

## Hisonic Counterfeit Materials Policy

By definition, a “Counterfeit” item is an item, or any component thereof, produced, altered or otherwise misrepresented to resemble another item without authority or right to do so. This includes any item that is produced or altered to result in Buyer being misled or defrauded through the presentation of such item as original, new, genuine or otherwise from a source other than the actual source of such item. Additionally, this includes items that have been deemed surplus or scrap, reconditioned, recovered or re-manufactured.

Hisonic’s policy is to only purchase new materials and components from authorized and approved suppliers thereby ensuring that product is new, authentic and fully warrantable under the direct supplier. Hisonic will not accept or purchase items through use of brokers, independent distributors or third party distributors. All items are to be presented in their original packaging with manufacturer certificates of conformance (C of C) supplied with each delivery. Any fabricated items will have accompanying material certifications showing raw material manufacturers lot numbers/batch numbers, date of manufacture and certification to applicable industry standards as required. Any special processes (e.g. plating/passivation) also require certification from NADCAP registered companies provided on their company letterhead stating date of processing, quantity of items processed, and description.

Hisonic quality performs incoming inspection on all parts and retains all associated paperwork including purchase order records, packing slips, C of C’s and any other receiving documentation for the required document retention periods. All purchases must conform to engineering designations on current Hisonic drawings showing key characteristics such as form, configuration, manufacturer’s part number and performance characteristics.

Periodic reviews of suppliers are performed to help assure that the supply-chain does not contain counterfeit materials.

If received parts are suspect as counterfeit, the material is physically segregated from all other materials until a determination is reached regarding the usability of the item(s). The supplier is notified of the potential non-conformance and further information is requested to either verify or dis-prove the authenticity of the items. This may include 3<sup>rd</sup> part testing, evaluation and certification.

If parts are determined to be counterfeit, they will be reported to the applicable Government authorities and reporting agencies (e.g. GIDEP), and other interested parties.

This policy is in effect to be flowed-down to all supplier sub-tier suppliers and evidence to support this shall be supplied to Hisonic upon request.