

COUNTERFEIT PARTS MITIGATION PLAN

Direct Components, Inc. understands the growing concern about the increasing volume of counterfeit parts entering the supply chain. We are continuously enhancing our quality management system and procedures to combat this problem and mitigate the risk of buying, receiving, and selling fraudulent, suspect, or counterfeit electronic parts.

Direct Components, Inc., (DCI), is currently certified to a comprehensive quality management system AS9120:2016. Counterfeit avoidance & mitigation is integrated into and is part of our Quality Management System and our processes.



Direct Components maintains a risk management program. Using a risk assessment matrix, orders are assigned a risk in the database (Factors on the matrix include, but are not limited to, product risk such as RMA history and check against reports in GIDEP, product application, vendor risk, & customer requirements). The risk chosen as an output to one process is an input to the next process and ultimately determines the testing that will apply to the product.

PURCHASING PROCESS

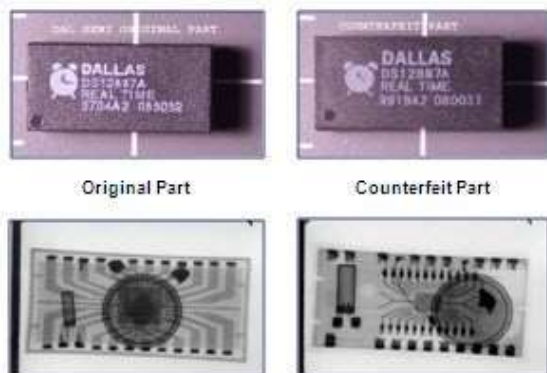
Direct Components maintains a register of approved suppliers. Criteria for selection, evaluation and re-evaluation are established. When a new source is used Direct Components has an approval process that ensures compliance with our Supplier requirements, Quality Standards, and the terms and conditions of our Purchase Order. Direct Components requires all suppliers to acknowledge and confirm the understanding of requirements, customer flow down requirements, applicable statutory and regulatory requirements, and purchase order terms upon acceptance of a purchase order. In such cases where a supplier is not an authorized supplier, franchised or OEM/OCM, Direct Components acts to mitigate risk. Actions may include, but are not limited to, verification of a quality management system, a satisfactory completion of our supplier survey, references check, and thorough review of the supplier through various industry sources. These suppliers are then put in our system on a probationary status where we continue to monitor their performance. Supplier performance re-evaluation, which includes on-time delivery and quality of product is reviewed at a minimum annually.

TRAINING

Lab Technicians are trained on the inspection acceptance criteria and methods defined in IDEA-STD-1010B. In addition, all personnel are trained as appropriate; to their job requirements in the avoidance, detection, mitigation, and disposition of suspect, fraudulent or confirmed counterfeit parts. Training is provided annually or as needed.

COUNTERFEIT PARTS DETECTION

Direct Components uses our In-House Lab where we provide a variety of value-added services, including counterfeit detection. All materials received are inspected to verify conformance to the Customer and Manufacturer specifications using some of the methods described in IDEA-STD-1010B and per our **Counterfeit Parts Procedure**.



Testing is performed on random samples using the **DCI Sample Plan** free of charge as a value-added service. This standard inspection is based on risk and includes as applicable or required and per *capability: External Visual Inspection • Dimensional Check • Device Surface Test • Electrical Testing • Programming Testing • Radiological (X-Ray) Inspection • *Delid/Decapsulation Internal Analysis. Any additional testing beyond our standard inspection may be requested for an additional fee.

*Usually, when we place an order with our vendors, we can obtain an extra piece to perform destructive tests at no cost to you. However, if unavailable destructive testing will not be performed.

AS5553/AS6081

Direct Components does not perform inspection per AS5553, (for manufacturers) or AS6081, (for distributors), on site. We have partnered with certified test labs to offer this type of testing. Please notify us of this requirement at the time of RFQ and ensure it is added to your quote, if required. The cost of testing will be added to your quote.

While we are not certified to AS5553/AS6081, a value-added service our lab can provide, in addition to our standard counterfeit mitigation processes, is an enhanced version of testing based on our capabilities. This is not AS5553 or AS6081 but provides extensive layers of testing above and beyond our standard offering. This testing includes our standard inspection with increased sample size, adding XRF, solderability for non BGA, and 1-3 decapsulations per date code depending on your requirement. Please be aware decapsulation is a destructive test so you will yield less qty if extra pcs are unavailable. If you require this testing, please notify at the time of RFQ and include the additional qty for destructive pcs required in your request. Additional charges may apply.

COUNTERFEIT PARTS DISPOSITION

All materials deemed to be suspect, fraudulent, or confirmed counterfeit are segregated until determined authentic through further inspection and/or testing. Should we suspect that counterfeit parts may have infiltrated our system, we take the following mitigation actions:

1. Quarantine the involved parts.
2. Initiate a Nonconformance Report
3. Locate any parts in stock and ensure they are quarantined and clearly marked as nonconforming.
4. Identify any suspect items that may have left the facility.
5. If applicable, notify the involved customer (s) in accordance with requirements.
6. Investigate and verify whether the product is or is not counterfeit.
7. Take remediation /corrective action.



Material that is confirmed counterfeit is reported to the supplier along with supporting documents and request for a corrective action. Options will be discussed to determine disposition of the affected material to prevent re-entry into the supply chain. This may include:

- Destruction of the material by Direct, or DCI's customer, to render it unusable in any form and documentary evidence provided to the supplier by request.
- Return material to the supplier and request certificate of destruction to prevent re-entry into the supply chain.

Occurrences of counterfeit parts are reported, as appropriate, to internal organizations, customers, government reporting organizations, industry supported reporting programs (e.g., ERAI, GIDEP, etc.)

All nonconformances will be documented in accordance with our **Control of Nonconformances Procedure** including disposition.

ADDITIONAL RESOURCES

To view our PO terms and conditions visit <http://www.directics.com/download-center/suppliers/>
Please visit <http://www.directics.com/download-center/customers/> for a list of our equipment & capabilities.

If you have any additional questions regarding DCI's counterfeit mitigation plan or procedures, please contact qc@directics.com. For technical questions please email Direct Components Lab at lab@directics.com



Quality Contacts:

Darius Barreto - Lab & Warehouse Manager
Natalie Paull – Director of Quality Management