

PRO-COMM Counterfeit Electronic Parts Control Plan

POLICY

Pro-Comm policy is to make every effort to prohibit the use of parts in any government prime contract or subcontract unless the parts are certified traceable per the purchase order documentation (see 5.0 below)

PLAN

1.0 Purpose

1.1 This procedure describes the Counterfeit Electronic Parts Control Plan at Pro-Comm Inc., in regards to Fraudulent/Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition. (ref DFAS 252.244-7007; AS5553)

2.0 Scope

2.1 This procedure applies to all employees.

3.0 Responsibility

3.1 The Quality Manager is responsible for the final review and approval of this procedure. And to develop a process for keeping continually informed of current counterfeiting information and trends such as screening Government-Industry Data Exchange Program (GIDEP) reports and other credible sources of counterfeiting information. And control of obsolete parts.

3.2 The Purchasing Manager/Buyer will be responsible to implement the required practices with regard to purchase traceability documentation.

4.0 Detailed Procedure

4.1 Counterfeit Electronic Parts Control Plan

Pro-Comm will buy directly from the OCM or from an Authorized Distributor that procures products directly from the OCM or the OCM's authorized distributor. Pro-Comm's best risk mitigation is buying from an authorized distributor. It is Pro-Comm's purchasing policy to procure directly from the OCM or the OCM's authorized suppliers.

4.2 Parts Availability

Pro-Comm procures genuine parts as market needs dictate and parts are available and strives to use the newest products for our customers. Pro-Comm will make every effort to avoid counterfeit issues when designing in parts or managing part obsolescence.

4.3 Purchasing

4.3.1 Pro-Comm risk for procuring counterfeit parts is minimized by buying directly from the OCM or the OCM's authorized distributor. When placing requests for purchase, all suppliers will be asked to supply the certification as stated below in 5.2.

4.3.2. Pro-Comm maintains a register of approved distributors and their OCMs or the OCM's authorized distributors. The status of each is maintained in the Pro-Comm Business System database.

4.3.2 It is Pro-Comm's purchasing policy to procure directly from the OCM or the OCM's authorized suppliers.

4.3.4 OCMs are the lowest risk for counterfeit part and require no further risk analysis. Authorized distributors will be evaluated and approved by the Quality Manager. The evaluation and approval will be documented and maintained by the Quality Manager for 10 years.

4.3.5 Pro-Comm's policy is to procure parts inside the authorized supply chain, OCMs or the OCM's authorized distributors. If a customer asks Pro-Comm to procure outside this authorized supply chain Pro-Comm, Inc will normally refuse such a request. However, if for any reason we are required to purchase outside the authorized supply chain it will have to have Pro-Comm and Customer approval. The customer is responsible for accessing the risk of procuring counterfeit parts from any unauthorized source they specify.

4.3.6 Supply chain traceability is not needed when Pro-Comm makes purchases from the OCM. When purchases are made through authorized distributors, Pro-Comm will have a commitment from the authorized distributor to only supply genuine parts from the OCMs for which they are authorized. This traceability will be documented.

4.3.7 OCMs are not required to have a Counterfeit Electronic Parts Plan. Authorized distributors will be evaluated and approved by the Quality Manager per above.

5.0 Purchasing Information

5.1 As a Prime Contractor, Pro-Comm is exempt from counterfeit Avoidance, Detection, Mitigation, and Disposition requirements of DFARS 252.244-7007 as we are a small business.

5.2 As a subcontractor to a Prime Contractor when the prime contractor is supplying electronic parts or assemblies containing electronic parts and Pro-Comm is also supplying electronic parts or assemblies containing electronic parts Pro-Comm is NOT exempt from counterfeit avoidance etc. requirements of DFARS 252.244-7007. In that case, the prohibitions against counterfeit and suspect counterfeit electronic items and the requirements for systems to detect such parts flow down to all levels of the supply chain.

As a minimum, Seller's documentation MUST include the following certification with every shipment: *"Seller hereby certifies that the products furnished on this shipment are manufactured by the referenced manufacturer/OCM in accordance with and conforms to the applicable manufacturers/OCM specifications. Certifications are on file with the Seller or are available from the manufacturer. "*

Pro-Comm to send PC- CTC3144, Counterfeit Electronic Parts Control Flow Down Procedure with every purchase order for electronic parts used on Government contracts / subcontracts.

6.0 Verification of Purchased Product

6.1 Pro-Comm purchases from OCMs or the OCM's authorized distributors and therefore it is not necessary to specify additional inspection criteria. Receiving procedures specify that each incoming shipment be checked via the shipments pack list to ensure the shipment is from the approved supplier we ordered it from and if for authorized distributors that their paperwork contains the parts / materials traceability certification " *Seller hereby certifies that the products furnished on this shipment are manufactured by the referenced manufacturer/OCM in accordance with and conforms to the applicable manufacturers/OCM specifications. Certifications are on file with the seller or are available from the manufacturer.* " Otherwise count, kind and condition.

7.0 In Process Investigation

7.1 Any time suspected counterfeit is found internally or by a customer the Quality Manager will be notified immediately. The Quality Manager will perform an investigation and work with the manufacturer's investigation. Pro-Comm is a member of GIDEP.

8.0 Material Control

8.1 Suspected counterfeit parts discovered internally will be quarantined from all inventory status and placed on the Warehouse hold shelf. The Quality Manager will disposition suspected and confirmed counterfeit parts in accordance with QC-40 Counterfeit/Suspected Counterfeit Material Report

This procedure is current and approved when viewed in a current signed copy of the Pro-Comm Quality Control Manual. be sure to use an up-to-date copy for your processes

signed: _____

date: _____ 7/9/14 _____