



CUSTOMER QUALITY REQUIREMENTS REVIEW			
Author / Customer Name:	MTU Maintenance (Germany)		
Document Number:	FO-SH-327	Revision #:	06 (Date:24.01.2018)
AAR Reviewer:	K. Frederick	Date Reviewed:	8/9/18

Page	Section	Category	Comments
All	All	QC	NOTE: Any QC requirements / comments will be identified in the CRM on myAAR.
1	All	Internal Comment	Page 1 should be completed and sent to the customer. Exceptions should be noted on the last page.
6	6.1.2	EXCEPTION	AAR can send copies of QMS certificates upon request. This information is always available at www.aarcorp.com . AAR considers the Sales and Order Management Teams to be the primary customer contact. In the event the customer needs to contact AAR's Quality Department, Sales and Order Management will advise of the contact.
6	6.2.1	Internal comment	AAR must maintain copies of Repair Station's operations specifications.
7	6.6	EXCEPTION	AAR does not include "have not been immersed in salt water" on its certificates.

This review only pertains to items that are related to Quality. T&Cs for EH&S, Legal, Accounting, or Contracts will need to be reviewed by the applicable department.

If there are exceptions listed, AAR must receive documented confirmation from the customer that the exceptions are acceptable.



Supplier Quality Policy (Distributors)

FO-SH-327

Ausgabe/Issue: 24.01.2018

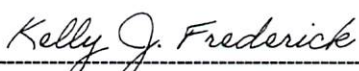
Seite/Page 1 von/of 11

Please read the contents of this document thoroughly. This Revision (06) supersedes all previous revisions.

The MTU Maintenance Supplier Quality Policy defines the quality related requirements for all suppliers of new and used spare parts. Consistent compliance to these requirements ensures that the relationship between MTU and the supplier remains a mutually beneficial partnership, with common objectives to produce top quality aviation products in a cost effective and efficient manner.

Please complete points 1 through 11 on the front page electronically, then either apply an electronic/digital signature and date to Point 12, or alternatively print the front page, sign and date in the spaces provided in Point 12. Once completed and signed, please return the front page only, via email to the contact indicated in the blue area below:

MTU Purchasing: <input type="checkbox"/>	MTU Supplier Quality Assurance: <input type="checkbox"/>
Name: <input type="text"/>	E-Mail: <input type="text"/>
E-Mail: <input type="text"/>	Choose e-mail address

Supplier: (Please complete all blocks)		Yes	No
1	Previous revisions of the Supplier Quality Policy have been removed from circulation.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2	This revision has been received, read, and understood.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3	The requirements of this revision are currently being met by our company. *	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4	Ongoing compliance is ensured through internal audit and surveillance functions.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5	Company Name: AAR Corporation		
6	Physical Address:	Postal Address (if different to physical address):	
	1100 N. Wood Dale Road		
	Wood Dale, IL 60191, USA		
7	Form Completed By: Kelly Frederick		
8	Job Title: Sr. Manager, Quality Management Systems		
9	Telephone Number: 1.630.227.2470	Fax Number: 1.630.227.5677	
10	Email Address: Various - see www.aarcorp.com		
11	Company Website: www.aarcorp.com		
12	Digital, Electronic, or Autographic Signature: 	Date: 8/10/18	

* If there are any clauses or partial clauses with which your company is unable or unwilling to comply with, please enter the clauses and reasons for non-compliance in the area provided at the end of this document (Point 8). These items shall be reviewed prior to granting approval or approval extension.

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2. Revision History [\(Top\)](#)

Revision No.	Revision Date	Approval Date	Approved By	Status	Remarks
01	01.05.2009	11.05.2009	K. Lemmer Quality Director	Superseded	Complete revision
02	22.09.2010	01.10.2010	K. Lemmer Quality Director	Superseded	Partial revision
03	22.02.2011	01.03.2011	K. Lemmer Quality Director	Superseded	Partial revision
04	01.01.2012	05.01.2012	K. Lemmer Quality Director	Superseded	Partial revision
05	10.03.2014	11.04.2014	K. Lemmer Quality Director	Superseded	Partial revision
06	09.12.2014	01.01.2015	K. Lemmer Quality Director	Current	Complete revision

2.1 Current Revision:

This Revision **(06)** supersedes all previous revisions of the MTU Maintenance Supplier Quality Policy. Where necessary, please update the applicable procedures, instructions, etc. within your quality management system to reflect the requirements of this revision.

