PROTECTION AGAINST COUNTERFEIT GOODS

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PROTECTION AGAINST COUNTERFEIT GOODS

1 PURPOSE
This instruction implements the process for protecting our company and customers from counterfeit goods being incorporated into products or used in services.

2 RESPONSIBILITY
It shall be the responsibility of the Director, Quality Assurance to ensure this instruction reflects the control processes planned for the Micro Systems, Inc. quality management system. It shall be the responsibility of the Quality Assurance and Purchasing Department staff to follow and enforce these processes. It shall be the responsibility of company personnel to follow the processes specified in this instruction. This policy shall be invoked on all Purchase Orders for customer-deliverable goods and services.

3 REFERENCE
The below listed documents are required for implementing this instruction:

- OP-8.4 Purchasing (parent document)
- OA-027 Kratos Global Policy; Protection Against Counterfeit Goods
- OP-8.5.4 Handling, Storage, Packaging, Preservation & Delivery Proc
- AS5553 Aerospace Standard, “Counterfeit Electronic Parts; Avoidance, Detection, Mitigation and Disposition”
- AS9120 Aerospace Standard, “Quality Management Systems - Aerospace Requirements for Distributors”
- CCAP-101 Component Technology Institute, “Counterfeit Components Avoidance Program, Certification For”
- ANSI/ASQZ1.4 (or MIL-STD-105) Sampling Procedures
DEFINITIONS / ACRONYMS

- Independent Distributors of Electronics Association (IDEA): An organization of distributors dedicated to generating standards for the distribution industry.
- Original Component Manufacturer (OCM): The original designer or name manufacturer of a component.
- Original Equipment Manufacturer (OEM): The original designer or manufacturer of an item other than an electronic component.
- Authorized or Franchised Distributor (AFD): A party that is authorized to sell an OCM/OEM device to a contractor or user.
- Broker: An individual or organization who acts as an intermediary for purchasing and selling of electronic components. Also known as a non-franchised distributor.
- Non-Franchised Distributor: A Distributor who has not been granted the right or license by the OCM to distribute goods or services. Also known as a broker.
- Independent Distributor: An organization that purchases new excess inventories from end users (Original Equipment Manufacturers and Contract Manufacturers) with the intention to resell and redistribute back into the market.
- Electronic Services Manufacturer (ESM): A business that is contracted to manufacture MSI products to our drawings with MSI supplied material.

NOTE:
For the purpose of this document, the designation “Broker”, “Non-Franchised Distributor”, and “Independent Distributor” are interchangeable and the controls defined herein apply regardless of the designation used.

- A counterfeit item is:
  - An item that is a copy or substitute without legal right or authority to do so or one whose material, performance, or characteristics are knowingly misrepresented by the vendor, supplier, distributor, or manufacturer
  - An item in which there is an indication by visual inspection, testing, or other information that it may not conform to established Government- or industry-accepted specifications or national consensus standards
  - A substandard component misrepresented by the supplier.
  - Items that are deliberately altered in such a way as to misrepresent the actual quality of the item with intent to defraud or deceive the purchaser. Any
information omitted or means taken to mislead the purchaser to believe that such items are authentic or lawful.

- Suspect items must be further investigated to determine whether they are counterfeit. When an item contains indications, but insufficient evidence, of irregularities such as noncompliance with agreed-upon specifications in the manufacturing process, it may be declared suspect.

5 PROCESS IMPLEMENTATION

The goal of this document is to ensure that counterfeit parts are not incorporated into MSI products or used in the services we provide. The following methods, as a minimum, shall be used to mitigate the risk associated with this concern.

- Ensure that scrutiny is given to sources of supply.
- Ensure that products are inspected upon receipt.
- Ensure that notice is promptly provided to affected customer(s), end-user, regulatory, and/or exchange programs in the event of a discovery of counterfeit parts.
- Ensure that scrap materials are properly disposed of to prevent them from being recovered by those who would counterfeit them.

