



April 4, 2012

Re: Counterfeit Electronic Components

SMD Inc. as an Authorized Franchised Distributor and ISO 9001:2008 registered company realizes the significant risk counterfeit parts pose in our industry. Thus we have adopted a Counterfeit Parts Prevention program outlined below.

Counterfeit Parts Prevention

“Counterfeit Parts” shall mean a part, component, module or assembly whose origin, material, source of manufacture performance, or characteristics are misrepresented. This term includes, but is not limited to, (A) parts that have been (re)marked to disguise them or falsely represent the identity of the manufacturer, (B) defective parts and/or surplus material scrapped by the original manufacturer, and (C) previously used parts pulled or reclaimed and provide as “new”.

SMD Inc. represents and warrants that only new and authentic components are purchased and distributed to our customers.

To further mitigate the possibility of the inadvertent distribution of Counterfeit parts, SMD Inc. has adopted a policy whereas we shall only purchase authentic parts/components directly from the Original Equipment Manufacturers (“OEMs”)/ Original Component Manufacturers (“OCMs”) or through the OEMs/OCMs authorized distribution chain. SMD shall make available to our customers upon request, OEM/OCM documentation that authenticates traceability of the components to that applicable OEM/OCM. Purchase of parts/components from Independent Distributors is not authorized UNLESS it is first approved in writing by customer procurement representative.

If there are any questions, or if you would like to discuss further, please feel free to call or E-Mail me directly.

Sincerely,

David D. Herrera
Vice President Operations
SMD Inc.

CC: Rich Unruh – President, SMD Inc.

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