hardware with certified genuine parts entirely at the Supplier's expense. Supplier shall be liable for any damages realized by Ancra resulting from the delivery of counterfeit parts.

Supplier shall flow down the above requirements to all sub-tiers to ensure material and/ or hardware is purchased from the original manufacturer or authorized distributor as outlined above. Any risks or instances associated with counterfeit parts shall immediately be communicated to Ancra.

240 – Foreign Object Debris / Damage (FOD):

Supplier shall develop and maintain a Foreign Object Debris/Damage (FOD) Prevention program to prevent introduction of foreign objects into any item delivered under this Purchase Order.

250 – Electrostatic Discharge (ESD):

The supplier shall provide safeguards for all Electrostatic Discharge (ESD) sensitive components and assemblies. ESD components and assemblies shall be packaged and transported in electrostatic shielding containers. All ESD containers or cushioning materials must have the mechanical characteristics to properly protect parts against damage. All ESD packaging containers must have an ESD caution label affixed to the outer surface.

260 – Code of Conduct and Business Practices

GLOBAL BUSINESS PARTNER CODE OF CONDUCT

The long-term success of the Heico Companies, L.L.C.'s ("Heico") as a business is dependent on many factors, one of which is always conducting business the "right way." Our Code of Conduct and Compliance Manual remind us that business results are never more important than ethical conduct and compliance with all applicable laws. This Global Business Partner Code of Conduct ("Code") sets forth the principles and ethical standards we expect the sales agents, distributors, resellers, consultants, service providers, buying agents, joint venture partners, and other providers of goods and services to, or on behalf of any Heico company (our "Business Partners") to meet. As our Business Partner, we require you to train your employees to understand and comply with this Code. Business Partners who knowingly violate laws or repeatedly fail to conform to these principles will not receive our business.

LEGAL COMPLIANCE

We expect each of our Business Partners to conduct business in full compliance with all applicable national, regional, state, and local regulations and laws of the countries in which they operate. This includes all trade, export and import controls, chemical regulations, and all applicable antitrust and fair competition laws. Business Partners must maintain accurate financial books and business records in accordance with all applicable legal and statutory requirements and accepted accounting practices.

ETHICAL BUSINESS PRACTICES

We conduct our business ethically and honestly. Heico strictly prohibits any of its Business Partners from engaging in any form of public sector or commercial bribery or any act intended to induce the recipient to misuse his or her position to obtain or retain an unfair business advantage or personal benefit. Further, our Business Partners should have policies and controls in place to prohibit and detect misuse of company assets, conflicts of interest, improper gifts, fraud, and embezzlement. Our Business Partners should comply with the Gifts, Entertainment and Travel provision within our Code of Conduct when dealing with Heico Company employees and comply with both the letter and the spirit of such rules.

HUMAN RIGHTS

We are committed to treating our employees, our customers and each of our Business Partners with dignity and respect for human rights as set out in the United Nations Declaration of Human Rights. We expect that each of our Business Partners will have controls in place that:

- Prohibit child labor, forced or compulsory labor and human trafficking
- Ensure compliance with applicable wage, hour, and benefits laws, including minimum wage, overtime, and maximum work week laws
- Verify the employment eligibility of employees
- Respect the right of employees to freely associate, organize and legally bargain collectively
- Ensure a workplace free from discrimination and harassment
- Prevent Conflict minerals, whose obtainment is linked to human rights violations, from being used by you or your subcontractors. Our Business Partners must meet the conflict mineral reporting requirements as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Securities and Exchange Commission; and
- Provide safe and healthy work environments for workers. All working conditions must comply with applicable laws and industry standards, including clean and safe housing.

CONFIDENTIALITY AND PRIVACY

Business Partners with access to confidential and proprietary information about any Heico company must not disclose that information to any other person or entity without our prior written consent. Additionally, all Business Partners must protect from unauthorized disclosure any private information regarding any Heico company customers or Heico company employees that they may receive, including home addresses, Social Security numbers, birth dates or medical information. Any unauthorized disclosure of confidential or private information related to any Heico company, its employees or customers must be reported immediately to Heico Compliance or the Heico Legal Group.

SPEAKING UP, NO RETALIATION

We encourage our employees and the employees of our Business Partners to speak up if something does not seem right. Our Business Partners are expected to report any concerns or suspected violations of this Code to any Heico Company manager or to the Help Line, 1-800-308-3904, available 24 hours a day, 7 days a week. All reports are confidential and may be provided anonymously where permitted by law. Business Partners must have a “no retaliation” policy that ensures that any employee may report concerns to any Heico Company employee without fear of retaliation or reprisal by the Business Partner’s management.

VERIFICATION OF BUSINESS PARTNER COMPLIANCE

Heico seeks to conduct business with Business Partners who do business in accordance with the principles articulated in this Business Partner Code. We may monitor and enforce this Code through audits, and we require our suppliers to allow us access to their facilities as well as all relevant records for such purposes. If a Business Partner violates this Code, we may terminate the business relationship or require the Business Partner to implement a corrective action plan. Our Business Partners must inform Heico immediately of any departure from this Business Partner Code, including regulatory compliance failures or other events that may put our business at risk or cause damage to our reputation.

REVISION HISTORY

Revision	Date	Description
A	8/10/20	Initial Release
B	8/31/20	Note added to clause #10
C	10/23/20	Revised Clause #130 for clarity
D	9/20/21	Added Corporate (Heico) Global Business Partner Code of Conduct
E	8/16/22	Added Clause # 221 (Machining Suppliers)
F	3/23/23	Revised clause 90: Further defined FAIR intent & supplier assumed risk. Revised clause 100: Added certification linkage for subcontracted work. Revised clause 130: Added certification/PO linkage for subcontracted work. Revised clause 220: Out of state supplier exemption General Update to all clauses for clarity (excluding 260)
G	10/16/23	Revised clause 221 to include TOW process
H	5/10/24	Revised clause 140: Added conformal coating to scope of special processes. Revised clause 220: Removed FTP statement, added Nadcap requirement for out of state suppliers. Revised cause 221: Added transfer of work scenarios