



Counterfeit Materials Prevention and Control Procedure

1.0 Purpose

The purpose of this procedure is to prevent the introduction of counterfeit or suspect counterfeit parts into Hi-Rel Alloys' (HRA) supply chain. This includes the controls necessary for detection, mitigation, reporting, and disposition of counterfeit or suspect counterfeit materials.

2.0 Scope

This procedure applies to all materials, components, parts, and services procured by HRA that may affect product conformity or customer satisfaction. It covers supplier approval, purchasing, receiving inspection, risk assessment, control of nonconforming items, and reporting.

3.0 Definitions and Acronyms

3.1

HRA: Hi-Rel Alloys.

OCM: Original Component Manufacturer

OEM: Original Equipment Manufacturer

3.2 Approved Supplier

A supplier formally evaluated and determined to have acceptable capability, performance, and risk level to supply authentic and conforming product. This includes OEMs, OCMs, and franchised/authorized distributors.

3.3 Suspect Counterfeit Part

An item for which visual inspection, documentation review, testing, or other information suggests it may have been misrepresented or may not be genuine.



3.4 Counterfeit Part

A part identified as a copy or substitute without legal authorization or whose material, performance, or characteristics have been knowingly misrepresented by a supplier with intent to deceive.

Examples of counterfeit parts include, but are not limited to: Parts made from material other than what was specified or certified; parts represented as new that were not manufactured by the stated source; parts with altered or falsified markings or certifications; parts with plating, finish, or dimensions inconsistent with specifications; and parts that have skipped required manufacturing or inspection steps but are represented as fully compliant.

3.5 Independent Distributor

A distributor that purchases parts for resale without an OCM authorization agreement.

3.6 Franchised/Authorized Distributor

A distributor with a contractual agreement with the OCM/OEM to sell and distribute its product.

4.0 Purchasing Controls

Suppliers whose products impact product or service quality shall be evaluated based on their ability to meet requirements, past performance, and risk of providing counterfeit parts. HRA ensures control of all purchased product, including customer-designated suppliers.

Material shall be sourced from OEMs/OCMs or authorized distributors whenever possible. Customer-approved suppliers must be used when required.

Purchase orders must include requirements for authenticity, traceability, certifications, and applicable specifications.

Receiving verifies documentation, inspects product, and ensures compliance. Suspect or nonconforming material is controlled by PM 08 Nonconforming Material Procedure.

5.0 Determining Counterfeit Risk

Risk is based on supplier reliability, part criticality, traceability requirements, and market conditions. Criticality is evaluated using the Bill of Materials to understand risk in the final product.



6.0 Procurement Approach Based on Counterfeit Risk

For high-risk materials, purchasing should be from authorized sources. When independent distributors are used, enhanced verification is required, including additional testing and Certificates of Conformance with full traceability.

7.0 Applicable Documents

- Approved Supplier List
- CAPA Form 08-2
- AS9100D Standard
- PM-02 Document & Data Control
- PM-08 Non-Conforming Material Procedure
- Customer and industry specifications



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