5.1 Sources of Supply

The vast majority of counterfeit cases reported are associated with purchases through independent distributors, brokers, or non-franchised distributors. Therefore, when purchasing components, there shall be a preference for suppliers as follows:

1. Original Equipment Manufacturers (OEMs)
2. Original Component Manufacturers (OCMs)
3. Authorized/Franchised Distributors (AFDs)
4. Independent distributors, brokers and non-franchised distributors may only be used when parts are not available from OEMs, OCMs, or AFDs and then ANY component or material shall be authenticated / tested, and approved.

This policy requires the Purchasing Department to place purchase orders with OCM/OEM/AFDs as the primary and fundamental method of avoiding counterfeit components.

There may be times that the use of an Independent Distributor/broker/non-franchised distributor is the only or best alternative available. Examples include when products are no longer available through franchised or authorized suppliers due to obsolescence or when other preferred sources cannot provide the item when needed. In such cases, use of Independent
Distributors/brokers/non-authorized distributors should be considered only after consideration of alternate parts, re-design, and schedule adjustments needed to obtain the part from a preferred source as noted above.

If there are no alternatives to the acquisition of an item(s) from an Independent Distributor/broker/non-franchised distributor, the supplier must be thoroughly investigated and approved. WI-8.4B, Assessment of Subcontractors / Vendors / Suppliers, will be used with the additional requirements in this instruction and re-certified every 2 years.

MSI requires these Independent Distributors/brokers/non-franchised distributors to have an industry recognized certification. The Purchasing Department must locate components at a supplier that has AS9100, AS9120, AS5553, ISO9001, CCAP-101, IDEA-STD-1010 or other industry recognized certification. All MSI Purchase Orders to Independent Distributors/brokers/non-franchised distributors are required to have PO Code: PO0100014B applied imposing quality standards:

- Certificate of Origin
- Certificate of Conformance
- ISO 9001:2008 or equal to or better standard
- AS9120 Quality management Systems compliant system
- AS 5553, Counterfeit Electronic Parts: Avoidance, Detection, Mitigation and Disposition.

AS9100D, section 8.4.1, “Note: one factor that can be used during supplier selection and evaluation is supplier quality data from objective and reliable external sources, as evaluated by the organization (e.g. information from accredited quality management system or process certification bodies, organization approvals from government authorities. Use of such data would be only one element of an organization’s supplier control process, and the organization remains responsible for verifying that purchased processes, product, or service meets specified purchase requirements.”

These certifications may be independently verified by using the website of the specific certification such as:

- International Aerospace Quality Group (OASIS) for AS9100 and AS9120 at http://www.sae.org
- Components Technology Institute, Inc. for CCAP-101 at http://www.cti-us.com
- Independent Distributors of Electronics Association (IDEA) for IDEA-STD-1010 at http://www.idofea.org

- The specific registrar for a distributor that claims AS5553 certification such as British Standards Institute at www.bsiamerica.com

These types of Independent Distributors/broker/non-franchised distributor should be submitted to the (WI-8.4B) approval process with the addition of a WIF-8.4E1 form (Independent Distributor Questionnaire) prior to QA approval.

5.2 Management Approval

When the need to procure a brokered component/item arises, the Buyer and the Program Manager will produce a narrative document that;

- explains the situation
- enumerates the actions taken to avoid procuring a brokered component
- identifies the level of risk(s) and associated mitigation action
- summarizes the procurement source and actions the source will take to authenticate the components
- if possible, a cost trade-off or schedule trade-off for different procurement scenarios

This narrative document will be signed by the Buyer and the Program Manager then presented (in order) to the Director of Operations, Director of Quality Assurance, and then Vice-President of Operations for signature concurrence. If all parties approve, then the buyer may move forward to create a Purchase Order.

The approval document will be retained with the paper copy of the Purchase Order that is filed.

5.3 Special Customer Terms, Conditions, or Q-Clauses When Buyer Pre-Approval is Required:

Prior to delivery of our product to the customer, MSI shall:
5.3.1 Generate a BOM list of Brokered Parts.

5.3.2 Generate a compelling reason for the need to use each brokered part in section 5.3.1.

5.3.3 Collect all approved test and authentication reports for each item in 5.3.1 ensuring that such data complies with the customer’s flow down requirements.

