



March 28, 2019

## Counterfeit Material Avoidance Statement

Elma Electronic Inc. is AS9100 certified and over the years has always had a proven and robust procedure to prevent counterfeit materials. This has been implemented by ensuring that all purchases of electronic components used in the assembly of electronic enclosures are sourced only through OEM's or franchised distributors. The inspection process is in line with the requirements of AS5553.

Prior to procuring any non-franchised material (in extreme situations as mentioned below), Elma will notify the customer. The customer may choose to supply the material themselves or authorize Elma to procure material from an unauthorized factory source. At no time, will Elma procure material from an unauthorized source without notifying the customer and receiving customer approval.

The following requirements are flowed down on all the purchase orders:

- Material purchased from a non-franchised distributor or broker is **NOT ALLOWED** due to the possibility of counterfeit material.
- During extreme situations such as manufacturer's allocation of product which causes material shortages, and material is only available through a non-franchised distributor or broker, the Elma buyer must be notified prior to purchasing any material.
- Elma must be notified if the source of the material supplied to Elma becomes the subject of a legal or counterfeit issue.
- Any applicable flow down requirements specified on the purchase order including customer requirements shall flow down to the supply chain.
- All pertinent records must be maintained for a minimum of five (5) years unless otherwise specified by the purchase order.

Sincerely,

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