2.2 Revision Basis and Identification:

Revisions are implemented in the event of changes to aviation regulations, legislation, quality system standards, MTU and MTU customer requirements. Revisions may also be initiated to address significant rejection trends at MTU Receiving Inspection. Where partial revisions are implemented, the revised passages shall be highlighted to assist identification of the additional and/or modified requirements. Changes which correct grammar and spelling errors, and wording changes for clarification purposes which do not affect the intent in any way, are not highlighted.

3. Glossary of Terms [\(Top\)](#)

8D	8 Disciplines of Team Orientated Problem Solving
AD	Airworthiness Directive
ATA	Airline Transport Association
C.A.S.E.	Co-Ordinating Agency for Supplier Evaluation
CAAC	Civil Aviation Authority of China
CAR	Corrective Action Request
CAR (TCCA)	Canadian Aviation Regulation
CoC	Certificate of Conformance
DER	Designated Engineering Representative
DOA	Design Organisation Approval
DOE	Design of Experiments
EASA	European Aviation Safety Agency
ED	Executive Decision
FAA	Federal Aviation Administration
FAR	Federal Aviation Regulation
IAW	In Accordance With
IL	Inspection Lot (<i>Receiving Inspection Passes with Usage Decision</i>)
IPC	Illustrated Parts Catalogue
MOE	Maintenance Organization Exposition
MPM	Maintenance Policy Manual
MR	Maintenance Release
NAA	National Aviation Authority
OEM	Original Equipment Manufacturer
ODA	Organization Designation Authorization
PMA	Parts Manufacturer Approval
PO	Purchase Order
QN	Quality Notification
RDC	Repair Design Certificate
RTS	Return to Service
SB	Service Bulletin
SFAR	Special Federal Aviation Regulation
SPC	Statistical Process Control
STC	Supplementary/Supplemental Type Certificate
TAT	Turn Around Time
TC	Type Certificate
TCCA	Transport Canada Civil Aviation
TCCA DAR	TCCA Design Approval Representative
TCCA RDC	TCCA Repair Design Certificate
TSO	Technical Standard Order

4. Introduction [\(Top\)](#)

4.1 Applicability

This Supplier Quality Policy applies to all potential and currently approved companies who supply new and/or used spare parts to MTU. Such companies are hereinafter be referred to as Distributors (see Para 5.1). All Distributors shall be familiar with the contents of this document. The Distributor's internal procedures and processes shall ensure adherence at all times. The Supplier Quality Policy is referenced in the standard text of each purchase order and is thus contractual and binding on all companies supplying new and/or used spare parts to MTU.

4.2 Purpose

The purpose of this document is to assist Distributors to understand and comply with all quality requirements applicable to purchase orders originating from MTU.

5. Definitions [\(Top\)](#)

5.1 Distributor:

Distributors supply new and/or used finished engine parts and components. Distributors fall into three categories:

5.3.1 OEM: (*Original Equipment Manufacturers*)

- Any company which is the official Original Equipment Manufacturer
- Any company which is authorized to manufacture new parts

5.3.2 New Parts Suppliers:

- Any company which is officially authorized to supply new parts on the behalf of an OEM
- Any company solely supplying new parts

5.3.3 Used Parts Suppliers:

- Any company which sells or brokers second-hand/used parts
- Any company which sells or brokers parts which have been repaired/overhauled by an aviation authority approved repair station.

5.2 Contractor:

- Companies with Aviation Authority certification. Able to certify the work performed with an Authorized Release Certificate.

5.3 Sub-Contractor:

- Sub-Contractors are companies without aviation authority certification. Not able to certify the work performed with an Authorized Release Certificate.

6. Quality System: [\(Top\)](#)

6.1 Quality Management System:

All Distributors shall have a documented Quality Management System which is formally accredited to at least one appropriate standard, e.g. ISO9001, AS9100, AS9120, ASA100, AC00-56, etc.

6.1.1 Approval Duration

MTU approved supplier status is valid for thirty six (36) months from the date of approval unless otherwise revoked or surrendered. Supplier initial approval and re-approval is dependent upon the receipt of the required documents, which includes correctly and satisfactorily completed desktop audit, the signed

front page of this Supplier Quality Policy and quality system accreditation certificates.

