



Supply Manual



Summary

1. Revision Control:	2
2. Purpose.....	3
3. Overview for 2028	3
DEFENSE	3
AEROSPACE	3
TESTS AND MEASUREMENTS	3
4. Values	3
5. Quality Policy	4
6. Introduction.....	4
7. Objective	5
8. Requirements	5
9. Supplier Responsibilities.....	6
10. Terms and Definitions.....	7
11. Types of Suppliers.....	8
a. Product Suppliers:	8
b. Service Providers:	8
12. Supplier Qualification	8
13. Supplier Development	9
14. Criteria for Supplier Classification	9
15. Control Over the Supplier During Sourcing	10
16. Revaluation	11
17. Request for Quotation	11
18. Receipt	11
19. Non-Compliance	12
20. Continuous Improvement.....	13
21. Business Conduct.....	13
22. Compliance with Laws	13

1. Revision Control:

Revision	Date	Review Description	Elaboration	Approval
00	11/09/2023	Initial Issue	Leandro Lopes	Carla Criscuolo
01	06/08/2024	Quality Policy and Values	Leandro Lopes	Carla Criscuolo

2. Purpose

Creating innovative and sustainable technologies to electrify and connect the world.

3. Overview for 2028

To be a reference company in the Defense, Aerospace and Test & Measurement markets

DEFENSE

To be recognized as the most agile Brazilian company in the development and supply of electronics and telecommunication solutions for Command and Control systems.

AEROSPACE

To be a national leader and world player in the development and supply of Aeronautical Batteries.

TESTS AND MEASUREMENTS

To be a national leader and world player in the supply and development of Electromagnetically Shielded Environments.

4. Values

INNOVATION

Opening paths to new horizons

PROPERTY

Act as leader-entrepreneurs, taking responsibility and protagonism

AGILITY

Deliver value in the industry's shortest cycles

ENTHUSIASM

Awaken energy for great achievements

COLLABORATION

Uniting our capabilities to be ever more powerful

5. Quality Policy

We develop innovative solutions with high technological content with the agility required by customers, meeting the contractual, statutory and regulatory requirements of the industry, always pursuing the best practices in the market to ensure the quality of our suppliers and deliver products safely and reliably, ensuring repeatability and traceability.

We are committed to the continuous improvement of the Quality Management System, focusing on the needs and expectations of customers, employees, shareholders and society, aiming at the sustainable growth of our organization.

6. Introduction

This manual has been developed by OCELLOTT with the purpose of guiding all its Suppliers regarding the minimum Quality requirements necessary for the supply of services and products. As it is an important communication channel between OCELLOTT and its Suppliers, this manual should be used by all companies that wish to be or are already part of the group of regular OCELLOTT Suppliers. As a guideline, this manual describes the general conditions of supply, the systems for evaluation and the methods used to monitor the performance of each supplier.

OCELLOTT's main objective of Quality is to ensure the permanent satisfaction of its customers, and for this reason we want our customers to Suppliers constantly seek continuous improvement of their processes to meet and exceed the expectations and requirements of this Manual.

7. Objective

The primary purpose of this Handbook is to define and regulate the requirements for the supply of OCELLOTT products and services.

8. Requirements

To meet OCELLOTT's requirements, Suppliers must follow some rules defined in the following topics:

- Implement appropriate systems and controls that ensure 100% supply in a timely manner and in compliance with established requirements;
- Manage their facilities, processes, systems and personnel, so that they can consistently and at fair costs, provide products and services that meet the needs of OCELLOTT and its customers;
- Develop and implement a Quality Management System appropriate to the type of product or service provided to OCELLOTT;
- Provide objective evidence that all items meet OCELLOTT's Engineering requirements and specifications;
- Maintain the traceability of the batches of items supplied to OCELLOTT for a period appropriate to the established guarantees;
- If relevant, use the appropriate statistical techniques or any other techniques for control and continuous improvement of processes, reducing their variation and eliminating all losses;
- Conduct its operations in such a way as to ensure that all products and processes supplied to OCELLOTT comply with applicable laws and regulations and whose environmental impact is in accordance with the laws;
- Define and monitor implicit technical specifications of the supplied items that are not documented or have not been reported by OCELLOTT, in order to maintain the quality level of the supply.