5.3.4 Submit 5.3.1 through 5.3.3 to the Buyer for pre-approval prior to the delivery of our product to the customer.

5.3.5 Any stipulations differing from 5.3 shall be subject to MSI negotiations

5.4 Certificate of Conformance (C of C)

It is the policy at Micro Systems, Inc. that all purchased material used for Customer Deliverable products and services shall be received with a Certificate of Compliance (C of C).

The C of C shall certify the components delivered meet the purchase order requirements and the appropriate specification for the part ordered. The C of C must be from the OCM/OEM or if from an AFD, their C of C must provide traceability back to the OCM/OEM (and/or on file).

Certified Independent Distributors shall supply their own C of C and the OCM/OEM C of C. When the certified Independent Distributor/broker/non-franchised distributor does not have traceability back to the OCM/OEM, authentication data shall be substituted for the OCM/OEM C of C.

As with a component, a Certificate of Conformance must be examined for authenticity. Receiving Inspection will review Certificates of Conformance and examine them for any suspicious feature such as alterations, omissions, additions, and clarity of the document. Receiving Inspectors will contact the Quality Assurance Manager with any suspicions or evidence of forgery for resolution.

If the certified Independent Distributor/broker/non-franchised distributor does not have an OCM/OEM C of C and/or traceability from the OCM/OEM, the supplier shall authenticate the component/material/item by methods that are appropriate to the specific type of component/material/item. These certified suppliers will supply their own Certificate of Conformance and the authentication testing data/results/information.

5.5 Receiving Inspection

All procurements for customer deliverable components/materials/items, including deliveries from certified Independent Distributors, must be submitted to Receiving Inspection. These
components and the authentication data will be examined/inspected in MSI Receiving Inspection in accordance with WI-9.1B, Receiving Inspection.

The components/material/item will be procured on a Purchase Order with “BK” in the numeration (e.g. PO-BK12001) to serve special attention to Receiving Inspection.

5.6 Testing/Screening/Authentication

Certified Independent Distributors/brokers/non-franchised distributors will locate, buy and authenticate components/items as part of their service and it is the primary method for mitigating the risk of procuring counterfeit goods from non-OCM/OEM/AFDs. If the OCM/OEM C of C is not available, authentication shall be accomplished in accordance with this document:

This policy requires the Purchasing Department to utilize (ISO9001, AS9100, AS9120, AS5553, AS6081, CCAP-101, IDEA-STD-1010 or other) certified Independent Distributors/brokers/non-franchised distributors and laboratories / testing services.

5.7 Types of Tests/Screen/Authentication Methods

The following methods shall be applied to verify the authenticity of brokered parts and materials:

- MSI policy requires authentication on all Independent distributor/broker/non-franchised distributor procured parts. NOTE: Any brokerage authentication testing and inspections must be approved by the MSI QA Director (or designee) before the parts are delivered from the broker.

