



Title: POLICY STATEMENT FOR AVOIDANCE AND MITIGATION OF COUNTERFEIT PRODUCTS AND MATERIEL			
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POLICY SCOPE:

Counterfeit products and materiel can adversely impact product performance, reliability, and safety. Due to the complexity of modern supply chains, appropriate controls are necessary to prevent the introduction of suspect counterfeit or counterfeit products and materiel.

For the purposes of this policy, "products and materiel" includes electronic components (EEE), assemblies, and other procured materials subject to counterfeit risk.

Veterans Trading Company (VTC), as an AS9100-certified supplier, maintains procedures aligned with AS5553 and industry practices consistent with AS6081 and AS6174, as applicable to customer, contractual, and regulatory requirements.

This policy defines VTC's approach to preventing the purchase, acceptance, and distribution of suspect counterfeit and counterfeit products and materiel within its acquisition processes.

TOPIC BACKGROUND:

Counterfeit parts are defined as suspect parts that are copies or substitutes produced without legal authority, or whose materials, performance, or characteristics are knowingly misrepresented within the supply chain.

Counterfeit risk is most commonly associated with procurement through non-authorized sources such as independent distributors or brokers.

VTC is not an independent distributor or broker. VTC operates as a service provider procuring products and materiel on behalf of its customers and applies due diligence to ensure the integrity of its supply sources.

VETERANS TRADING COMPANY POLICY STATEMENT:

USE OF AUTHORIZED AND QUALIFIED SOURCES IS THE PRIMARY METHOD FOR PREVENTING COUNTERFEIT PRODUCTS AND MATERIEL.

VTC establishes and maintains controls to prevent the purchase, acceptance, and distribution of suspect counterfeit and counterfeit products and materiel. These controls include risk-based approaches to traceability, verification, detection, containment, and disposition.

VTC implements the following:

- ★ Maintains certification to the AS9100 standard and applies its quality management system to support supply chain integrity
- ★ Procures products and materiel from Original Equipment Manufacturers (OEMs), Original Component Manufacturers (OCMs), and authorized/franchised distributors whenever possible
- ★ Utilizes GIDEP and other industry resources to monitor counterfeit product risks and alerts
- ★ Applies due diligence to customer-directed sources and communicates identified risks
- ★ Ensures drop shipments originate from authorized or customer-approved sources to maintain supply chain integrity
- ★ Does not procure from unauthorized sources or the gray market unless explicitly directed by the customer and controlled through risk-based mitigation measures
- ★ Maintains traceability and certification documentation as required by contract and risk level
- ★ Controls suppliers through an Approved Supplier List (ASL) based on risk evaluation, performance, and customer requirements
- ★ Implements defined processes for risk mitigation, verification, detection, containment, and disposition of suspect counterfeit products and materiel

VTC's counterfeit control practices are aligned with AS5553 and consistent with applicable practices defined in AS6081 and AS6174, as required by customer, contractual, or regulatory flow-down, without claiming certification to AS6081 or AS6174.

TOPIC BACKGROUND:

This policy is communicated, understood, implemented, and maintained within VTC's Quality Management System and is applicable to all personnel involved in procurement, receipt, inspection, and control of products and materiel.

This policy is available to customers upon request.