# **Counterfeit Parts Prevention Policy**

## 1. Overarching Policy

It is the policy of Supplynet, Inc. to conduct all business activities in compliance with the rules and regulations applicable to our industry and the laws in the countries in which the company operates. In all cases, these business activities are conducted to the highest ethical standards. Supplynet's reputation is built on the integrity of our employees and their commitment to maintaining the highest standard of business practice.

#### 2. Counterfeit products

There is increased evidence that the number of counterfeit electronic components in the market is rising. Counterfeit electronic components are defined as being those that are misrepresented in their origins or quality. Although we are not aware of any specific manufacturers producing counterfeit parts and selling them on as Supplynet product, we understand the potential for this situation.

## 3. Prevention Policy

There are two main ways that manufacturers can help to guard against counterfeit goods entering the supply chain. These are marking the products and packaging with identifiable data and/or logo and protecting the supply chain.

1. Supplynet's Counterfeit Prevention Policy is based on having a secure supply chain. This is the most effective method of preventing counterfeit components entering the industry. Supplynet are a manufacturer, and the finished goods are held in the Company's secure warehouses. Supplynet are compliant with the Aviation Security Act, which restricts access to it's warehouse.

#### 4. Suppliers

Supplynet only use audited and proven suppliers for purchases of raw materials and components. These materials are verified on receipt and held in secure warehouses. The company maintains a quality system accredited to ISO 9001:2015.

#### 5. Batch Traceability

Supplynet products show batch codes on the packaging. The batch code enables the original component, and any sub-component, to be traced back to their origin.

## 6. Gray (or Grey) Market

Customers for Supplynet components are advised against using the gray market for sourcing components. In doing so, there is a risk to the integrity of the customer's end product, and the reputation of their company.

## 7. Obsolete products

Excess, slow moving or discontinued line items are destroyed on-site. These products are never sold on to brokers or non-franchised distributors who specialise in redundant parts. Supplynet does not support this type of gray market.

## 8. Encountering Counterfeit Products

In the event that Supplynet discovers counterfeit materials, those materials will be quarantined and an investigation will be undertaken to discover the source. Full details of the infringement will be reported to the appropriate government trading standards agency for criminal investigation.

In the event that a Supplynet customer believes they may have discovered counterfeit materials they are to quarantine the goods, contact the source from which they obtained the products, and make their concerns known. The customer is advised to report the incident to the appropriate government trading standards agency, if appropriate.

Supplynet, Inc. Quality Assurance Team