6.1.2 Revisions to Quality System Certificates and Organisational Changes

Distributors shall ensure that copies of all renewed, revised, or updated quality system certificates are supplied to MTU Supplier Quality Assurance within five (5) working days of the revision.

When organisational changes to the designated quality contact person(s) occurs, the Distributor shall provide MTU Supplier Quality Assurance with the new contact details within five (5) working days of the organisational change. All document copies may be sent directly to the following email address:

MTUH-SUPPLIER-QUALITY-ASSURANCE@mtu.de

Failure to comply with this requirement may result in suspension or revocation of approved supplier status.

6.2 Material Sources:

Distributors are fully responsible for the quality performance of their suppliers of parts and materials, whether products are purchased complete, or overhauled on behalf of the Distributor. Responsibilities include but are not limited to, the following:

- Product Quality
- Product Identification and Status
- Product Airworthiness Certification and Traceability Documentation
- Supplier Corrective Action
- Supplier Auditing

6.2.1 Repair Stations

Distributors shall ensure that Repair Stations which overhaul parts on their behalf, have aviation authority certification to perform the required maintenance work. To this end the Distributor shall maintain copies of the Repair Station's current aviation authority certificates and where applicable, the operations specifications, approval schedules, capability lists, etc.

6.2.2 Part Suppliers/Dealers/Brokers

Distributors shall ensure that product procured from such sources is accompanied by an Authorized Release Certificate and all other documentation necessary to provide traceability to the last operator/OEM/Repair Station as appropriate.

6.2.3 Material Source Certification

Distributors shall review the documentation received with items obtained from the above sources, to ensure that airworthiness certificates comply to the latest revision of the official instructions for completion. Distributors shall review all ancillary paperwork to ensure it is complete and correct.

6.3 New Parts:

All new parts, where applicable, shall be accompanied with an Authorized Release Certificate. Where an Authorized Release Certificate cannot be issued, the part shall be accompanied with a Certificate of Conformance. Each Certificate of Conformance shall include a statement with the following or similar wording. The intent of the wording may not be changed:

"Certified that the items supplied in the attached Purchase Order were manufactured new in accordance with all specifications and processes as required by the approved design data. Each item has been inspected and is in compliance with all applicable drawings, specifications and customer contract requirements. Evidence of conformance is on file and available for review".

6.4 Used Parts:

Used parts fall into two categories, Serviceable and Unserviceable.

6.4.1 Serviceable

Serviceable parts are parts which have been Overhauled, Repaired, or Inspected by an aviation authority approved Repair Station. Such parts shall be accompanied with appropriate documentation as described in Point 6.10.

6.4.2 Unserviceable

Unserviceable parts are parts which are designated as "Repairable", "As Is", "As Removed", etc. Such parts shall be accompanied with appropriate documentation as described in Point 6.10

6.5 Part or Material Certification Form

The standard ATA106 Part or Material Certification Form is the preferred document. When an alternative Part or Material Certification document is used, the information contained shall be equivalent to the information required on the standard ATA106 form. All used parts shall have traceability by reference to the Authorized Release Certificate and the MTU Maintenance purchase order.

6.6 Non-Incident Statement:

All used parts supplied to MTU Maintenance shall be accompanied by an unambiguous non-incident statement. This statement shall be clearly legible and contain as a minimum, the following declaration:

"The items listed have not been subjected to any severe stress or heat (as in an accident, incident or fire), have not been immersed in salt water or obtained from any Government or Military source".

This statement may be included in the Part or Material Certification Form, (see Point 6.5).

6.7 PMA Parts (Parts Manufacturer Approval):

Only PMA design approvals for non-critical components have direct acceptance by EASA. In order to determine that a given part is defined as non-critical, the following statement must be entered into the remarks block of the Authorized Release Certificate completed by the Distributor's supplier:

"This PMA part is not a critical component"

PMA parts received without this statement in the remarks block of the accompanying Authorized Release Certificate will be rejected at Receiving Inspection and the non-conformance recorded against the Distributor (see Point 7.2.2).

6.8 Packaging:

All parts shall be packed in a manner which precludes damage and/or deterioration due to heavy handling of the container. Unless otherwise specified or agreed to by MTU Maintenance, all parts shall be shipped in containers which comply with ATA-300 specification. Where possible environmentally friendly packaging shall be used.

