

## ***Counterfeit Parts Prevention Program***

**Reliance Electronics Inc. (Reliance)** shares our customers' concerns regarding counterfeit parts affecting products manufactured by Reliance. Reliance has a company-wide Counterfeit Electronic Parts Avoidance and Response System in place. These policies apply to **Reliance's** direct purchases, as well as suppliers of subassemblies. The processes and policies include:

1. Established procurement protocol in which electronic component purchases may only be made through approved OEMs or OEM authorized distributors.
2. Contract manufacturers performing work for Reliance are only authorized to purchase from the approved OEM or OEM authorized component distributors.
3. In the event of material shortages, alternate suppliers may be explored with the following conditions:
  - 3.1. All purchases by **Reliance** or its agents must follow **Reliance's** Document # PRO-07-PUR-AS, Purchasing and approving Suppliers.
  - 3.2. Purchases are strictly limited to Reliance's approved supplier list.
  - 3.3. Reliance's approved suppliers are responsible for performing parts validation as prescribed by parts manufacturers.
  - 3.4. If the parts are only available at manufacturers' unauthorized distributors, then the customer will be contacted to get the approval. The parts will be purchased from these distributors, only if the customer authorizes in writing to Reliance to purchase the parts from unauthorized distributors (**commonly known as Gray Market Suppliers**). In this case, if any part purchased is found to be a counterfeit part, the responsibility rests on the customer.
4. If a breach of our control mechanisms is detected, **Reliance** has established processes for rapid response and correction.
  - 4.1. The QA Manager takes over the situation to assure all protocols are followed and to keep management informed of status through issue closure.
  - 4.2. Containment plan automatically goes into effect, and inventories of suspect components and any higher level assemblies are identified and contained.
  - 4.3. The potentially impacted products are identified.
  - 4.4. Risk assessment is performed to determine the threat severity as per **Reliance's** document PR04-RISK.
5. This program applies to all **Reliance's** manufacturing, and repair areas. This program also flows down through Reliance's supply chain.