9. Supplier Responsibilities

- Provide only products as specified in drawings and standards ensuring that they are always in the latest version in force;
- Consider the guidelines established in the "Delivery Conditions" document, which is sent with the Purchase Order;
- Reduce scrap rates and rework rates;
- Use appropriate packaging to ensure the integrity of the products supplied;
- Perform deliveries as determined by OCELLOTT;
- Correctly identify the items delivered to OCELLOTT in order to ensure traceability;
- Keeping all raw material records and certificates properly protected and sending them to OCELLOTT for each delivery made;
- Keep all information regarding your quality management system (quality certificates, licenses, evaluation questionnaires, etc.) up to date;
- Obtain prior approval from OCELLOTT for any changes to the designs;
- To monitor and provide adequate support to the quality audits requested by OCELLOTT;
- Develop corrective and preventive action plans to eliminate problems detected in your products, processes or even delivery delays;
- Provide technical assistance where needed;
- Ensure the confidentiality of the information received from OCELLOTT such as: specifications, drawings, standards, etc., in addition to signing a confidentiality agreement.

OCELLOTT prohibits the use of counterfeit or suspect parts.

10. Terms and Definitions

The following terms and definitions are used in this Manual:

- **Supplier:** any person or organization that provides a product or service.
- **Qualification:** process of recognition of capabilities to meet requirements.
- **Counterfeit Parts:** An unauthorized copy, imitation, substitute, or modified part (e.g., material, part, component), which is intentionally misrepresented as being a genuine, specified part from an original or authorized manufacturer.
- **Product safety:** the state in which a product is capable of performing for its intended or intended purpose without giving rise to an unacceptable risk of injury to persons or property.
- **Special Requirements:** requirements identified by the client or determined by the organization, which have high risks of not being achieved, thus requiring their inclusion in the operational risk management process.
- **Critical Items:** Items that have a significant effect on the supply and use of the products and services, including safety, performance, form, fit, function, production ability, shelf life, etc., that require specific actions to ensure that they are properly managed. Examples of critical items include safety critical items, fracture critical items, mission critical items, key traits, etc.
- **Special Processes:** any production or service supply process where the resulting output cannot be verified by subsequent monitoring or measurement. This includes any processes where deficiencies are only apparent after the product is in use or the service has been delivered.

11. Types of Suppliers

a. Product Suppliers:

- Raw materials and inputs;
- Industrialized parts according to drawing;
- Items considered off-the-shelf/catalog;
- Packaging and/or Items for Identification.

b. Service Providers:

- Calibration;
- Machining;
- Transportation - shipping and receiving products;
- Heat treatment;
- Surface treatment;
- Non-destructive testing;
- Destructive testing.

12. Supplier Qualification

Product or Service	QMS Certification	On-Site Audit
Raw material	ISO 9001 Certification or Assessment Questionnaire	When Required
Industrialized parts according to drawing	ISO 9001 Certification or Assessment Questionnaire	Applicable
Packaging and/or Items for Identification	When ISO 9001 Certification or Assessment Questionnaire Required	When Required
Calibration	ISO/IEC 17025 Accreditation	Not applicable
Transport	Not applicable	Not applicable

Surface treatment	ISO 9001 Certification or Assessment Questionnaire	Applicable
Heat treatment		
Non-destructive testing		
Raw materials and inputs provided by Customers	Not applicable	Not applicable
Commercial Items, Catalog Items, Shelf Items		

13. Supplier Development

A. Evaluation and Selection of Suppliers:

OCELLOTT Suppliers are approved for each scope of supply, taking into account the criteria listed below.

- Registration data, including tax status, regularized;
- Certification: Certified/accredited Quality Management Systems will have Approved Status and grade 10 to start supplying.
 - For Quality Management Systems only implemented (without certification) will be evaluated according to the OCELLOTT questionnaire;
- Supply References;
- Trading conditions (term and price);
- On-site audit, where applicable.

14. Criteria for Supplier Classification

Punctuation	Result
0 - 4,0	Failed

5,0 - 9,0	Approved with Restriction Present Action Plan
10	Approved

Performance Monitoring

Approved Suppliers are monitored for their performance, as follows::

Below 69.9%	From 70.0 to 84.9%	From 85.0 to 94.9%	From 95.0 to 100%
Bad	On Alert	Good	Very good

These metrics are composed as follows:

Product Quality = 55%
On-time Delivery (OTD) = 35%
Quality Management System = 10%

15. Control Over the Supplier During Sourcing

Monitoring results are calculated monthly. The request for possible actions will be made based on a quarterly evaluation of the average of the results obtained. Actions are based as below:

Poor - Below 49.9%

Suppliers who achieve "Poor" status for the IQF will be blocked from further development.

