

Noble Precision Tooling Ltd. /Power Gundrilling Inc. (hereafter referred to **NPT/PGI**) may require customer specific requirements in addition to these standards. Any change to the suppliers organizational structure or ownership that may affect the quality or delivery of a product or service supplied to **NPT/PGI**, shall be communicated to **NPT/PGI**.

The supplier shall conduct its business in an ethical manner as per the industry and regulatory standards and ensure they and their employees are aware of:

- **their contribution to product and service conformity.**
- **their contribution to product safety.**

PURCHASE ORDER REVIEW

It is the responsibility of the supplier to review all orders placed. Review should ensure the supplier has the resources and capability to comply with contract engineering and schedule requirements. Source inspection, when required will be clearly stated in the purchase order for the product.

SUPPLIER AND PROCESS CONTROL

Material shall be procured from acceptable sources of supply as applicable by material type and customer requirements. Special processes shall be performed by acceptable sources. End customer and intermediate customers are specified on each purchase order.

The supplier of fabricated product must submit an FIRST ARTICLE INSPECTION (FAI) with all initial shipments of products.

FAI minimum content – Fabricated Product

- Replication of part marking i.e., picture, photocopy.
- Evidence of approved sources of supply.
- Variable data for the thickness of all coatings

COUNTERFEIT PARTS PREVENTION

We have established a clear policy requiring that suppliers are buying products from known and approved sources, not to accept any doubtful origin of products. An awareness session has been organized for buyers, receiving personnel, incoming inspection and assemblers using bolts, nuts and washers to complete their contractual work.

The supplier of fabricated products must notify **NPT/PGI** of proposed changes to the product or processing methods and receive approval before implementing the changes. A revised FAI must be submitted when there is any change to the product or process. These changes may include:

- A change in design affecting fit, form or function of the part
- A change in manufacturing sources, processes, inspection methods, location of manufacture, tooling or materials, that can potentially affect fit, form or function.
- A Non-Conformance existed on the initial submission.

PRODUCT SAFETY

We have established a clear policy to enable their full function of our product during their life cycle:

- **Only conforming products are released to customer**
- **Only certified and competent employees are handling work**
- **Work data and documents are approved by authorized employees**
- **Only approved data is used to complete the work according to the customers' requirements**
- **Shelf life of products used is respected**
- **Lessons learned are communicated and shared with personnel**

Product with customer identified KEY characteristics or other similar notations must have 100% variable inspection data for the characteristics provided with each shipment. When identified as a requirement in a specification, qualified personnel shall be utilized to perform tasks associated with the specifications. Records of training and certification shall be kept on file at the suppliers.

The supplier of Special processes must process the entire recurring product in the same manner as the initial order. Any changes to the process planning, site location or sub-tier usage must be clearly communicated.

Traceability

All fabricated product shipped to **NPT/PGI** must be traceable to the original material mill heat lot.

Each lot of product sub-contracted for special processes must remain traceable to the original lot as shipped to the supplier.

Document and data control

All data provided to the supplier is considered proprietary to **NPT/PGI** and our customers. All drawings, specifications and other information must be controlled to the extent required to ensure that dissemination is limited to individuals performing tasks as related to **NPT/PGI** purchase orders or request for quotation.

Digital data provided to the supplier is to be considered "for reference only".

The supplier shall notify **NPT/PGI** of any discrepancies, conflicts or omissions found on product engineering or purchase orders. Product engineering conflicts that cannot be resolved will be submitted for resolution to the appropriate engineering authority.

Record retention for quality documentation is as follows:

1. FAI records must accompany product when returned to **NPT/PGI**.
2. Inspections records must accompany product and be available for review for up to 10 years.
3. Documentation must be provided to **NPT/PGI** as applicable i.e.: mill certification, test certification, inspection reports and including special instructions on purchase order.

Inspection and Testing

Certificate of Compliance minimum content:

1. Supplier name
2. Source of product
3. Part #
4. Complete drawing configuration
5. Purchase order and line item
6. Quantity shipped
7. Special processes performed
8. Serial # (if applicable)
9. Waiver or deviation information as approved by **NPT/PGI**
10. Copies of all material and special process certifications
11. Test report data (if applicable)
12. A statement of conformance report

Suppliers of special processes are required to perform processes to the latest revision at the time of processing unless specifically directed otherwise by the purchase order or engineering definition.

The supplier is responsible to review the specification applicability at the time of processing.

Certifications must contain the revision level of the special process performed.

Note – NPT/PGI, its customers, end users and related authorities reserve the right to review, upon request, at the supplier's facility any product or record pertaining to the services procured by **NPT/PGI**.

Non-Conformances

Non-conforming product or processing shall not be shipped to **NPT/PGI** without prior consent.

We must be immediately notified should the supplier determine that product shipped to **NPT/PGI** is non-conforming. In this event a complete Corrective Action report should be submitted within 5 business days of notification. Non-conformances may include:

1. Workmanship
2. Packaging
3. Ship count
4. Delivery
5. Purchase order review
6. Unapproved material or processing substitutions
7. Processing and dimensional irregularities

Corrective and Preventive Action

The supplier shall have a process in place for corrective and preventive action to ensure elimination or early detection of problems, including those found at sub-tier suppliers or reported by customer. Corrective Action requests must be answered and submitted within 10 business days, or sooner, if requested by **NPT/PGI**. Failure to comply may negatively affect supplier rating.

Corrective action requests must show evidence that supplier has:

1. Performed a thorough root cause analysis and determined the cause of non-conformity including human factors
2. Determined the impact on parts in production, storage or already delivered
3. Implemented the appropriate measures to eliminate/prevent reoccurrence of the root cause.

NPT/PGI reserves the right to accept, reject or return, in addition to existing warranty terms, any goods found to be non-conforming.

*Where a supplier chooses to subcontract any sub-tier suppliers, all applicable documentation shown on the **NPT/PGI** purchase order and the requirements of this document, including key characteristics must be met.*