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Purchasing			

GENERAL POLICY

Kooltronic evaluates its suppliers and purchases only from those that can satisfy quality requirements. Quality performance of suppliers is monitored and evaluated. Purchasing documents clearly and completely describe ordered products, including quality requirements. Purchasing documents are reviewed and approved prior to release. Purchased products are verified before they are used or shipped.

PROCEDURAL POLICIES

1. Supplier evaluation

1.1 All new suppliers are evaluated with regard to their quality and process capability. Purchasing, Engineering and QA Departments establish the criteria for selection of suppliers, and conduct supplier evaluation. Suppliers are rated APPROVED or NOT APPROVED. The Approved suppliers are entered on the approved supplier list. Existing suppliers with a satisfactory quality performance history may be exempted from the initial evaluation and be initially rated as APPROVED. Records of the initial supplier evaluation are maintained. Supplier evaluation process is governed by Procedure QOP-74-02, Supplier Evaluation.

2. Supplier quality performance monitoring

2.1 Quality performance of suppliers is monitored. Suppliers showing inadequate performance may be asked to implement corrective actions. If the requested corrective actions are not implemented and there is no improvement, the supplier is downgraded to the NOT APPROVED rating and is discontinued. Records of supplier monitoring and reevaluations are maintained. The system for monitoring suppliers is defined in Procedure QOP-74-02, Supplier Evaluation.



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3. **Approved supplier list**

3.1 The Purchasing Department is responsible for maintaining a list of acceptable (APPROVED) suppliers. Orders may only be placed with vendors that are on the list.

4. **Purchasing information**

- 4.1 Purchasing documents are prepared by the Purchasing Department. The documents clearly and completely describe ordered products, including precise product identification and quality requirements. The Purchasing Manager reviews and approves all purchasing documents prior to release.
- 4.2 The preparation, review and approval of purchasing documents are explained in Procedure QOP-74-01, Purchasing.

5. **Verification of purchased product**

- 5.1 Purchased products are inspected by QA Department inspectors. This includes verification of product identity and quantity, visual inspection and, where applicable, verification that all requested certificates and quality records are available.
- 5.2 Inspection or testing may not be necessary when products are supplied with records or certificates demonstrating conformity, or when the supplier is qualified based on their quality system certification or supplier audits, and a satisfactory quality performance history.
- 5.3 The Engineering Department is responsible for selecting appropriate methods for purchased product verification and acceptance. Operational Procedure QOP-74-03, Verification of Purchased Product, sets forward detailed rules for selecting product verification methods and for performing receiving and QA inspections.
- 5.4 When verification of purchased product is to be performed at supplier's premises, purchasing documents specify the intended verification arrangements and method of product release.



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ASSOCIATED DOCUMENTS

- Operational Procedure QOP-74-01: Purchasing
- Operational Procedure QOP-74-02: Supplier Evaluation
- Operational Procedure QOP-74-03: Verification of Purchased Product