On alert - from 50.0 to 82.9%

Suppliers who reach the status of "On Alert" for the IQF will have their results monitored in the next 3 (three) deliveries, where if they do not show improvements, they will be blocked for new developments. Or Unlock Occurs only

after opening an Action Plan by the Supplier to monitor the activities that are necessary.

Good - from 83.0 to 94.9 %

Suppliers who achieve the status of "Good, for IQF, will not take any immediate action, as they are understood to be within acceptable limits. However, they will be monitored in the same way.

Optimal - From 95.0 to 100%

Suppliers who achieve the "Excellent" status for the IQF for 12 consecutive months will be considered Quality Assured and will have preferences regarding increased participation and priority in the development of new projects.

16. Revaluation

Suppliers will be reassessed every 36 months or when necessary, based on the history of performance presented.

The reassessment is carried out according to the criteria for classification as a Supplier mentioned above.

17. Request for Quotation

OCELLOTT's supply department will make the initial contact with the suppliers chosen for a given supply by phone or e-mail and will forward all the necessary information so that he can start the feasibility study of supplying the item, having total freedom to accept or decline the supply.

18. Receipt

The supplier is responsible for the delivery and monitoring of the unloading of the item up to the moment of release by OCELLOTT. This will be necessary, because if any irregularity occurs in this process, both parties will be represented.

OCELLOTT will receive the items supplied as described below:

- Monday to Friday from 8:00 am to 12:00 pm and from 1 pm to 4:30 pm.
 - Unscheduled deliveries or deliveries outside these hours will not be accepted, except for previously established and approved agreements.

IMPORTANT: The material will be refused, if it is necessary to issue a return invoice by OCELLOTT for unscheduled deliveries, discrepancies in quantities (not communicated), quality problems, lack of purchase order number in the invoice (XML Tag), among other possible problems.

19. Non-Compliance

Whenever an item is identified in disagreement with OCELLOTT's specifications, corrective actions will be requested from the Supplier.

The deadline for returning a report duly filled out with the analysis of causes completed and actions already defined is 10 days.

The supplier must take the appropriate measures to contain the non-conforming item, such as replacement, selection, rework, special work shift, urgent transport, etc., in order to reduce the impact on the OCELLOTT production line as much as possible. If it is necessary to hire an outsourced company specialized in rework, in order to mitigate the impact of production stoppage, the expenses inherent to containment will be borne by the supplier.

If all possibilities for the supplier to present a definitive solution to the non-conformity have been exhausted, it may be disqualified for the supply of the item in question.

20. Continuous Improvement

The supplier must monitor the performance of its manufacturing processes, using graphs, applicable indicators such as productivity, lead time, among others. This monitoring will be verified on the occasion of process audits carried out by OCELLOTT, when necessary.

The supplier can use and improve failure prevention methods, such as:

- Failure Mode and Effect Analysis (FMEA),
- Statistical techniques (SPC);
- Methods for Analysis and Troubleshooting (MASP),
- Analysis of risks and opportunities etc.

21. Business Conduct

Gifts, commissions, advantages and favors, whose value and/or circumstances may give rise to suspicion of any undue favoritism, should not be provided nor accepted, except for courtesies that characterize a mere kindness in the relationship, such as business meals and impersonal institutional gifts, such as pens, t-shirts, caps, key chains, etc.

Influencing the choice of a process through improper favoritism dissonant from criteria of quality and price of products and services is not allowed.

22. Compliance with Laws

Supplier represents and warrants that it will remain in compliance with all applicable laws, statutes, rules, regulations, judgments, ordinances, orders, or authorizations, including but not limited to social, environmental, and anti-corruption laws, to the extent that they apply to obligations and activities, including, but not limited to, social and environmental laws applicable to its

activities, and does not employ and will not employ child labor or forced labor in its activities, acting in accordance with the labor and occupational safety laws of its country.

In addition, the Product(s) supplied will not contain any prohibited substance(s) and complies with all applicable environmental laws.