

Counterfeit, Fraudulent & Suspect Material & Parts Policy

Purpose

This policy defines the measures JM Automatics Ltd (JMA) takes to prevent, detect, and respond to counterfeit, fraudulent, or suspect parts/raw material within our supply chain. It supports airworthiness, regulatory compliance, and the integrity of our manufactured/supplied parts and associated services and aligns with AS9100 requirements.

Scope

This policy applies to:

- All employees involved in procurement, material control, quality, and manufacturing
- All suppliers and subcontractors

Definition of Counterfeit (or fraudulent/suspect) Part/Raw Material

A counterfeit part is any procured part/raw material that is:

- Misrepresented in origin, traceability, certification, or performance
- Falsely labelled, branded, or documented/certified
- Reworked, refurbished, or reclaimed without disclosure and approval
- Produced by unauthorised manufacturers or outside approved supply chains
- Altered to appear compliant with (aerospace) standards when it is not

This definition aligns with AS9100 guidance.

Policy Requirements

1. Approved and Controlled Sources

- All parts/raw material shall only be procured from approved suppliers
- Procurement from unapproved third parties requires a documented risk assessment and MD approval, and where required by contract, Customer approval
- Direct purchases of finished parts shall only be sourced from authorised, or appropriately certified suppliers

2. Supplier Qualification and Oversight

- Suppliers must meet any contractual quality requirements/certification where applicable or flowed down
- Suppliers must provide full traceability to the original manufacturer, including Certificates of Conformance (CoCs), material certifications, and lot/batch records where required to do so
- JMA reserves the right to conduct on-site audits, request additional documentation, or require third-party testing

3. Receiving Inspection and Verification

- All incoming materials will undergo risk-based inspection, including:
 - Visual inspection for tampering, mismatched markings, or anomalies
 - Documentation review for traceability and certification accuracy
 - Dimensional, functional, or destructive testing for high-risk parts/where required by contract
- Any discrepancies are escalated immediately to the MD.

4. Control of Suspect or Confirmed Counterfeit Parts/Material

- Suspect parts will be quarantined, clearly identified, and segregated from conforming inventory
- No suspect part may be installed, used, or returned to service.
- Confirmed counterfeit/suspect parts/material will be removed from inventory and disposed of in accordance with any applicable regulatory and environmental requirements
- Relevant authorities and/or customers will be notified when required by contract or where impacted post delivery

5. Investigation and Corrective Action

- Senior Management will lead investigations into any suspect incidents, including root-cause analysis
- Suppliers associated with such investigations may be suspended or removed from the Approved Supplier List or reported to the relevant authorities
- Corrective actions will address both immediate containment/corrective measures and long-term prevention

6. Recordkeeping and Traceability

- All procurement, inspection, testing, and investigation records will be retained according to (aerospace) regulatory requirements, customer contracts, or internal procedures as appropriate
- Traceability documentation must be maintained for the full lifecycle of the finished part, including post-delivery support, according to (aerospace) regulatory requirements, customer contracts, or internal procedures as appropriate

7. Training and Awareness

- Employees involved in procurement, material control, quality, and production will receive training on counterfeit part risks, detection methods, and reporting procedures
- Training must reflect current industry standards, regulatory updates, and emerging threat patterns

Non-Compliance

Failure to comply with this policy may result in disciplinary action, supplier disqualification, and contractual or regulatory consequences

D Psaila, Managing Director