



Neros Counterfeit Electronic Part Prevention Program

1. Purpose and scope

Neros manufactures unmanned aircraft systems for defense customers and will not deliver products containing counterfeit or suspect counterfeit electronic parts. This program sets the controls Neros uses to detect and avoid such parts. It applies to all electronic parts, and assemblies containing them, that Neros buys, builds, or delivers. It is designed to meet DFARS 252.246-7007 and 252.246-7008 and follows the practices in SAE AS5553.

2. Preferred sourcing

Neros buys electronic parts, in this order of preference, from the original component manufacturer (OCM), the original equipment manufacturer (OEM), or a supplier authorized by them. Neros buys from a source other than these only when an authorized source is unavailable, and only from a supplier Neros has assessed and approved as trusted. Purchases from independent distributors and brokers require documented approval and heightened inspection before use.

3. Traceability

Neros requires documentation tracing each electronic part back to the OCM or OEM. Parts that cannot be traced to an authorized source are treated as suspect and are not released to production until cleared under Section 5.

4. Inspection, testing, and acceptance

Neros inspects and tests incoming electronic parts against defined acceptance and rejection criteria, with the level of testing scaled to the source and the part's risk. Parts from non-authorized sources receive enhanced authentication before acceptance. Records of inspection and test results are retained.

5. Suspect parts: quarantine and reporting

Any part suspected of being counterfeit is quarantined immediately, segregated from conforming stock, and prevented from entering production or shipment. Neros determines whether the part is counterfeit and reports counterfeit and suspect counterfeit electronic parts to the Government-Industry Data Exchange Program



(GIDEP) and to the contracting officer within 60 days of becoming aware. Suspect parts are not returned to the supplier for credit in a way that returns them to the supply chain.

6. Supplier flowdown

Neros flows these counterfeit avoidance and detection requirements down to subcontractors and suppliers that provide electronic parts or assemblies containing them and requires them to flow the requirements to their own sources.

7. Awareness and obsolescence

Neros monitors GIDEP and other credible sources for current counterfeiting alerts and trends, and screens them against parts in use. Neros manages obsolete and end-of-life parts to reduce reliance on higher-risk sources.

8. Training, roles, and records

Personnel who purchase, receive, inspect, or handle electronic parts are trained to recognize and respond to counterfeit risk. Quality and Supply Chain jointly own this program. Records made under it are retained per Neros records policy and made available to customers and the Government as required.