

TRUEARTHGREEN, INC.		QUALITY MANAGEMENT SYSTEM			1
DOCUMENT TITLE SUPPLIER CERTIFICATION AND RATING PROCEDURE		DOCUMENT NO. QMS 741-08-04-002		REVISION NO. 00	
ORIGIN/ENTITY QC	DOCUMENT TYPE QUALITY PROCEDURE	DOCUMENT LEVEL 2	EFFECTIVITY DATE March 04,2004	PAGE NO. of 4	

Internal and External Audit

Originating Department			Interfacing Department			Circulation	
Approved	Checked	Prepared	/ / /			<input type="checkbox"/> GM	<input type="checkbox"/> QA
						<input type="checkbox"/> MFE	<input type="checkbox"/> Production
						<input type="checkbox"/> GSMS	<input type="checkbox"/> SPM
						<input type="checkbox"/> HR & AD	<input type="checkbox"/> GSMP
						<input type="checkbox"/> PMC	<input type="checkbox"/> Marketing
Date	Date	Date May 01,2004				<input type="checkbox"/> R&D	<input type="checkbox"/>
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Form No. SOP – 01 – 04 – 002 Rev. 00

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6.1. Not applicable.

7.0. DEFINITIONS:

- 7.1. Supplier – an organization supplying product to the company.
- 7.2. Company – whenever the word “company” arises, it may also mean TEG
- 7.3. Product – the product may also mean services.
- 7.4. GSCM – Global Supply Chain Management
- 7.5. MFE – Manufacturing engineering
- 7.6. PMC – Production & Material Control
- 7.7. PPM - Parts Per Million
- 7.8. DPM – Defects Per Million
- 7.9. SPM – Sales & Project Management
- 7.10. Nonconformity – a departure of a quality characteristic from its intended level or state that occurs with a severity sufficient to cause an associated product (or services) not conforming to expected standards requirement or values.
- 7.11. Documentation process – a process wherein the company shall verify the conformance of the supplier to the response given to the audit finding through proofs of documents or quality records.
- 7.12. SCPAR – Supplier Corrective and Preventive Action Report.

8.0. PROCEDURES:

8.1. Supplier’s Quality Management System Review and Audit.
 Periodic surveys of the supplier will be conducted by TEG at least annually to evaluate the degree to which the supplier is committed to, and effectively practices quality assurance and continuous improvement. The Supplier Certification Survey Form (Form No. QA-01-04-002a) will be used to complete the evaluation. A maximum of one hundred (100) points will be awarded, which will be equal to the percentage score of the audit.

9.0. RESPONSIBILITIES:

- 9.1. Supplier – responsible to follow the company’s quality target and objectives, makes improvement on quality and to present continual improvement plan for the quality.
- 9.2. IQC Inspector – is responsible for the verification of the quality of the incoming materials; record any nonconformity and request the supplier for the corrective and preventive action.

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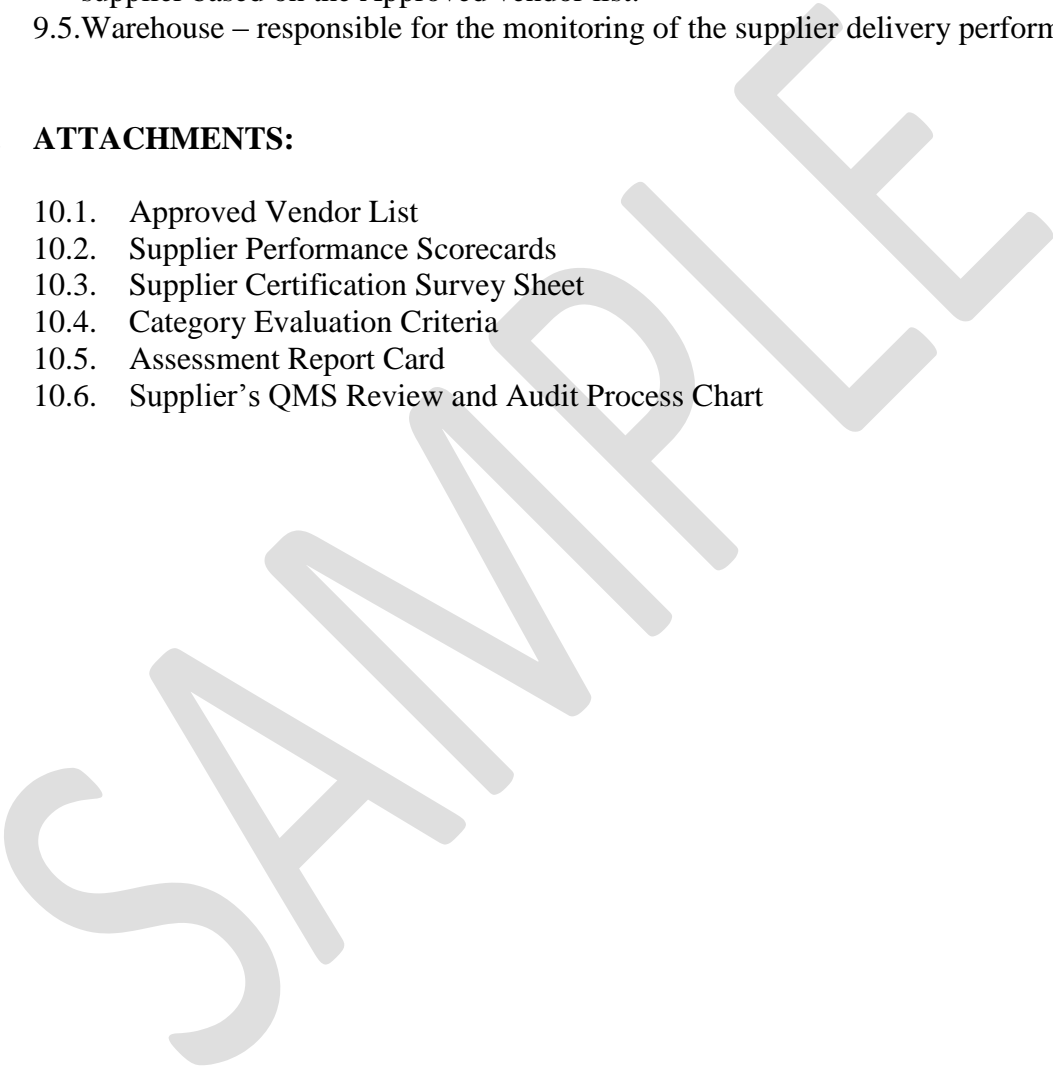
9.3.QA Department head – responsible for the verification of the supplier’s quality management system, recommended the administration of penalty and reward to the supplier’s quality management imposed requirement for the corrective and preventive action.

9.4.Purchasing Department Head – responsible for the selection and approval of the supplier based on the Approved vendor list.

9.5.Warehouse – responsible for the monitoring of the supplier delivery performance.

10.0. ATTACHMENTS:

- 10.1. Approved Vendor List
- 10.2. Supplier Performance Scorecards
- 10.3. Supplier Certification Survey Sheet
- 10.4. Category Evaluation Criteria
- 10.5. Assessment Report Card
- 10.6. Supplier’s QMS Review and Audit Process Chart



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