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## 1.0 Purpose:

- 1.1 This procedure has been developed to identify and control the commercial shipping process.

## 2.0 Scope:


- 2.1 This operating procedure applies to the Commercial International Sales Offices and Commercial Business Units (AAR Aircraft Turbine Center, AAR Allen Asset Management and AAR Distribution) at the Wood Dale, IL facility.

## 3.0 Responsibility and Authority:

- 3.1 The responsibility and authority for the implementation and maintenance of this procedure is assigned to the Vice President of Corporate Quality and Business Systems Compliance and the respective Operations Managers for AAR Supply Chain, Inc.
- 3.2 Product Line Managers and Buyers, Order Management and Sales Teams are responsible to acquire the necessary information to verify the identification of product and its associated traceable paperwork prior to conducting any processing.
- 3.3 The AAR Commercial Operations Manager is responsible for ensuring the Commercial Shipment of material is carried out in accordance with this Procedure.

## 4.0 Forms and References:

- 4.1 This Operating Procedure is intended to work in conjunction with the following Accounting, Product Line, Order Management, Warehouse and QC Operating Procedures, Process Flow Charts, BMS Forms:
  - 4.1.1 ASC OP-07.1.3 - Powered Industrial Truck
  - 4.1.2 ASC-WDL-PFC-4.8-4 - HAZMAT, ESD, Shelf-Life Program and AD Processes (H.E.S.A)
  - 4.1.3 ATA Specification 300
  - 4.1.4 OP-07.5 - Control of Documents and Records
  - 4.1.5 OP-08.4.2 - Product Configuration Management and Verification of Purchased Product
  - 4.1.6 OP-08.5.2 - Identification and Traceability
  - 4.1.7 OP-08.5.3 - Customer Property or Property Belonging to External Providers (Consignment, Repair Management & Government Property)
  - 4.1.8 OP-08.5.5 - Foreign Object Debris Prevention Program
  - 4.1.9 OP-08.7 - Control of Nonconforming Product Suspect Unapproved Parts and Counterfeit Parts
  - 4.1.10 OP-08.7.2 - Handling of Electro-Static Discharge (ESD) Sensitive Components

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## 5.0 Procedure:

### 5.1 Pre-Shipment


- 5.1.1 The Sales Team shall ensure that parts destined for export shall have a Schedule B # and either an Export Control Classification Number (ECCN) or Category number (CAT #), uploaded to IMOPS prior to order generation.
- 5.1.2 Export orders must include a customs invoice with the declared value documented prior to being released for shipment in accordance with OP-08.5.2 - Identification and Traceability.
- 5.1.3 Orders containing Hazardous Material shall not be combined with non-hazardous items in the same order.
- 5.1.4 Export Shipments and Hazardous Materials / Dangerous Goods shipments must be queued to ship in the shipping department no later than 2:00 pm CST and Routine/Standard Material Shipments must queue to ship no later than 3:00 pm CST to provide ample time to process for scheduled carrier pickups. Orders received after the cutoff time will ship the next business day. Holiday/early closure cut off times will be announced as required.
- 5.1.5 Large orders (greater than 5-line items), Less than Truckload (LTL) shipments, and orders requiring special packaging or crating may need additional time to process and will be assessed on a case-by-case basis.
- 5.1.6 Product that is in a ship hold location greater than 7 business days will be returned to stock unless approved by the Operations Manager.
- 5.1.7 Shipping personnel will follow the operating procedures in ASC OP-07.1.3 - Powered Industrial Truck, for product that requires the use of a forklift / powered industrial truck to retrieve, move for packing or load for transport.
- 5.1.8 The packing areas shall be free of debris (FOD) to prevent contamination to the parts or assemblies IAW OP-08.5.4 Perseveration of Product, infrastructure & Work Environment and OP-08.5.5 - Foreign Object Debris Prevention Program.
- 5.1.9 Shipping personnel will ensure that all parts from the shipper are retrieved prior to processing the order.

