



Subject: Counterfeit and Unauthorized Products

Dear Valued Customer:

Counterfeiting has become a significant industry wide problem, and it's growing exponentially as counterfeiters become more sophisticated and more brazen. That's why this situation must be addressed by our industry as a whole. The problem is especially troubling in the residential and commercial construction markets, as electrical components such as circuit breakers are among the easiest to copy. Counterfeit circuit breakers pose serious safety issues. They put lives at risk. Forged parts can explode, ignite fires, and lead to injury, even death.

At Siemens, we are proud of the features, performance and quality of our products and we are proud of our brand. We will do what is necessary to protect the integrity of our brand, including taking appropriate legal action when necessary. We take extensive efforts to provide safe products to our channel partners, contractors and end users. However, contractors and distributors assume the highest level of risk when they participate in counterfeit activity.

A recent survey in Electrical Contractor magazine showed that almost 86% of respondents couldn't tell the difference between real or fake breakers. At Siemens, our commitment to protecting our customers and our brand begins with education and awareness. That's why we were instrumental in driving this joint effort between TED Magazine and EC Magazine to raise awareness of the counterfeit issue in the market.

We want to send a clear signal to the residential and industrial markets that Siemens is serious about circuit breaker safety. That's why we have developed a plan of action to combat the counterfeit breakers that might enter the market.

- Education: We will educate our target audience about the risks of counterfeit breakers.
- Identification: We will help authorities identify and remove counterfeits from the market.
- Investigation: We have hired investigators in the U.S. to root out counterfeit products.
- Rewards: We will reward channel partners for reporting to Siemens about counterfeit sellers and gray-market breakers.
- Prosecution: We will aggressively prosecute makers and sellers of counterfeit breakers.

We need to work together in this industry to eliminate the demand for counterfeit products. But each organization must make a distinct commitment to do their part. Distributors and contractors must be knowledgeable of their supply base. To be certain that products are authentic, be sure to purchase directly from authorized sources. At the same time, you should be suspicious of products purchased from unauthorized third parties.

If you suspect that a product you purchased is counterfeit, please contact us at 1-800-964-4114 or send an e-mail to: realbreakers.sea@siemens.com.

Please join us in this industry effort to assure the safety of all of our customers.

Sincerely,

Dennis Sadlowski
CEO, Siemens Energy & Automation, Inc.