



Aircraft Extrusion Co. Counterfeit Parts Prevention Program for Material/Part Procurement

1.0 PURPOSE

Counterfeit parts pose a danger to the performance, reliability and safety of Aircraft Extrusion Co (hereafter AEC) products. Mission failure as a result of the use of counterfeit parts is unacceptable. The primary objectives of the Counterfeit Parts Prevention Program for All Suppliers are based on the standards set forth in SAE Aerospace Standard AS5553, namely: (1) Ensure parts are procured from reliable sources; (2) assure authenticity and conformance of procured parts; (3) control parts identified as counterfeit; and (4) report counterfeit parts to other potential users and Government investigative authorities.

2.0 DEFINITIONS

- **Suspect Part** A part in which there is an indication by visual inspection, testing, or other information indicating the item may have been misrepresented by the Supplier or Manufacturer and may in turn meet the definition of a Counterfeit Part.
- **Counterfeit Part** A suspect part identified as a copy or substitute without the legal right or authority to do so or a part whose material, performance, or characteristics are knowingly misrepresented by a Supplier in the Supply Chain.

Counterfeit Parts include but are not limited to:

(1) Parts not containing the proper internal construction (die, manufacturer, wire bonding, etc.) consistent with the ordered part; (2) used, refurbished, or reclaimed parts represented as new product; (3) parts with a different package style, type, or surface plating/finish than the required or ordered product; (4) parts not successfully completing the full production and/or test flow of the Original Component Manufacturer (OCM) that are represented as completed product; (5) parts sold or delivered as upscreened product that have not successfully completed the upscreening process; (6) parts sold or delivered with modified labeling or markings intended to misrepresent the form, fit, function, or grade of the intended product. (Note: Refinished, upscreened, or updated parts identified accordingly are not considered counterfeit product)

- **Aftermarket Manufacturer**

A manufacturer meeting one or more of these criteria:

(1) A manufacturer authorized by the OCM to produce or provide replacement parts. The parts supplied originate from the OCM to the aftermarket manufacturer or an aftermarket manufacturer using the OCM tooling or intellectual property produces the parts; (2) the manufacturer produces parts using tooling or equipment manufactured by and traceable to an OCM that was properly stored until use. The parts are subsequently assembled, tested, and qualified using processes meeting the technical specifications without violating the intellectual property rights, patents, or copyrights of the OCM; (3) the manufacturer produces parts by emulation, reverse engineering, or redesign using processes matching the OCM specification; the parts must meet Customer needs without violating the OCM intellectual property rights, patents, or copyrights.

- **Assemblies** Products composed of subordinate or detail parts, manufactured or put together and sold as single units to AEC or its customers
- **Authorized Supplier** Aftermarket manufacturers (see definition above) and OCM authorized sources of supply for a specific part.
- **Broker** In the independent distribution market, brokers are professionally referred to as an Independent Distributor (see definition below).
- **Franchised Distributor** Distributor with which the OCM has a contractual agreement to buy, stock, re-package, sell and distribute its product lines. When a distributor does not provide products in this manner, then for the purposes of this CPP, the distributor is considered an independent distributor for those products. Franchised distributors normally offer the product for sale with fully manufacturer flow-through warranty, traceability, and conformity. Franchised contracts may include clauses that provide for the OCM's marketing and technical support inclusive of, but not limited to, failure analysis and corrective action, exclusivity of inventory, and competitive limiters.
- **Independent Distributors** Distributor purchasing new parts with the intention to sell and redistribute them back into the market. Purchased parts may be obtained from original equipment manufacturers (OEM's) or contract manufacturers (typically from excess inventories), or from other independent distributors. Re-sale of the purchased parts (redistribution) may be to OEM's, contract manufacturers, or other independent distributors. Independent distributors do not have contractual agreements or obligations with OCMs.
- **Certificate of Conformance (C of C)** Document provided by Suppliers formally declaring that Purchase Order requirements are met. The document must include information relative to the manufacturer, distributor, Purchase Order number, and quantity, as well as applicable date codes, lot codes, heat codes, serializations, and unique item identifiers. The inspection date and the signature or stamp of the Supplier's authorized quality representative is also required.
- **Certificate of Conformance and Traceability (C of CT)** C of C that contains required documentation, and in addition specifies and documents the traceable flow of parts back to the OEM or OCM. (Note: Applicable to products provided by non-OEM/OCM sources)
- **GIDEP (Government and Industry Data Exchange Program)** Cooperative activity between government and industry participants seeking to reduce or eliminate expenditures of resources by sharing technical information essential during research, design, development, production and operational phases of the life cycle of systems, facilities and equipment.
- **Materials** For the purpose of this document, 'materials' refers to any products procured by AEC, including detail parts, assemblies, and raw inputs
- **Packaging** Component packaging refers to the manner in which individual or grouped parts are packaged in preparation for distribution and use.
- **Refinishing** Using a plating process method after manufacture to alter the original plating composition on a parts containing? lead or lead wire.
- **Refurbished** Subjecting a part to a process to brighten, polish, or renovate the item in an effort to restore the item to a "like new" condition.