- Electronic part and assembly counterfeit risk mitigation should include the following:
  - Seller shall ensure material supplied on this order is the Original Component/Equipment Manufacturer (OCM/OEM) referenced on the purchase order, MSI Drawing, or as indicated by the manufacturers unique part number.
  - Seller shall mark the material in accordance with the applicable procurement document, whether it is a Military Specification Standard Microcircuit Drawing (SMD), MSI control drawing or Manufacturer’s Data Sheet.
  - Any unauthorized marking or remaking of components is prohibited.
  - Seller shall monitor and act on GIDEP alerts and report any evidence of counterfeit or suspect counterfeit parts encountered during inspection or test to MSI, ERAI, and the Government Industry Data Exchange Program (GIDEP).
  - Seller shall use the inspection and test requirements contained in Table I for electronic parts or Table II for assemblies to verify the material conforms to this document, unless otherwise specified in the purchase order.
• Seller shall utilize a test and inspection laboratory capable of performing the required inspection and tests and shall be responsible for overseeing the accuracy of laboratory results.
• MSI may elect to perform some or all of the testing using a MSI test laboratory.
• Seller shall contact the MSI buyer to confirm the MSI preferred method of laboratory testing (Internal or External).
• Seller shall ensure the inspections and tests meet the requirements listed in this document.
• Seller shall provide separate inspection data reports for each component date code / lot code.
• Seller’s inspection data reports shall include:
  i. Original manufacturer’s name;
  ii. MSI purchase order number;
• MSI part number as specified on the purchase order:
• If no MSI part number is specified on the purchase order, the Seller’s part number shall be used.
• If no Seller’s part number is specified on the purchase order, the material description shall be used.
• MSI drawing revision (including change notices, if not part of revision level) when specified on the purchase order:
• If no MSI drawing revision is specified on the purchase order, then no drawing revision is required.
• Component date code & lot code;
• Test/inspection results, conditions, and parameters;
• Quantity of parts tested;
• Serial numbers (where applicable);
• Date of test/inspection;
• Inspector identification;
• Seller’s authorized agent’s name, position, and date (Electronic signature is acceptable).
• If multiple date codes / lot codes are shipped in the same container, the Seller shall place each date code / lot code in separate packages marked with the date code / lot code.
• Seller shall retain test samples as part of the quality record associated with this purchase order.
- Seller shall retain test samples as part of the quality record associated with this purchase order.
- Seller shall have destructed test samples made available to the MSI QA, at request.
- Seller shall provide the name and location of the 1st tier supplier providing the material to the Seller if requested by Buyer.
- Seller shall address all correspondence to the MSI Procurement Agent.
- Seller shall retain the test data for a minimum of 5 years from the completion of this purchase order unless otherwise specified.
- Seller or laboratory shall not deem any tests “n/a” without prior written MSI concurrence unless otherwise specified in the Tables below.

Table I: Authentication Testing for Electronic Parts

<table>
<thead>
<tr>
<th>Inspection/Test</th>
<th>Requirement</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaging Inspection and OEM/OCM history investigation</td>
<td>Verification that package marking is consistent with OEM/OCM marking and that the date/lot code is not later than the last production date. For Qualified Parts List (QPL) items, verify the manufacturer identified on the package was a QPL source for the time period represented by the part date/lot code.</td>
<td>Three (3) parts from each date code. 1/</td>
</tr>
<tr>
<td>Externl Visual Inspection (N/A for bare die)</td>
<td>IDEA-STD-1010 Acceptability of Electronic Components Distributed in the Open Market: Twenty times (20 X) magnification minimum; fifty times (50 X), or greater may be used to detect counterfeiting.</td>
<td>One hundred percent (100%) up to one hundred twenty-two (122) pieces and minimum one hundred twenty-two piece sample for lots greater than one hundred twenty-two pieces.</td>
</tr>
<tr>
<td>Mechanical Inspection (N/A for bare die)</td>
<td>IDEA STD-1010 Acceptability of Electronic Components Distributed in the Open Market, paragraph 10.3.3 Mechanical Inspection.</td>
<td>Twenty (20) parts from each date code.</td>
</tr>
<tr>
<td>Marking Permanency (N/A for bare die) 2/</td>
<td>Using the following in the order specified: 1) Three (3) parts Mineral Spirits, one (1) part Isopropyl Alcohol mixture; 2) Acetone.</td>
<td>Three (3) parts from each date code. 1/</td>
</tr>
<tr>
<td>Inspection/Test</td>
<td>Requirement</td>
<td>Sample Size</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>Blacktop Testing</td>
<td>1) One (1)-Methyl, two (2)- Pyrrolidone (AS6081); 2) Dynasolve seven hundred, fifty (750) solution (AS6081); and 3) Scrape Test (IDEA 1010 3.2.3)</td>
<td>Three (3) parts from each date code.</td>
</tr>
<tr>
<td>Delid/Decapsulation (for bare die see 3/)</td>
<td>Component Decap (cavity devices only) and die photograph to compare die markings to external part markings, OCM/OEM die maps, Manufacturer Data Sheet (MDS), or Known Good Die (KGD), if available.</td>
<td>Three (3) parts from each date code.</td>
</tr>
<tr>
<td>Lead Cross-Section</td>
<td>For metal can, through hole packages, such as TO-99, TO-100, TO-8, etc. All device leads must be cross-sectioned in order to determine if leads have been extended by welding.</td>
<td>Three (3) parts from each date code. (may be performed on the Delid/Decapsulation sample).</td>
</tr>
<tr>
<td>Solderability (N/A for bare die)</td>
<td>Per IPC/EIA-J-STD-002 Solderability Tests for Components Leads, Terminations, Lugs, Terminals, and Wires.</td>
<td>Three (3) parts from each date code.</td>
</tr>
<tr>
<td>X-Ray Fluorescence (N/A for bare die)</td>
<td>Termination finish composition.</td>
<td>Three (3) parts from each date code.</td>
</tr>
<tr>
<td>Electrical (for bare die see 4/)</td>
<td>Test in accordance with commodity matrix in Appendix A herein</td>
<td>One hundred percent (100%)</td>
</tr>
<tr>
<td>Radiographic inspection (N/A for bare die)</td>
<td>Radiographic Inspection of the die and internal construction of the product</td>
<td>One hundred percent (100%)</td>
</tr>
<tr>
<td>Test Inspection Data</td>
<td>The Seller shall submit a test and inspection data report to Raytheon for review, approval, and disposition prior to shipping the part(s). The electrical test data requirements are contained in the checklist attached to this Quality Note. The Seller or the Seller’s test laboratory shall complete the checklist attached to this Quality Note which will serve as a summary cover sheet supported by all additional detailed test pass, fail, damaged quantity data, results, images, and photographs. No shipments of material can be made without report review and written</td>
<td></td>
</tr>
</tbody>
</table>
confirmation of approval by Raytheon’s Subcontract Manager via a COTC.

