



Counterfeit Parts Statement

The basic principle of the ARA counterfeit parts policy is to purchase new and authentic materials from authorized suppliers.

Independent distributors are only used after a reasonable search for material from franchised/authorized sources has been exhausted and after consideration of an alternate part from an authorized source. The use of independent distributors requires the approval of the customer or the approval of the president of the organization.

Purchasing and Quality management perform periodic evaluation of vendors, through the directives of the ARA Vendor Management plan, to assure that approved/ongoing sources of supply are maintaining effective processes for mitigating the risk of supplying counterfeit electronic parts and to evaluate overall performance.

Purchased product is verified before use to assure detection of counterfeit parts prior to formal acceptance at incoming parts inspection. The magnitude of the verification process shall be in line with product risk. Product risk is determined by the criticality of the part and the assessed likelihood of receiving a counterfeit part. As a standard practice, Incoming Parts Inspection checks the incoming orders against purchase orders to verify the identification, quantity, and condition of the received order. Verification may include, but are not limited to:

- 1) Obtaining objective evidence of the quality of the product from the vendor via documentation
- 2) Visual Inspection
- 3) Certificate of Compliance
- 4) Test reports

If material is identified as suspect or counterfeit, it will be immediately tagged or marked as counterfeit, segregated, and quarantined. The vendor will be notified and provided with the data that supports the counterfeit nature of the material.

Counterfeit parts are reported to the applicable Government authorities, Government reporting organizations (GIDEP or equivalent), and any other reporting authorities in order that other users may become aware of the existence of the material in question and review their own supply chain for any risks as applicable.

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