



Supplier Quality Requirements

Arc Drilling, Inc. has defined the minimum requirements for suppliers based on the requirements of our AS9100- and Nadcap-certified Quality Management System. Where Arc Drilling, Inc. chooses to purchase any product and/or outsource any process that affects product conformity to requirements, the items listed below, as applicable, are required of the supplying vendor, in addition to all requirements expressly stated on the Purchase Order.

1. **Approved Vendor:** The vendor must be included in the Arc Drilling, Inc. Approved Vendors list.
2. **Gage/Fixture Calibration System:** A documented gage/fixture calibration system must be in place.
3. **Inspection System:** An adequate and documented in-process/final inspection system must be in place.
4. **Control of Nonconforming Product:** A documented system for handling nonconforming product must be in place. Vendor is not authorized to disposition materials as “repair” or “accept as is” without prior written approval from Arc Drilling, Inc.
5. **Shipping:** All parts must be clean and packaged to prevent shipping damage.
6. **Right of Access:** Vendor grants the right of access to Arc Drilling, Inc. , their customer and any applicable regulatory authorities to the applicable areas of all facilities at any level of the supply chain involved in the order, and to all applicable records.
7. **Record/Documentation Retention:** All manufacturing/inspection data that is documented for product acceptance shall be retained by the vendor for a period of 30 years unless otherwise specified in the Purchase Order. These records shall be made available for review upon Arc Drilling, Inc.’s request.
8. **Suspect Delivery of Discrepant Product:** Should the vendor suspect that defective product has been inadvertently shipped to Arc Drilling, Inc., the vendor must notify Arc Drilling, Inc. with the known facts within 24 hours via phone, fax, or e-mail.
9. **Lot Control:** Products manufactured from more than one lot of raw material shall be processed and documented in a manner that maintains traceability to individual heat numbers as applicable.
10. **Specifications:** All referenced Specifications (current revision), Codes, Material Identification, or other criteria listed on the order must be met in full.
11. **Confidentiality of information:** All information related to the order is the property of Arc Drilling, Inc. and is delivered on the express condition that it is not to be disclosed, reproduced in whole or part, or used for manufacture for anyone other than Arc Drilling, Inc. without its written consent. Where the order indicates export control, access to the information is further limited in accordance with this restriction.
12. **External Providers:** If direct and/or sub-tier external providers are used by the vendor, appropriate controls shall be applied by the vendor to ensure that requirements are met. The vendor must flow down to external providers applicable requirements including customer requirements.
13. **Counterfeit parts:** The vendor must prevent the use of counterfeit parts and/or materials.
14. **Notification:** The vendor must notify Arc Drilling, Inc. of changes to processes, products, or services, including changes of their external providers or location of manufacture, and obtain Arc Drilling, Inc.’s approval.
15. **Awareness:** The vendor must make personnel aware of their contribution to product conformity and product safety, and the importance of ethical behavior.
16. **Additional requirements may be specified on the Purchase Order; examples are listed below.**



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- **Customer-Specific Requirements:** Requirements that are specified in the Purchase order given to Arc Drilling, Inc., or that are otherwise required by Arc Drilling, Inc.'s customer;
- **First Article Inspection Report (AS9102);**
- **PPAP;**
- **Inspection Line Reports:** A completed copy of an inspection line report and final inspection report included with each shipment;
- **Statistical Process Capability study results;**
- **Identification and traceability requirements** as stipulated by the contract;
- **Certifications:** Raw material certifications supplied to Arc Drilling;
- **Certificates of Conformance:** C of C to accompany each shipment
- **Material Sample:** Sample of raw material submitted to Arc Drilling, Inc. for lab analysis; and/or
- **Test Results submitted to Arc Drilling, Inc.**