Certificate of Test Completion (COTC) | The Seller shall submit an approved COTC with each shipment of material to Raytheon.

1/ Performance of multiple tests on the same samples is allowed to maximize yield.
2/ As applicable for device package materials and marking.
3/ For bare die, perform die inspection to compare die marking to OCM/OEM die maps, datasheet, or Known Good Die (KGD), if available. After the die inspections have been completed, select three samples and perform cross section analysis. Compare the various die layer characteristics against the KGD information (i.e. die thickness, backside plating layer material and thickness, passivation characteristics, and material type, number of metal layers, etc.), and verify uniformity between the samples (and compare to cross sections of KGD, if available).
4/ For bare die a ten (10) piece sample shall be assembled for electrical testing and tested to the corresponding commodity type per Appendix A. 100% electrical probe testing may be performed in lieu of assembly.

Table II: Authentication Testing for Assemblies
The intention of any inspections within this table is to verify what can be seen without disassembly. Inspection should not be undertaken which invalidates product warranty or calibration.

<table>
<thead>
<tr>
<th>Inspection/Test</th>
<th>Requirement</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documentation review and OEM history investigation</td>
<td>Certificate of Conformance (C of C) review, chain of custody and/or Traceability documents, and any applicable Risk Mitigation testing results for components purchased through a Broker.</td>
<td>All applicable documents should be inspected</td>
</tr>
<tr>
<td>Inspection/Test</td>
<td>Requirement</td>
<td>Sample Size</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Packaging and Package Labeling inspection</td>
<td>Inspection for evidence of damage or tampering, verify packaging and/or marking consistency with the manufacturer’s product for the indicated time of manufacture.</td>
<td>All applicable documents should be inspected</td>
</tr>
<tr>
<td>Serial number registration</td>
<td>Verify serial number traceability through the OM (where possible).</td>
<td>100%</td>
</tr>
<tr>
<td>Embedded Firmware / Software verification:</td>
<td>The highest level (highest possible sub paragraph number below) of Risk Mitigation inspection shall be performed on each item. The information and resources available shall determine the test performed.</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>1 Confirmation of item firmware / software version marking with OEM datasheet is appropriate for the item manufacture date, date code / Lot code.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 Execute item self-test and confirm successful execution and item status reports meet expected results.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3 Perform functional test of the item confirming expected functionality, no unexpected, suspicious, or intermittent operation, and confirmation of reported firmware software version to item marking.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4 Load firmware / software to the item from OM source material, OM web site, or other known authentic source.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5 Compare item Embedded Firmware / Software version to a known good item.</td>
<td></td>
</tr>
</tbody>
</table>

The tests below are applicable if the Documentation review is unsuccessful:

