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1. SUMMARY

1.1. This procedure defines the requirements for identifying, processing and dispositioning nonconforming product ("NCP").

1.2. The following definitions are important for a clear understanding of this procedure

- 1.2.1. **"Nonconforming product"** is any product, at any point along its life cycle, which is found to not conform to requirements. These requirements may be customer requirements, design requirements, statutory/regulatory requirements, or any other requirement deemed by F Brazil. "Nonconforming Product" is referred to herein as "NCP".
- 1.2.2. **"Rework"**. Parts may be "reworked" when additional machining or processing is conducted without affecting the design of the part. Typically this means simply doing more of the already-approved processes or activities listed on the traveler (additional machining, etc.)
- 1.2.3. **"Repair"**. Any work done on NCP which affects the original design is considered "repair" and is subject to the special controls defined in section 3.3 below. Such work includes but is not limited to the adding welds to correct a problem, adding or removing material beyond design specifications, adding plating or metal finishing not originally included in the design specs, or adding any other materials (epoxy, patches, etc.) not provided for in the original design.
- 1.2.4. **"Nonconforming service"** is any service provided to customers which is found to not conform to requirements. These requirements may be customer requirements, statutory/regulatory requirements, or any other requirement deemed by F Brazil.

Nonconforming service can be discovered at any time, by any person or organization, including employees, the customer, regulatory authorities, etc.

- 1.2.5. While nonconforming product is typically found during an inspection or test, it can be discovered at any time, by any person or organization, including the customer, regulatory authorities, etc.

2. REVISION AND APPROVAL

Rev.	Date	Nature of Changes	Approved By
1	03/01/2018	Original issue.	Chris Stebbing
2	01/04/2024	General Update	C Stebbing
3	01/04/2025	Review	C Stebbing

3. CONTROLLING NCP

3.1. Discovery and Reporting of NCP

- 3.1.1. When NCP is discovered, the operator must report this immediately to the HSEQ Manager. The HSEQ Manager shall confirm if a nonconformity exists, and if so document it on the **CAR Log**

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- 3.1.2. The NCP shall then be identified clearly to distinguish it from acceptable product, or product awaiting inspection or test. The NCP shall then be disposition. Disposition authority is granted to the following personnel:
- Directors
 - HSEQ Manager
- 3.1.3. The selection of these staff members has been made by top management, and is based on their role in the company, previous experience, and knowledge of F Brazil's processes and products.
- 3.1.4. Possible dispositions are:
- Accept as is
 - Repair (see special rules for repair below)
 - Rework
 - Scrap
 - Return to Vendor
- 3.1.5. All repair or reworked product must be re-inspected, with the results recorded on **CAR Log**
- 3.1.6. If "accept as is" will require the acceptance of the part which deviates from a customer's design, the customer's approval must be obtained and documented on the **CAR Log** form. In addition, when applicable, regulatory authority approval(s) may also be required to be obtained and recorded.
- 3.1.7. The disposition, dispositioning authority and any subsequent work and re-inspection are to be recorded on the **CAR Log**
- 3.1.8. The processing of NCP must take into consideration any actions necessary to contain the effect of the nonconformity on other processes or products.

4. SPECIAL RULES FOR REPAIRS

- 4.1. "Repair" is defined in section 1 above.
- 4.2. Any repair affecting a customer designed part must be approved by the customer in advance.
- 4.3. All approvals must be documented and the records maintained with the part records.
- 4.4. Repairs without customer approval are disallowed in all circumstances!

5. NONCONFORMANCE DATA ANALYSIS & TRENDING

- 5.1. The HSEQ Manager will present product quality trend data regularly to top management as part of periodic Management Review Meetings.

6. CONTROLLING NONCONFORMING SERVICES

6.1. Discovery and Reporting

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- 6.1.1. When nonconforming services are discovered by employees, this shall be documented on the ***Nonconforming Service Report (NSR)***. If the nonconforming service is reported by a third party, including a customer, the appropriate employee shall capture the information provided by the third party on the ***Nonconforming Service Report***, including referencing any applicable notes, emails, or other documentation.
- 6.1.2. The ***Nonconforming Service Report*** is sent to the HSEQ Manager for review and initial confirmation of the nonconformance. If it is determined the nonconformance did not occur, this can be noted and the NSR closed without further action. If the issue is confirmed, the procedure shall continue.
- 6.1.3. The HSEQ Manager shall then document details of the NSR and conduct a root cause analysis, utilizing other personnel and resources as necessary. The HSEQ Manager may delegate this responsibility, if needed.
- 6.1.4. The HSEQ Manager will then oversee a disposition of the nonconforming service. This may include a refund, providing new services, providing corrected services, or other actions. All such actions shall be documented on the NSR form.
- 6.1.5. If customer approval is sought for the disposition, this shall be recorded on the NSR; if the customer approval is provided in another document or email, this shall be reference on the NSR instead.

7. NONCONFORMANCE DATA ANALYSIS & TRENDING

- 7.1. The HSEQ Manager will present service quality trend data to top management as part of periodic Management Review Meetings.

8. OTHER STAKEHOLDERS

- 8.1 On occasion there may be times when other stakeholders want/need to voice a concern or opinion. Employee feedback forms (Q 016) are available. Stakeholders other than employees and customers are able to contact the HSEQ Manager or the Managing Director, via contact details published on the contact website.