



Policy Ref: CFEITPOL (Iss:1)

## Counterfeit Product Policy (Bogus components)

### 1. Overview & Purpose

Mowden Controls Ltd is aware of the potential risk and opportunity for immoral and unscrupulous suppliers to supply products, components, parts, sub-assemblies, chemicals or other materials that are classified as counterfeit or bogus to Mowden Controls Ltd. This policy outlines the company's approach on how the company ensures no counterfeit, fake or bogus parts, components, materials, casings and sub-assemblies are purchased and used in the manufacturing and supply of Mowden Controls Ltd and Customer products.

We are aware of both the AS5553 (Fraudulent/Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition) and AS6174 (Counterfeit Material; Assuring Acquisition of Authentic and Conforming Material) standards, and where applicable, will adopt these directives in to our core processes.

### 2. Commitment

Mowden Controls Ltd commits to protecting brand equity through preventing any counterfeit parts, specifically low quality, grade, reliability and parts that would have been illegal to sell or export from entering our supply chain through strict avoidance, mitigation and verification processes.

### 3. The Policy

We will work tirelessly to ensure all goods and services shall only be purchased or procured through known and reputable sources from U.K., European and international manufacturers or their authorised or franchised distributors. Suppliers will be asked to warrant their product(s) and be able to provide Certificates of Conformity or alternative conformance documents as per company and/or customer requirements.

All suppliers shall be subject to a quality based monitoring and evaluation process. Performance ratings will be recorded and monitored on an annual basis.

A list of suppliers who have repeatedly failed to show due diligence in their sourcing of goods (parts, components, etc.), and/or who have failed to react reasonably when advised of issues especially in relation to counterfeit products will be reported to the relevant authorities and/or certified bodies.

In cases of suspected fraudulent or counterfeit parts found at Goods Inward inspection, the parts shall be quarantined immediately. The supplier will be informed together with our reasons and supporting evidence, if available. If the issue cannot be resolved within a short period of time, or will result in a delay in delivery, then our customer will be informed. Quality procedures allow for advising the customer of any concerns and for forwarding the parts, pictures or any other evidence, for their opinion.

If, after all possible efforts to determine the authenticity of the parts concerned, the results are not conclusive, the parts may be forwarded to an independent 'test facility' or returned to the manufacturer for examination.

Suppliers are obliged and encouraged to offer every assistance to the authorities or the component manufacturers appointed representative in the event of counterfeit product being discovered. They may also be asked to prove due diligence.

Any supplier who is subject to two issues of counterfeit goods delivery within a 12-month period will be automatically removed from the approved supplier list.

## 4. Preventative Measures

To surmise section 3, this policy covers the potential of counterfeit/bogus materials to cover both the purchase of incoming materials and finished products.

For **incoming materials**, the company will: -

- Only purchase direct from an approved manufacturer or manufacturer's authorised distributor to ensure all purchases are new and authentic;
- Detect counterfeit parts through Goods Inward inspection;
- Quarantine and control counterfeit parts after identification;
- Return and/or dispose of confirmed counterfeit products to prevent re-entry in to the U.K. and/or international supply chain (i.e. notify relevant authorities and certified bodies);

For **finished products**, the company will: -

- Maximise the availability of authentic parts throughout the product lifecycle through the anticipation and management of obsolescence;
- Establish preference to purchase from OEM's or authorised distributors;
- Specify contract / purchase order requirements;
- Conduct correct action analysis to determine counterfeit parts;
- Report counterfeit parts to customer and relevant authorities and certified bodies;

Approved By:



14/03/2017

Stephen L. Williams, Managing Director

Date Approved

### REVISION STATUS HISTORY

DATE OF ISSUE	ISSUE NO	DESCRIPTION OF AMENDMENT	APPROVED BY
14/03/17	1	Policy reviewed and approved for issue and addition to the quality management system	SLW