

PROCEDURE/WORK INSTRUCTION

Dept.: Quality
Subject: Counterfeit Avoidance and Mitigation

Number: QCI 012.4
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QCI 012.4 Counterfeit Avoidance and Mitigation Procedure

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1.0 Purpose:

The purpose of this goods instruction 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 customers' requirements, and continued customer satisfaction.

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

2.0 Scope:

This procedure is applicable to all procured parts and materials that are used to manufacture any Aerosonic part, sub assembly, assembly, or finished unit. This procedure shall be flowed down to all applicable Aerosonic suppliers.

3.0 Objective:

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

4.0 References:

AS5553 Fraudulent/Counterfeit Electronic Part; Avoidance, Detection, Mitigation, and Disposition
AS6174 Counterfeit Material; Assuring Acquisition of Authentic and Conforming Materials
AS9100 Quality Management System – Requirements for Aviation, Aerospace Model for Quality Assurance in Defense Organization
QCI 12.2 Vendor Supplier Quality System Requirement and Quality Clauses (Q-Codes)
QCI 17.2. Nonconformances & PMRB MRB Review Board
QCI 12.5 Counterfeit Part Risk Mitigation Control plan

5.0 Procedure \ Work Instructions:

For purposes of this procedure, 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, and assemblies). "Counterfeit goods" is defined as

- a). Goods that are, or contains, items misrepresented as having been designed and/or produced under an approved system or other acceptable method.
- b). Goods that are an unauthorized copy or substitute of an Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM).
- c). Goods that are not traceable to an OCM/OEM sufficient to ensure authenticity in OCM/OEM design.
- d). Goods that do not contain proper external or internal materials or components required by the OCM/OEM or are not constructed in accordance with OCM/OEM design.
- e). Goods that have been re-worked, re-labeled, repaired, refurbished as OCM/OEM authentic or new.

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f). Goods that have not passed successfully all OCM\OEM required testing, verification, screening, and quality control processes.

The following instructions are the minimum requirements that shall be followed.

5.1 Requirements for Aerosonic suppliers

5.1.1 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 Aerosonic. 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.

5.1.2 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 Aerosonic Quality Engineer and \or Supplier Quality Engineer and Buyer prior to procurement of these goods. After written approval by Aerosonic is received by supplier, goods shall be subjected to testing and screening process appropriate to the commodity (in accordance with AS5553 and AS6174) using an Aerosonic approved third party laboratory. Records of evidentiary tests and inspections performed that ensure verification of the goods shall be provided to Aerosonic for review and approval by Aerosonic Quality Engineer and \or Supplier Quality Engineer 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 Aerosonic's review of written requests to use independent distributors or brokers Aerosonic Quality Engineer and \or Supplier Quality Engineer shall review customer requirements located in QCI 12.5 Counterfeit Part Risk Mitigation Control plan to ensure compliance prior to providing approval.

5.1.3 Supplier shall provide written notification to Aerosonic Quality Engineer and \or Supplier Quality Engineer and Buyer if supplier becomes aware or suspects that it has furnished Counterfeit Goods within 24 hours. Supplier shall provide to Aerosonic Quality Engineer and \or Supplier Quality Engineer and Buyer, 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.

5.1.4 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 Aerosonic as applicable.

5.1.5 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.

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

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5.2 Requirements for Aerosonic

5.2.1 Aerosonic shall establish and maintain QCI 12.5 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 Aerosonic 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.

5.2.2 Aerosonic 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 Aerosonic Quality Engineer and \or Supplier Quality Engineer prior to procurement of these goods by the Buyer. Quality Engineer and \or Supplier Quality Engineer shall review applicable customer requirements located in QCI 12.5 Counterfeit Part Risk Mitigation Control plan to ensure compliance. After written approval by Quality Engineer and \or Supplier Quality Engineer is received by the buyer, goods shall be subjected to a testing and screening process appropriate to the commodity (in accordance with AS5553 and AS6174) using an Aerosonic approved third party laboratory. Records of evidentiary tests and inspections performed that ensure verification of the goods shall be provided to Quality Engineer and \or Supplier Quality Engineer 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.

5.2.3 Aerosonic Quality Engineer shall notify customer within 24 hours if Aerosonic becomes aware or suspects that it has furnished counterfeit goods. Format and method of communication shall be based on customer requirements.

5.2.4 Aerosonic 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.

5.2.5 Aerosonic shall utilize the Government-Industry Data Exchange Program ("GIDEP") process to alert the industry of encountered counterfeit parts.

5.2.6 If counterfeit goods are discovered by Aerosonic counterfeit goods shall contained and dispositioned in accordance with QCI 17.2 Nonconformances & PMRB MRB Review Board.

5.2.7 Counterfeit Avoidance program includes training of applicable personnel to this procedure.