

## Counterfeit Materials Risk Mitigation Policy Statement

*Meritec is aware counterfeit materials are permeating supply chains. To block counterfeit materials from entering Meritec's Supply Chain, we partner with suppliers who hold the same ethical values that we do. To maintain counterfeit-free supplies, we have established the following practices to ensure quality product is delivered to our customers.*

### **Purchasing**

Meritec purchases from the original component manufacturer (OCM) or their authorized distributors to mitigate the risk of counterfeit parts entering the supply chain.

Meritec approves suppliers based on their ability to provide compliant parts. An approved suppliers list is maintained in Meritec's Quality Management System database. The list includes OCMs that supply Meritec directly, and their authorized distributors.

### **Parts Availability**

Meritec ensures a constant supply of necessary parts by acquiring them through multiple authorized distributors and/or OCMs. This increases the availability of the parts and reduces the potential for receiving parts from unauthorized distributors.

### **Verification of Purchased Product**

Meritec's purchase orders include the OCM's part number to assist in verifying that received parts are parts from the original manufacturer. Incoming inspections of parts are performed upon receipt. Visual inspection and confirmation of Certificate of Compliance against purchase order is performed.

### **Material Control**

When a part is suspected of being counterfeit, the shipment is tagged with a non-conformance tag and placed in the non-conformance hold location. The supplier is moved to unapproved status in Meritec's Quality Management System. A Meritec supplier non-conformance report (NCR) is completed and an investigation is conducted. The Materials Manager works with the supplier, and the manufacturer of the part to determine its authenticity. Disposition of the part is determined by the Material Review Board (MRB) and is based on the investigation findings. Depending on the outcome of the investigation, the supplier may or may not be conditionally reinstated as a supplier.

### **Notification of Counterfeit Part**

If a finished connector or cable assembly is sent to a customer containing a confirmed or suspected counterfeit good, the customer is notified immediately. Records are kept of confirmed and suspected counterfeit goods including parties involved, the investigation process, and the outcome.

### **Reporting**

Once a part is confirmed to be a counterfeit part, company executives are notified. The executive officers of the company are responsible for reporting the incident to the Government Industry Data Exchange Program (GIDEP), ERAI, and various government investigative authorities and law enforcement agencies.