6.9 Unapproved Parts Notification:

The Distributor shall have a system in place to monitor suspected unapproved parts notifications identified through the FAA (*Unapproved Parts Notification {UPN}*) and/or EASA (*Safety Information Bulletin {SIB}*). The Distributor shall ensure that no parts which have been identified through the above channels, are supplied to MTU Maintenance.

6.10 Do Not Use List:

The Distributor shall ensure that no parts are supplied from a source included on the MTU Maintenance "Do Not Use List", unless falling into one of the three exception categories indicated on the list. This list will be circulated to all Distributors when revised and is always available upon request from MTU Maintenance Supplier Quality Assurance.

6.11 Documentation Package:

Distributors are responsible to ensure that all appropriate and necessary documentation applicable to the part is complete, accurate, and compliant with regulatory and MTU Maintenance requirements. This includes, but is not limited to, the following:

- Authorized Release Certificate
- Previous Authorized Release Certificates (*traceability*)
- Material Certificate (*ATA 106 certificate or equivalent*)
- Non-Incident statement (*see Point 6.6*)
- Delivery note
- Packing slip

When certificates are supplied as copies of the original, a "Certified True Copy" stamp of an appropriate colour (*not black*), which contains accurate and legible data entry, shall be applied to the certificate copy.

6.11.1 Document Package Acceptance

The Distributor shall ensure that the documentation package is complete and satisfactory to MTU Maintenance prior to despatching the order. The original documentation applicable to the parts (*e.g. 8130-3, Form 1, Certified true copies, etc.*), shall always be placed inside the packaging. Photocopies of documentation shall be affixed to the outside of the packaging for customs and excise purposes.

7. GENERAL ([Top](#))

7.1 Training Programme:

Distributors shall have a documented training programme which includes the method of verification that the contents of Authorized Release Certificates received with parts are complete and accurate according to the latest revision of the official instructions for completion for the applicable certificate (*Form 1, 8130-3, etc.*). (*see Point 6.2.3*)

7.2 Quality Performance Evaluation:

Ongoing supplier quality performance for is calculated and evaluated on a monthly, annual and *ad hoc* basis. The criteria used is First Pass Yield which measures the percentage of inspection lots which pass through receiving inspection without non-conformance:

7.2.1 First Pass Yield:

First Pass Yield percentage is calculated by dividing the number of incoming rejections (QN's) by the number of inspection lots processed. First Pass Yield performance is divided into three (3) categories and rated in the "traffic light" system:

- **Green Zone: FPY \geq 98,7%**
Quality performance level acceptable, follow internal continuous improvement programme to remain in Green Zone
- **Amber Zone: FPY $<$ 98,7% and \geq 97,0%**
Quality performance level warning area, improvement programme necessary to reduce incoming rejections

- **Red Zone: FPY < 97,0%**
Quality performance level unacceptable, immediate improvement action required to improve quality performance

7.2.2 Rejection Criteria:

Rejection Criteria are divided into four (4) main categories, which are further subdivided into specific failure modes:

Category A: Order Related		Category B: Documentation Related	
A1	Incorrect Quantity	B1	Certificate Incorrectly Completed
A2	Wrong Part Delivered	B2	Certificate Missing
A3	Discrepancy with Purchase Order	B3	Other Paperwork Missing/Incorrect
A4	DER Not Allowed/Unknown	B4	Certificate Copies Only (<i>Originals Missing</i>)
A5	Parts Missing/Incomplete Kit	B5	Paperwork Traceability Problem
Category C: Transport Related		Category D: Product Quality Related	
C1	Transport (<i>Part Damaged</i>)	D1	Part Out of Limit
C2	Transport (<i>Packaging Damaged</i>)	D2	Incorrect Assembly
		D3	Operation Missed
		D4	Performance Failure
		D5	General Product Quality Problem

7.3 Corrective Action:

Corrective action may be requested from Distributors when deliveries are rejected at Receiving Inspection, or when quality problems are identified during assembly and/or test.

7.3.1 Heads-Up

This level is informal in nature and is used mainly when a deterioration in quality performance or recurring error has been identified which has a limited effect on MTU internal processes. Information is provided to the Distributor to enable remedial action to be defined and implemented before the issue deteriorates further. The Distributor is required to address the issues internally and provide feedback to the Supplier Quality Assurance department. No formal document or defined method is required.

