

Counterfeit Components and Parts Policy of:

The aae technologies limited group of companies c/o;

**applied acoustic engineering limited,
 modulus technology limited &
 ensign subsea systems limited**

Marine House, Marine Park, Gapton Hall Road, Great Yarmouth, Norfolk, UK, NR31 ONB

The aae technologies limited group of companies listed above, recognises that counterfeit electronic components and parts in the supply chain can cause serious problems affecting the reliability of products, user's safety and reduced customer satisfaction.

The group is committed to maintaining the high standard of product build quality that our reputation has been built upon and to continue doing so, shall endeavour to prevent the use of counterfeit electronic components and parts in our products.

A risk-based approach has been adopted by the group that is actively managed through our ISO9001:2015 Quality Management System and procedures as far as reasonably practicable, in compliance with Defence Standard 05-135 for Avoidance of Counterfeit Materials.

To reduce the risk of counterfeit electronic components and parts being integrated into our products, we shall work with our supply chain ensure the following measures are communicated, understood and operated. Customer requirements will also be used in conjunction with these measures;

- All components and parts shall be purchased from the group's approved suppliers that operate an accredited ISO9001:2015 quality management system or have been approved for use through the supplier auditing process as detailed in Quality Procedure QP1.6 Selection and Performance Monitoring of External Providers.
- All components and parts shall be purchased from Original Equipment Manufacturer (OEM), Where this is not possible, the following are permitted (in order of priority):
 1. Components and parts shall be purchased from authorised distributors; or
 2. Components and parts shall be purchased with a complete chain of custody to the OEM; or
 3. Components and parts may be purchased from a supplier that cannot provide evidence the component or part is a genuine part, i.e. 'from the grey market', if the component is not an integral part of the product that is critical to the form, fit or function of the product and as long as an agreement is place from the customer or end user that they will accept the risk of using the untraceable component by means of concession.

Cont..

Written By: J. Eman
Amended By: J. Eman
Checked By: A. Dorkins
Approved By: A. Darling

- Use of a third-party specialist to determine the authenticity of a component or part, may be utilised if the customer or end user's contractual agreement stipulates the requirement to do so.
- Where use of components and parts from 'the grey market' is unavoidable due to notification of obsolescence, the group's purchasing department shall notify the product design department to action a review as detailed in Quality Procedure QP1.7 Purchasing for obsolescence management.
- The group and all parties in the supply chain shall maintain appropriate processes to identify, isolate, quarantine, provide traceability, report and remove counterfeit components and parts if and when suspected or discovered.
- All suspected counterfeit components and parts shall be reported to;
 - the Purchasing Manager to determine the potential source,
 - the Technical Manager to determine potential impact on supply of products and services,
 - and the QHSE & Logistics Manager to identify, quarantine and evaluate the evidence gathered to document a non-conformance report for provision to both the supplier and the relevant UK government trading standards body for further action.
- Ensure all staff involved in the procurement, inspection, and storage of components and parts are trained to identify counterfeit components and parts.
- The group shall perform random supply chain checks to ensure this policy is being followed. These checks will be in addition to the standard audit schedule.

AP Darling

10th July 2024

Signed: _____

Date: _____

Group Chairman

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