### 5.2 HAZMAT

- 5.2.1 Personnel shipping hazardous material shall be trained, and products identified as Hazmat shall be properly packaged and labeled in accordance with 49 CFR and IATA Regulations.

### 5.3 ESD

- 5.3.1 Electrostatic Discharge (ESD) sensitive devices must have an ESD label affixed to the packaged item and the carton / box identifying it as ESD for handling purposes.
- 5.3.2 ESD items, protected in shielding bags, can be safely handled so long as the shield bag remains closed. Product not in static shield bags must not be handled or packaged unless this process is accomplished at an ESD station.

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- 5.3.3 Electronic parts with ESD protective caps installed over the connector pins shall not be handled outside of an ESD safe work area and must be placed in static shielding/dissipative bags in accordance with the latest revision of ATA Specification 300.

#### 5.4 Packaging and Shipment of Material

- 5.4.1 Product(s) should be packed in the container in a manner that will preclude damage from rough handling of the container. The use of ATA Specification 300 Category III packaging or equivalent, or customer specified packaging when appropriate shall be used.
- 5.4.2 Metal-to-metal contact of parts is prohibited.
- 5.4.3 All parts designated as Line-Replaceable Units (LRU's) shall be packed in wood crates unless the Original Equipment Manufacturer (OEM) or customer designed packing offers adequate protection.
- 5.4.4 All wood packaging for export shipments must meet International Standards for Phytosanitary Measures No. 15 (ISPM 15) export specifications.
- 5.4.5 Product(s) that require consolidation for shipment will be packaged in accordance with ASC-WDL-WI-SHIP-CONSOLIDATION - Part & Carton Consolidation Work Instruction.
- 5.4.6 When product is packaged and ready for shipment an address label will be printed and affixed to the box(s) and or pallet(s).
- 5.4.7 Multiple boxes palletized or banded together must be labeled box 1 of 2, box 2 of 2, etc.
- 5.4.8 All documentation pertaining to the order shall be included with the product and protected against loss and deterioration. Additional copies shall be provided per industry regulation or customer requirements.
- 5.4.9 International / Export shipments shall be processed in accordance with ASC-WDL-WI-SHIP-EXPORT - Export Shipping - Electronic Export Information (EEI) AES & SLI Work Instruction.
- 5.4.10 Personal locations will only be used for work in progress (WIP) and orders that require additional information will be moved to location "SHPTBA" upon completion.
- 5.4.11 The shipping team will prepare the shipping documentation for the preferred carrier and scan the order documents and associated shipping documentation to IMOPS. The shipment will then be moved to the designated carrier holding area to await pick-up.
- 5.4.12 For Freight Forwarder / Courier Pickups, the drivers shall reference the Job Number or AAR Shipper Number for pickup. No orders shall be given to drivers / couriers without verifying all paperwork / documentation for the pick-up.


#### 5.5 Shipment of Miscellaneous Material/Items

- 5.5.1 Miscellaneous shippers shall not be utilized to ship parts / inventory.

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## 5.6 Miss-Shipments

- 5.6.1 For domestic miss shipments, in which the vendor incorrectly ships to Wood Dale the vendor is responsible for providing a shipping label to collect from Wood Dale to deliver to their location. The risk of loss and damage returns to the vendor and not AAR which has no visibility to the shipment in our ERP system.
- 5.6.2 If the vendor cannot comply and requires AAR to ship, the parts will need to be received against a Customer Supplied Part - Core PO. The core PO # must be provided to receiving to receive the part(s) against.
- 5.6.3 A zero-dollar sales order will be generated to ship the parts to the correct location. This ensures positive control of the movement of material.
- 5.6.4 For International Miss-Shipments the shipment must be received against a Customer Supplied Part - Core PO. A zero-dollar sales order or a transfer order must be created to capture the export transaction and the proper export documentation prepared and retained in IMOPS.
- 5.6.5 In the external narratives the customs declared value must be referenced. Due to export regulations and export clearance procedures AAR must document exports through IMOPS.

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## 6.0 Revision History:

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27/OCT/2021	Original	All	Initial issuance.	C. Anderson