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|  | | | <i>Description:</i> Counterfeit prevention | | |
| <i>Rev.nr.</i> 2 | <i>Issued by:</i> V. Vokietaitis | <i>Approved by:</i> M.Sestokas | <i>Date:</i> 19.09.2016 | <i>Total pages:</i> 1 | <i>Page:</i> 1 |

Supplier shall ensure that only authentic and unused products are delivered to Kitron UAB. Supplier shall endeavor to first purchase parts directly from Original Component Manufacturers (OCMs), OCM Authorized (Franchised) Distributors, or authorized Aftermarket Manufacturers or from Suppliers who obtain such parts exclusively from the OCM or their Authorized Suppliers with complete OCM traceability.

By accepting any purchase order from Kitron UAB supplier warrants that it has effective contractual agreements in place with each manufacturer whose product(s) it is procuring to sell to Kitron UAB. If not, a prior written approval must be obtained from Kitron UAB prior to shipment.

Failure to obtain Kitron UAB's prior written approval constitutes a material breach under the terms of the purchase order agreement. Supplier also accepts to fully indemnify Kitron UAB from any and all claims, losses, and damages that result from said breach. Kitron UAB reserves the right to reject any and all requests for approval, and may require additional inspection activities for verification and testing of products necessary to assure the authenticity of purchased product(s), including visual inspection, traceability and documentation verification.

All tests and inspections shall be performed in accordance with clearly delineated accept/reject criteria. Tests and inspections shall be performed by qualified personnel that have been trained concerning types and means of electronic parts counterfeiting and how to conduct effective product authentication. The seller shall keep records evidencing test and inspection performed and conformance of the product to specified acceptance criteria. Such documentation must as minimum be available for Kitron UAB upon request.

Definition of suspect and counterfeit part are to be defined in accordance with, but not limited to SAE AS5553.

Kitron UAB may report any or all occurrences of counterfeit parts, as appropriate, to internal organizations, customers, government reporting organizations, industry supported reporting programs, and/or proper criminal investigative authorities.

If counterfeit parts are delivered Kitron UAB, such items will be impounded. The seller shall promptly replace such items with items acceptable to Kitron UAB and the seller will be liable for all costs relating to impoundment, removal and replacement. Kitron UAB may turn such items over to Lithuania and/or to US Governmental authorities for investigation and reserves the right to withhold payment for the items pending the results of the investigation.

Counterfeit parts have no value, therefor any part delivered by Supplier to Kitron UAB discovered to be counterfeit under the definitions according to SAE AS5553 shall be declared null and void.