7.3.2 Corrective Action Request

This is a formal request for corrective action. This level is used when a deterioration in quality performance or recurring error is identified which has a significant effect on MTU internal processes. In most cases rejection for product quality will result in a formal corrective action request.

When a formal corrective action request is issued, the Distributor is required to utilize recognized methods and techniques (*e.g. 8D, 5 WHY's, PDCA, Cause & Effect, etc.*) to ensure that the true root cause is identified and eliminated. The following steps must adequately addressed:

- Immediate containment action to limit the effect of in transit, impending and planned shipments
- Identification of the true Root Cause
- Develop and implement corrective action to eliminate the true Root Cause
- Verify that the implemented corrective action is effective
- Develop and implement preventative action to ensure problem reoccurrence is negated

Documented evidence to support and substantiate the action taken and its effectiveness

7.3.3 Distributor's Supplier Error

Corrective action shall be requested by the Distributor for errors originating at the Distributor's supplier. Records of this corrective action shall be maintained for review.

7.4 Quality System Review

All Distributors are subject to periodic quality system review. This will either be through an on-site audit by MTU authorized auditors, or a detailed electronic survey questionnaire. Both audit types encompass the requirements of MTU, MTU customers and aviation authorities.

7.4.1 Desktop Audit

The desktop audit is used for initial supplier approval, and supplier re-approval when the 36 month approved supplier status expires. The desktop audit is a detailed questionnaire which is designed to be completed electronically, it does not need to be printed and does not need a signature. When the desktop audit is used, the Distributor is required to complete the questionnaire completely, accurately, honestly, and in a timely manner. The completed desktop audit is reviewed in detail upon return, all anomalies, errors and omissions must be satisfactorily corrected and/or clarified before approved supplier status can be granted, reinstated or extended.

7.4.2 On-Site Audit

On-site audits are based on quality performance and/or purchasing department requests. Distributors with quality performance in the "Red Zone" will automatically be included in the list for potential on-site audit. When an on-site audit has been scheduled, the main purpose is to review the individual quality escapes and evaluate the corrective action taken. The intention is to assist the Distributor to identify areas of potential improvement and initiate appropriate action to eliminate non-conformances and improve performance. Audits conducted as a result of purchasing requests will concentrate on the specific areas determined by the purchasing department.

7.5 Environmental Management

MTU Maintenance is accredited to ISO14001 and thus is incumbent to encourage all Distributors to actively participate in the effective management of activities that impact on the environment. This includes, but is not limited to, the following:

- Adequate storage, use and control of chemicals such as Isocyanates, Acetone, etc.
- Adequate storage, use and control of flammable materials and products
- Minimize the use of non-recyclable packaging materials such as plastic, bubble wrap, etc.
- The use of re-usable containers
- Appropriate waste disposal

All Distributors are encouraged to implement environmental controls appropriate for the size and type of facility, and thus proactively protect our common environment and future.

7.6 Health and Safety:

MTU Maintenance is accredited to OHSAS18001 and is thus incumbent to encourage all Distributors to be proactive in their approach to employee health, safety and well-being. Such items include, but are not limited to, the following:

- Personal protection equipment, e.g. safety glasses, overalls, safety shoes, etc., as appropriate
- Training in chemical/materials use according to applicable MSDS sheets, as appropriate
- Training in emergency action in case of accidental chemical spillage/contamination, as appropriate
- Training in fire prevention, fire fighting, fire extinguishers and emergency alarm plans
- Ensure that no underage persons are employed within the organisation

8. Exclusions [\(Top\)](#)

In the event that there are clauses or partial clauses with which your company is unable or unwilling to comply with, please enter the clauses and reasons for non-compliance in the area provided on the next page. Where exclusion requests have been made, this page must accompany the front signature page upon return.

All entries shall be reviewed and evaluated on an individual basis prior to granting approval or approval extension.

8.1 Exclusion Requests

Exclusion Requests	
Clause No.	Reason
6.1.2	AAR can send copies of QMS certificates upon request. This information is always available at www.aarcorp.com . AAR considers the Sales & Order Management Teams to be the primary customer contact. In the event the customer needs to contact AAR's Quality Department, Sales & OM will advise of the contact.
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