- **Detail Parts** Subordinate or stand-alone items purchased for use in Assemblies (see definition above) by AEC or its customers.
- **Upscreened** Additional part testing performed to produce parts verified beyond the specification parameters of the manufacturer.
- **Used Parts** removed from a prior application. Typically identified with nonstandard packaging, mixed lots / dates, parts from various sites, scratches, bends, test dots, faded marking, chemical residue, or other signs of use.

3.0 NEW MATERIALS

This CPP requires that all Suppliers provide only products that are new, unused, genuine, and free from defect (See FAR 52.211-5). While items which have been refurbished or properly upscreened and identified as such are not considered counterfeit according to AS5553, Aircraft Extrusion Co and its customers will not accept the additional risk associated with the use of such products. Suppliers are to source products from Original Equipment Manufacturers (OEM) or Original Component Manufacturers (OCM), and/or Authorized Distributors only. In the event that new materials cannot be procured through OEM/OCM or Authorized Distributors, Suppliers shall immediately notify AEC. Reasons for new materials scarcity may include part shortages, obsolescence, critical schedule constraints, or other applicable factors. Cost is NOT an acceptable reason for claiming new products are not readily available. Notices are to be provided to AEC in writing with a full description of the efforts to date.

4.0 AUTHENTICITY AND TRACEABILITY

In order to prove authenticity, AEC will only accept parts and/or materials with the appropriate Certificate of Conformance (C of C), if sourced from OEM/OCM, or a full Certificate of Conformance and Traceability (C of CT), if sourced from an Authorized Distributor. Suppliers of Detail Parts shall maintain and provide said documentation to AEC, at no additional cost, at the time of delivery with each order to verify authenticity. Suppliers of Assemblies shall maintain and provide full traceability documentation to AEC, at no additional cost, upon request. Detail Parts and/or Assemblies that cannot be traced to the OEM/OCM shall be not offered to AEC for purchase by Suppliers.

When AEC requests a C of CT from an Assemblies Supplier, a Proprietary Information (Non-Disclosure) Agreement will be fully executed by parties, if not on file prior to the request. In addition, Suppliers shall make all reasonable efforts to provide adequate documentation without disclosing what Suppliers may consider proprietary information. AEC reserves the right to provide records of Authenticity and Traceability to its customers, government reporting bodies or audit representatives when requested or when contractually obligated. Suppliers shall not hold AEC liable for any damages, real or perceived, as a result of providing Authenticity and Traceability documents to its customers—including the U. S. Government.

Acceptable traceability documentation includes, but is not limited to: C of C's, C of CT's, copies of original Purchase Orders, inspection and/or test records, records of serialization, and other forms of receiving credentials.

5.0 NOTIFICATIONS

Suppliers are hereby required to notify an AEC Procurement Representative upon discovery of a counterfeit or suspect counterfeit part having been delivered or received for use on an applicable Purchase Order. Notifications must be provided in writing to AEC with sufficient detail of the part or assembly in question—pertinent data includes part numbers, AEC Purchase Order number(s), lot or batch number and/or serial numbers, shipping date to AEC, and other relevant data. Relevant data on counterfeit or suspect counterfeit materials may also include any information requested by AEC in order to identify, segregate or validate said materials.

6.0 SUSPECT INVESTIGATIONS

If it is determined that counterfeit parts or suspect counterfeit parts were delivered to AEC by Supplier, the materials in question will not be returned. AEC reserves the right to quarantine any and all suspect counterfeit parts it receives and to notify the Government Industry Data Exchange Program and other relevant government agencies. Reports submitted to GIDEP may include a detailed description of the problem, detailed reports, photos, lab tests, or any other relevant evidence that supports the investigation.

AEC reserves the right to utilize a third-party laboratory, which will be selected at the sole discretion of AEC, to confirm or refute any suspect counterfeit material notifications provided by Supplier. Regardless of the outcome of the validation testing or overall investigation, Supplier shall promptly reimburse AEC for the full cost of the suspect counterfeit parts. Said costs include, but are not limited to, costs for identification, testing, and corrective actions required for removing and replacing suspect counterfeit parts.

7.0 FLOW DOWN

All suppliers shall flow down the requirements of this CPP in full to any subcontractors employed in the process of producing parts intended for AEC

8.0 SUMMARY

Suppliers shall make all efforts to mitigate the use and proliferation of counterfeit or suspect counterfeit parts. All materials provided to AEC must be new, unused, genuine, and free from defect. Suppliers are only allowed to provide materials procured from an OEM/OCM or Authorized Distributor. Suppliers shall maintain adequate conformance and traceability documentation for each Detail Part and Assembly provided to AEC. Prompt notification is required in the event a counterfeit or suspect counterfeit part is delivered to AEC. Suspect materials will be investigated by AEC, at no cost to AEC costs associated with the investigation will be the responsibility of the Supplier. Suspect parts will not be returned to Supplier and all findings will be reported to GIDEP and other authorities as needed.