

Nanomotion Ltd. Counterfeit Parts Prevention Policy

Nanomotion has business processes in place in order to prevent the procurement, receipt and use of counterfeit or suspect counterfeit parts or materials. These processes include policies and procedures for training personnel, designing and maintaining systems to mitigate risks associated with parts obsolescence, making sourcing decisions, prioritizing mission critical and sensitive components, ensuring traceability of parts, developing lists of trusted and non-trusted suppliers, flowing down requirements to subcontractors, inspecting and testing parts, reporting and quarantining suspect counterfeit electronics parts and taking corrective action as described in follow sections:

1. Training

Training plan includes counterfeit electronic parts awareness training and an overview of purchasing requirements,

Additionally, specific functional training is provided, as applicable, based on roles and responsibilities.

2. Procurement control

All qualified vendors are included in an approved vendor list (AVL)

Purchase orders can be issued only to vendors from AVL list, ERP system will block any attempt to order from nonqualified vendor.

All purchase order includes Terms & Conditions and Purchase Order Quality requirements.

3. Traceability

Nanomotion quality requirements are specified at each purchase order and includes traceability requirements which are verified at receipt.

Records retention requirements ensure that traceability is maintained.

4. Supplier Requirements

Counterfeit electronic parts requirements are flowed to vendors in addition to the quality requirement identified at each purchase order and specified in procedure

QA00932011 - QA requirements specification for jobber, which prohibits the purchase of components from unauthorized purchasing channels

5. Inspection/Test

In order to preserve purchase and quality requirements Nanomotion performs incoming inspection/tests per documented and audited processes.

Quality performance records on every vendor are maintained and adjustments to inspection and source inspections are made as needed.

6. Monitoring

Monitoring process of AVL done on quarterly basis by QA engineer based on vendor performance and annually by QA manager.

7. Reporting

Nanomotion will report any suspect or actual counterfeit parts to its Customers, as required by contract. All Suspect Counterfeit parts shall be segregated and quarantined.

8. Obsolescence

Nanomotion monitors end of life notification and provides notification to its Customers of potential obsolete parts. For obsolete electronic parts, Nanomotion verifies that the date code provided is prior to the last date of manufacture by the vendor.

9. Preventing Counterfeit Parts Proliferation

Nanomotion procures only from the approved vendor or authorized distribution chain and does not resell excess inventory. Nanomotion shall help to prevent the growth in demand by minimizing engagement with independent distributors; make appropriate customer and industry notifications; quarantine and, upon proper authorization, destroy counterfeit parts to prevent their return to the supply chain. This requirement is also flowed to the supply base.

Signatory for Nanomotion Ltd:

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