<p>| Physical Configuration Assessment                  | Verify visible components / elements of the assembly match the expected configuration on a sample of one assembly;                                                                                   | 100% if applicable |</p>
<table>
<thead>
<tr>
<th>Inspection/Test</th>
<th>Requirement</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>For electronic Assemblies, perform inspection for evidence of counterfeiting, where Electronic Parts are visible.</td>
<td>This inspection should be conducted at 20X minimum and consist of checking for signs of Counterfeit components (e.g., Blacktopping, logo accuracy, remarking, refinishing, sandblasting, etc.) as applicable. Inspection at higher magnification (e.g., 50X or greater) may be necessary to detect some counterfeiting techniques;</td>
<td>100% if applicable</td>
</tr>
<tr>
<td>For mechanical and structural Assemblies,</td>
<td>Check for evidence of over stress or rework (missing torque indicators, stress fractures, etc.)</td>
<td>100% if applicable</td>
</tr>
<tr>
<td>Additional testing</td>
<td>(e.g., Acceptance Testing, Environmental Stress Screening, Malware Detection, etc.) may be utilized as a further basis of acceptance, if determined necessary by Raytheon.</td>
<td>100% if applicable</td>
</tr>
<tr>
<td>Commodity Name</td>
<td>Commodity Code</td>
<td>Electrical Test Requirement</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------</td>
<td>----------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Hybrid-ASIC-MCM Materials</td>
<td>008XX</td>
<td>All DC, Functional, Switching/AC parameters at room temperature as specified in the Raytheon Technical Data Package (drawing), military drawing, manufacturer's data sheet or other specific tests required by the purchase order.</td>
</tr>
<tr>
<td>(Applies to bare die only - UCC 00801)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RF/Microwave Waveguide Devices and Assemblies</td>
<td>022XX</td>
<td>All DC, Functional, Switching/AC parameters at room temperature as specified in the Raytheon Technical Data Package (drawing), military drawing, manufacturer's data sheet or other specific tests required by the purchase order.</td>
</tr>
<tr>
<td>Electrical Items</td>
<td>024XX</td>
<td>All Electrical parameters at room temperature as specified in the Raytheon Technical Data Package (drawing), military drawing, manufacturer's data sheet or other specific tests required by the purchase order.</td>
</tr>
<tr>
<td>Magnetics (Inductors, Coils, Ferrites, Transformers, Transducers)</td>
<td>027XX</td>
<td>All Electrical parameters at room as specified in the Raytheon Technical Data Package (drawing), military drawing, manufacturer's data sheet or other specific tests required by the purchase order.</td>
</tr>
<tr>
<td>Batteries</td>
<td>031XX</td>
<td>All Electrical parameters at room temperature as specified in the Raytheon Technical Data Package (drawing), military drawing, manufacturer's data sheet or other specific tests required by the purchase order.</td>
</tr>
<tr>
<td>Semiconductors (microcircuits including programmable memory, Discretes)</td>
<td>036XX</td>
<td>All DC, Functional, Switching/AC parameters at room temperature as specified in the Raytheon Technical Data Package (drawing), military drawing, manufacturer's data sheet or other specific tests required by the purchase order.</td>
</tr>
<tr>
<td>ASICs &amp; PASICs (ASICs, PALS, FPGAs, CPLDs)</td>
<td>037XX</td>
<td>All DC, Functional, Switching/AC parameters at room temperature as specified in the Raytheon Technical Data Package (drawing), military drawing, manufacturer's data sheet or other specific tests required by the purchase order.</td>
</tr>
<tr>
<td>Hybrids</td>
<td>038XX</td>
<td>All DC, Functional, Switching/AC parameters at room as specified in the Raytheon Technical Data Package (drawing), military drawing, manufacturer's data sheet or other specific tests required by the purchase order.</td>
</tr>
<tr>
<td>Capacitors</td>
<td>039XX</td>
<td>Test parameters (Capacitance, Dissipation factor, DWV, IR, DC leakage, ESR) at room as specified in the Raytheon Technical Data Package (drawing), military drawing, manufacturer's data sheet or other specific tests required by the purchase order.</td>
</tr>
</tbody>
</table>
Data Submission Summary
Seller to deliver the following data to MSI for approval.
1. Inspection data reports for each component date code/lot code per Section 7.
2. Certificate of test completion (COTC) Table I or II.
   - All date/lot codes will be verified 100% by the Independent Distributor / broker/non-franchised distributor.
   - ANSI/ASQ Z1.4 or MIL-STD-105 will be used for sampling procedures. Inspection Level II, Single, Normal, AQL 1.5 will be used as a typical sampling plan.
   - Any Independent distributor/broker/non-franchised distributor components / parts being shipped to MSI shall be ordered with the alpha characters ‘BK’ in the purchase order number (e.g. PO-BK12001).

