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## Precise Time and Frequency, llc

### Counterfeit Parts

#### 1.0 Purpose:

This document describes the Counterfeit Parts Prevention Policy at Precise Time and Frequency, LLC (referred to as the 'Business'). The Business is committed to ensuring that products sold and supported by the Business do not contain Counterfeit Parts.

#### 2.0 Scope:

This Policy applies to all employees associated with the Business.

#### 3.0 Responsibility:

The CEO / President is responsible for the final review, approval and implementation of this Policy. Employees with responsibilities for purchasing, receiving or verifying parts shall also be responsible for compliance with this Policy.

#### 4.1 Detailed Procedure:

##### 4.2 Counterfeit Parts Prevention Policy

The Business has adopted this Counterfeit Parts Prevention Policy as part of its effort to eliminate the impact of Counterfeit products on the Business and its customers. A Counterfeit Part is a part or component that is an unauthorized copy or substitute of an original part or component that has been made or altered by an unauthorized source and has been misrepresented to be an original and authorized part or component made by the original equipment manufacturer (Manufacturer).

To support this policy of ensuring that there is a low risk of Counterfeit Parts entering the supply chain, the Business shall maintain processes to ensure purchases are only from the Manufacturer or its Authorized Distributors.

Should a suspect Counterfeit Parts be identified the Business shall quarantine such material and report the findings to the appropriate authorities, including the Government Industry Data Exchange Program (GIDEP). This policy shall be communicated, implemented, and maintained at all levels of the Business.

Due to circumstances outside of the Business' control, if a component must be purchased from a source not approved by the Manufacturer or from a source that has informed the Business its product may contain brokered (or non-franchised) components, a brokered part or item may be utilized by the Business.



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In reference to products returned for repair, given the product has been out of the Business' control, the Business cannot determine the source of all the product subcomponents as the end user or a third party may have repaired the product.

This Policy shall be posted on the Business' website. This Policy shall also be communicated to all relevant employees through training.

### 4.3 Purchasing Preference

The Business shall always attempt to purchase parts from the Manufacturer or its Authorization Distributor.

### 4.4 Control of Brokered, Suspect, Fraudulent and Confirmed Counterfeit Parts

The Businesses shall maintain processes that evaluate and minimize the risk associated with potential counterfeit products infiltrating into inventory.

When parts have to be purchased from a Broker the business shall use the minimum number of brokers possible, with a preference for those with a published counterfeit parts mitigation methodology, such as:

- Verify items are packaged in correct ESD packaging
- Check logo for authenticity
- Verify parts dimensions against manufacturer's data sheet
- Check Lot and date code against known suspect lots
- Perform scratch test for marking permanency
- Check leads for re-tinning
- Check items under magnification for inconsistencies
- DECAP for die verification
- X-ray testing for die anomalies
- Electrical test for functionality

If during testing of a higher-level assembly or the end product, the components are determined to be counterfeit, that inventory will be quarantined, the supplier will be notified and the results reported to GIDEP.

#### 4.4.1 Supplier Shipments

Manufacturers and their Authorized Distributors are very low risk for counterfeit. Therefore, inspection shall consist of count, kind, condition and documentation. The Business' Contract Manufacturer (CM) shall be responsible for monitoring this risk. The Business shall review documents supplied with the order and ensure the shipment from the CM is per the Purchase Order.



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### 4.4.2 Disposition of Parts Deemed Suspect, Fraudulent or Counterfeit

Suspect Counterfeit parts shall be treated as non-conforming product and dispositioned per non-conformity procedures.

1. Records of the disposition shall be maintained.
2. A controlled sample of Counterfeit Parts shall be returned to the Manufacturer for analysis and disposition to confirm their status as counterfeit or not counterfeit, with the understanding that if they are counterfeit they will be rendered unusable.
3. Confirmed Counterfeit Parts shall not be shipped to the Customer or to the supplier and may be retained for investigative or training purposes.
4. After 5 years or when legal requirements allow, the confirmed Counterfeit Parts shall be scrapped.

### 4.4.3 Re-stocking Prohibition

Suspect or confirmed Counterfeit Parts shall not be reintroduced into the supply chain, restocked nor returned to the Manufacturer in a stock rotation.

### 4.5 Training

Employees involved in the supply chain shall be trained to only purchase components and other items from the Business' Approved Vendor List. Only those vendors who are the Manufacturer or their Authorized Resellers or Authorized Brokers are on the Approved Vendor list.