



ADG PURCHASE ORDERS TO VENDORS & CONTRACT MANUFACTURERS:

Only new and authentic materials are to be used in products delivered to Buyer. No counterfeit parts are to be contained within the delivered product. Parts shall be purchased directly from the OCMs/OEMs, or through the OCM/OEMs Franchised Distributor. Documentation must be available that authenticates traceability to the applicable OCM/OEM. Independent Distributors (BROKERS) shall not be used without written consent from Buyer (ADG).

DEFINITIONS:

Counterfeit – a part that is an illegal or unauthorized copy or substitute of an OEM item; an item that does not contain the proper external or internal materials or compounds required by the OEM or that is not constructed in accordance with OEM specification; an item or component thereof that is used, refurbished or reclaimed but the Seller represents as being a new item; an item that has not successfully passed all OEM required testing, verification, screening and quality control but that Seller represents as having met or passed such requirements; or an item with a label or other marking intended, or reasonably likely, to mislead a reasonable person into believing a non-OEM item is a genuine OEM item when it is not. Parts have been modified pursuant to a specific (Company?) purchase order requirement, such as refinished, up-screened, or up-rated parts that are properly identified as such are not considered suspect or counterfeit.

Suspect Counterfeit – A part in which there is an indication by visual inspection, testing, or other information that it may have been misrepresented by the supplier or manufacturer and may meet the definition of a counterfeit part.

OCM – Original component manufacturer

OEM – Original equipment manufacturer

Franchised Distributor – A distributor with whom the OCM has a contractual agreement to buy, stock, repackage, sell and distribute its product lines. Franchised distributors normally offer the product for sale with full manufacturer's warranty. Franchising contracts may include clauses that provide for the OCM's marketing and technical support, failure analysis and corrective action, and exclusivity of inventory.

Independent Distributor (Broker) – A distributor that purchases parts with the intention to resell them. Independent Distributors may be franchised for selected, but not all, product lines. For purposes of counterfeit risk mitigation, a distributor is considered independent when not franchised for the item to be procured.