



COUNTERFEIT PARTS AND MATERIAL REV NC

PURPOSE

The purpose of this policy is to document the necessary avoidance, detection, mitigation, and disposition processes to prevent counterfeit parts, and or materials from entering into our customer's supply stream, thereby enabling the fulfillment of our customer's requirements, and continued customer satisfaction.

1.0 This policy establishes and documents counterfeit parts risk mitigation methods to enable:

- a. Maximizing the availability of authentic parts
- b. Procuring parts from reliable sources
- c. Avoiding / mitigating the risks associated with procuring parts from independent distributors or brokers
- d. Assuring authenticity and conformance of procured parts
- e. Controlling parts identified as counterfeit
- f. Reporting counterfeit parts to other potential users and Government investigative authorities

This policy was developed in support of customer requirements, AS5553 section 4 (Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition), and AS6174 section 3 (Counterfeit Materiel; Assuring Acquisition of Authentic and Conforming Materiel).

1.1 Scope

This policy is applicable to all procured parts and materials that are used to manufacture any Aero Bending Company part, sub-assembly, assembly, or finished unit. This requirement shall be flowed down to all applicable Aero Bending suppliers.

1.2 Objective

The objective of this policy is to document a process for counterfeit avoidance in accordance with AS6174 section 3, AS5553 section 4, and applicable customer requirements.

1.3 Process

For purpose of this policy, the term “goods” consists of those commodities delivered that are the lowest level of separately identifiable items (e.g., articles, components, standard hardware, goods, raw materials, assemblies, and sub-assemblies).

1.4 Requirements

A. Suppliers shall establish and maintain a Counterfeit Parts Material Prevention and Control Plan using AS5553 (Reference elements of Section 4) and/or AS6174 (Reference elements of Section 3) to ensure that counterfeit goods are not delivered to Aero Bending Company. The purpose of the control plan shall be to develop a robust process to prevent the delivery of counterfeit commodities and control commodities identified as counterfeit.

B. Suppliers shall only purchase products to be delivered or incorporated as goods to buyer directly from the Original Component Manufacturer (OCM) Original Equipment Manufacturer (OEM), OCM/OEM authorized distributor chain, aftermarket manufacturer, or authorized reseller. These products shall have verification that goods are traceable to OCM/OEM; OCM/OEM authorized distributor chain, aftermarket manufacturer, or authorized reseller that identifies the name and location of all the supply chain intermediaries from the part manufacturer to the direct source of the product. If Goods can only be acquired from independent distributors or brokers in cases of diminishing material supply (DMS) or obsolescence, written notice shall be provided to the Aero Bending Company Quality Manager and Purchasing Department prior to procurement of these goods. After written approval by Aero Bending Company is received by supplier, goods shall be subjected to testing and screening process appropriate to the commodity (in accordance with AS5553 and AS6174) using a Aero Bending Company approved third party laboratory. Records of evidentiary tests and inspections performed that ensure verification of the goods shall be provided to Aero Bending Company for review and approval by Aero Bending Company Quality Manager and Purchasing Department prior to delivery. Written notice is not required for raw material and standard hardware purchased from independent distributors or brokers, but products must be able to provide commodity level traceability to the OCM/OEM.

Note: As part of Aero Bending's review of written requests to use independent distributors or brokers Aero Bending's Quality Department shall review customer requirements plan to ensure compliance prior to providing approval.

C. Supplier shall provide written notification to Aero Bending Company Quality Manager and Purchasing Department if supplier becomes aware or suspects that it has furnished Counterfeit Goods within 24 hours. Supplier shall provide to Aero Bending Company Quality Manager and Purchasing Department upon request, the supply chain traceability to an Original Manufacturer or authorized distributor chain that identifies the name and location of all the supply chain intermediaries from the part manufacturer to the direct source of the product. Supplier shall have a documented process in place to ensure Counterfeit goods are contained and do not reenter the supplier chain.

D. Supplier shall include this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as goods to Aero Bending Company as applicable.

E. Suppliers eligible for utilization of the Government-Industry Data Exchange Program ("GIDEP") shall utilize the GIDEP process to alert the industry of encountered counterfeit parts.

F. Supplier shall ensure their Counterfeit Avoidance program includes training of applicable personnel to the requirements within this procedure.

1.5 Requirements for Aero Bending Company

- A. Aero Bending Company shall establish and maintain Counterfeit Part Risk Mitigation Control plan using AS5553 (Reference elements of Section 4) and/or AS6174 (Reference elements of Section 3) to ensure that counterfeit goods are not delivered to Aero Bending Company customers. The purpose of the control plan shall be to develop and maintain a robust process to prevent the delivery of counterfeit commodities and control commodities identified as counterfeit.
- B. Aero Bending Company shall only purchase products to be delivered or incorporated as goods to buyer or customer directly from the Original Component Manufacturer (OCM)\Original Equipment Manufacturer (OEM), OCM\OEM authorized distributor chain, aftermarket manufacturer, or authorized reseller. These products shall have verification that goods are traceable to OCM\OEM; OCM\OEM authorized distributor chain, aftermarket manufacturer, or authorized reseller that identifies the name and location of all the supply chain intermediaries from the part manufacturer to the direct source of the product. If Goods can only be acquired from independent distributors or brokers in cases of diminishing material supply (DMS) or obsolescence, written notice shall be provided to the Aero Bending Company Quality Manager prior to procurement of these goods by the Purchasing Department.. Quality Manager/Quality department shall review applicable customer requirements to ensure compliance. After written approval by Quality Manager is received by the Purchasing Department goods shall be subjected to a testing and screening process appropriate to the commodity (in accordance with AS5553 and AS6174) using an Aero Bending Company approved third party laboratory. Records of evidentiary tests and inspections performed that ensure verification of the goods shall be provided to Quality Manager/Quality Department for review and approval prior to delivery.

Written notice is not required for raw material and standard hardware purchased from independent distributors or brokers, but products must be able to provide commodity level traceability to the Original Manufacturer.

- C. Aero Bending's Quality Manager shall notify customer within 24 hours if Aero Bending becomes aware or suspects that it has furnished counterfeit goods. Format and method of communication shall be based on customer requirements.
- D. Aero Bending's purchasing department shall include this clause or equivalent provisions in supplier contracts or purchase orders for the delivery of items that will be included in or furnished as goods.
- E. Aero Bending Company shall utilize the Government-Industry Data Exchange Program ("GIDEP") process to alert the industry of encountered counterfeit parts.
- F. If counterfeit goods are discovered by Aero Bending Company, counterfeit goods shall be contained and dispositioned in accordance with P8.3.1 Nonconforming Material.

1.6 Counterfeit Avoidance program includes training of applicable personnel to this policy.