

# Car-Graph, Inc. CONTROLLED DOCUMENT

Document name: Supplemental Purchase Order Conditions

Document number: CGCD0029

Original issue date: December 9, 2005

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It is the policy of Car-Graph Inc. to purchase only from those Suppliers who consistently meet its requirement for quality, delivery and reliability. Failure to comply with any requirement invoked by the purchase order may be cause for automatic rejection of the material and/or processing of material included in the Purchase Order.

## Mandatory Clauses:

The following clauses are invoked for every purchase order issued by Car-Graph Inc. for direct material or direct material outside process purchases:

1. **Inspection System Requirements:** The Supplier shall, in performance of this Purchase Order maintain a Quality System that meets the requirements of ISO 9001:2008/AS9100, or equivalent, or be approved by Car-Graph Inc. Car-Graph Inc. reserves the right to audit or review the Suppliers Quality System or records as deemed necessary.
2. **Quality and Inspection Records:** Quality and Inspection records must be maintained for a period of seven (7) years minimum.
3. **Compliance to P.O. requirements:** Objective evidence validating the conformance of purchased items to P.O. requirements shall be kept on file and shall be made available for examination by Car-Graph Inc. upon request.
4. **Certificate of Compliance:** The Supplier must furnish with each shipment a Certificate of Compliance. The certificate must contain the company name of either the Quality Assurance Manager or the responsible company official certifying compliance.
5. **Government Contract:** When indicated on the Purchase Order the Government Contract Number and Rating must appear on the Certificate of Compliance.
6. **Traceability:** The Supplier shall maintain a system of traceability on all raw materials, purchased components, and manufactured parts used to supply items on this purchase order. Traceability can be in the form of batch or lot numbers and shall be listed on the product label or provided on the required documentation.
7. **Identification:** Material shipped to Car-Graph Inc. shall be identified with the Car-Graph Inc. P.O. Number. Additional marking and/or identification shall be as required by specification, drawing or contract.
8. **Deviations/Discrepancies:** Any departure from drawing specifications or other Purchase Order requirements must be submitted to Car-Graph Inc. Purchasing Department. Disposition of such deviations/discrepancies must be approved by the appropriate Car-Graph Inc. function prior to shipment. A copy of this approved disposition must accompany each affected shipment.
9. **The Supplier is responsible for obtaining all specifications needed to complete the Purchase Order. All Materials supplied to a specification must meet the latest published revision of the issuing agency. Preference for Domestic Specialty Metals namely DFARS 252.225-7009 is hereby invoked for all purchased metals.**
10. **All Special Processes must be completed by processors currently holding NADCAP Certification, for the process being performed. Special Processes are: Chemical Processing (CP), Coatings (CT), Heat Treating (HT), and Non Destructive Testing (NOT), as defined by the NADCAP web site.**
11. **Audit Rights Reserved /Right of Entry**  
Car-Graph, customers and Regulatory Authorities reserve the right to perform audits and/or inspections at the Supplier's and/or supplier's subcontractor's facility on the manufactured and/or repaired parts. Supplier material, records, process and routing sheets, manufacturing, and test and inspection facilities are subject to review by Car-Graph and/or Car-Graph customers (Commercial, designated Government representatives, Regulatory authorities). When on-site verification of Contract /Purchase order conformance is required, the supplier shall provide the equipment, facilities, and personnel necessary for the Car-Graph representatives to verify compliance.
12. **Material Certifications to prevent counterfeit and fraudulent materials: Metallic components: Material delivered under this Purchase Order shall be accompanied by a copy of the actual chemical and physical test report as required by the applicable specification. Non-Metallic components: Material delivered under this Purchase Order shall be accompanied by a copy of the raw material certification stating the material name and lot traceability as required by the applicable specification.**
13. **The supplier must use problem solving tools (e.g. fishbone, 5why's, flowcharting) to analyze the root cause of escapes. Suppliers must use mistake proofing methodologies when initiating a corrective action on customer escapes. The supplier must track the effectiveness of their corrective actions on customer escapes.**
14. **Changes in Quality System, Facilities, Management or Ownership: Suppliers shall immediately notify the Car-Graph Buyer, and the Car-Graph Quality Manager of changes to their Quality System, management, or ownership. Changes requiring notification include but are not limited to:  
Change in location of facilities or manufacturing equipment. Notification must be prior to relocation and with adequate time (minimum 90 days) for hardware, system, and process re-qualification.  
Change in ownership, name changes, or change in senior company management  
Change in quality leadership, system or controlled processes certification status, including suspensions or disapprovals  
Change in holder of design authority or change in location of the design office (change of CAGE code or NAIC) Supplier notifications shall contain the following supplier information as a minimum:  
Supplier ID/DUNS number, old data and new data (i.e. if address change, list the prior address and the new address), name of supplier quality contact, phone number of supplier quality contact, Email address of supplier quality contact.**
15. **All individuals performing visual inspection, other product acceptance activities and/or M&TE calibration that require visual acuity must conform to ASQR-01 6.2.2a.**

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16. Suppliers need to flow Down to their employees the importance of their Contribution to Product Safety and Ethical Behavior.
17. Car-Graph Inc. does not allow Work Transfers

**Specified Clauses:**

The following clauses are required only when specifically invoked on the Purchase Order:

- S1. Government Source Inspection: Government Inspection of the purchased items or services is required prior to shipment from your plant. Upon receipt of this order, promptly notify the Government Representative who normally services your plant, so that appropriate planning for GSI can be accomplished.
- S2. First Article Inspection: A First Article Inspection Report (FAIR) shall be completed in accordance with AS9102. First Article documentation must accompany purchased components, and manufactured parts used to supply items on this purchase order.
- S3. Life Dated Product: Any Material supplied on this purchase order that has a specific or certified usable life must have the "Date of Manufacture" and the "Shelf Life" or the "Expiration Date" of the product indicated on supplied certificates and/or on each individual container. If the product has a batch or lot number then it should be included on the certificates or the container.
- S4. Additional provisions of Honeywell SPOC 002 apply to items supplied on this purchase order.
- S5. Additional provisions of United Technologies ASQR-01 apply to items supplied on this purchase order.
- S6. Additional provisions of Williams Int'l, QC-397, QPR# 425, and P1214 apply to this order.
- S7. Suppliers must get Car-Graph approval for any sub-tier suppliers that perform NADCAP approved special process.