

COUNTERFEIT MITIGATION POLICY

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POLICY STATEMENT

NextGen Components, Inc. understands and appreciates the ever-growing concern to significant and increasing volume of fraudulent/counterfeit electronics parts entering the aerospace and telecommunication and supply chain, posing significant performance, reliability and safety risks. *NextGen* has established requirements and practices to mitigate the risk of buying, receiving and selling fraudulent/counterfeit electronic parts. Some of these requirements are related to supplier management, procurement, inspection, test/evaluation, as well as response strategies when suspect or confirmed fraudulent/counterfeit electronic parts are discovered.

NextGen maintains a register of Approved Suppliers, including the scope and criteria for approval. Items that are procured for our customers are obtained directly from either an authorized, franchised source, or directly from the Original Component Manufacturer (OCM). *NextGen* uses processes to guarantee purchases are only made directly from the manufacturer or manufacturer approved sources thereby ensuring that product is new, authentic, and fully warrantable under the direct supplier and that accurate up-to-date technical information is readily available. *NextGen* also has controls for Disposition, Inventory Control, Receiving and Customer Returns verification.

If suspect or confirmed counterfeit product is identified, *NextGen* shall quarantine the product and report the findings to the supplier, relevant customers and appropriate authorities. This policy shall be communicated, understood, implemented, and maintained at all levels of the organization.

Concerns regarding this policy, or violations, can be reported to sales@NextGenComponent.com