In accordance with direction from the Vice President, Contracts, Kratos Defense & Security Solutions, Inc.

All responses to requests or correspondence regarding supply chain due diligence from customers, partners or government agencies are sent to the Kratos General Counsel and Vice President Contracts for review and approval PRIOR to submission to third parties. Such requests may pertain to counterfeit or corrupt parts or other areas of inquiry.

Please ensure that all responses to requests or correspondence regarding counterfeit...
5.8 When Counterfeit Goods are Identified

If at any point in the procurement, receiving inspection, or post-receiving inspection phases a component or material is identified as counterfeit, the suspect or counterfeit components/material/items shall be properly identified and segregated/quarantined.

If the discovery is by a supplier, the MSI buyer will be notified. Notification should include a full accounting of the reason for rejection. The MSI buyer will, in turn, notify the Purchasing Manager, Program Manager, Contracts Manager and the Quality Assurance Manager.

If the suspect or counterfeit component/material/item is discovered internally (or after delivery) the components/material/item will be presented to Quality Assurance and a Nonconformance Report (NCR), OPF-8.7, will be initiated. The Purchasing Manager, Program Manager, Contracts Manager and the Quality Assurance Manager will be notified.

When a counterfeit component/material/item has been identified, it is the joint responsibility of the Purchasing Manager, Program Manager, Contracts Manager and the Quality Assurance Manager to properly investigate the situation and determine the appropriate actions. Consideration should be given to but not limited to:

- Notifying DCMA and any affected parties.
- Notifying the customer if product has already been delivered and possibly recalling delivered product.
- Communicating and notifying the OEM/OCM.
- Stock sweeps and other actions to contain suspect or known counterfeit goods.
- Listing the item in Government Industry Data Exchange Program (GIDEP) counterfeit parts system.

When discovered by a supplier, they shall properly dispose of any counterfeit goods accordance with their internal procedures with every effort to prevent them from being re-cycled again.

When discovered by MSI or a customer, any components/material/items identified as counterfeit will be quarantined and dispositioned in accordance with procedure OP-8.7, Control of Nonconformance with every effort to prevent them from being re-cycled again.
5.9 Flow Down Of Counterfeit Components Avoidance

All MSI purchase orders have a statement that this document, WI-8.4E, is invoked on the procurement and that the instruction is available on the MSI website (http://herley-msi.com).

Additionally, the standard Purchase Order Terms and Conditions have a clause that this document is invoked on all Purchase Orders.

5.10 Disposal

Once counterfeit components/materials/items have been properly documented and dispositioned, they should be properly disposed.

- A supplier shall dispose of any counterfeit goods in accordance with their internal procedures with every effort to prevent them from being re-cycled again.
- MSI treats electronic and electrical waste as a Hazardous Material because it contains lead. MSI utilizes a certified hazardous material waste company to dispose of this waste in accordance with the details in OP-8.5.4, Product Handling, Storage, Packaging, Preservation & Delivery. All other Non-Hazardous waste will be evaluated for proper disposal while making every effort to prevent counterfeit materials from being re-cycled.

6 TRAINING

Counterfeit Recognition Training has been conducted for all manufacturing, supply chain, and Quality Assurance personnel by the Training Specialist. New personnel in these departments shall have Counterfeit Recognition Training as part of their incoming orientation training. Refresher training will be given if there are any changes in customer requirements or counterfeiting method improvements.

7 DOCUMENTATION

The following documents were generated as a result of this instruction:

WIF-8.4E1 Independent Distributor Questionnaire