

Introduction

Please read the contents of this document thoroughly. This Revision supersedes all previous revisions. The MTU Maintenance Supplier Quality Policy (SQP) FRM-1126 defines the quality related requirements for Contractors and Distributors (OEM, New Parts Suppliers and Used Parts Suppliers). 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. By accepting the respective purchase order it is confirmed that the supplying organization complies with these requirements. Any specific requirement in an MTU Contract or Purchase Order will take precedent over the SQP requirement.

This Supplier Quality Policy FRM-1126 is online available on the following website for supplier related documents: <https://www.mtu.de/terms-conditions/> (Terms & Conditions - MTU Aero Engines)

The following table provides an overview, which chapters are applicable to the different supplier types, as defined within section 4 of this document.

Applicability of Supplier Quality Policy chapters													
1	2	3	4	5	6	7	8	9	10	11	12	13	14
all	all	all	all	All Distributors	Contractor	all	OEM / PAH / PMA	New Parts Supplier	Used Parts Supplier	all	all	all	all
Please note the following, if exclusion requests are required:													
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 14). These items shall be reviewed and accepted by MTU Supplier Quality Assurance prior to granting approval or approval extension.													

If you need to make contact to the Supplier Quality Function, you may get in touch with your contact at the applicable location directly, also via purchasing or you may use the following contact details:

Supplier Quality at MTU Maintenance Serbia d.o.o.: MTUBEG-Supplier-Quality-Assurance-BEG@mtuserbia.com
 Supplier Quality at MTU Maintenance Berlin-Brandenburg GmbH: lieferantenzulassung@mtu.de
 Supplier Quality at MTU Maintenance Canada Ltd.: MTUC-Supplier-Quality-Assurance@mtucanada.com
 Supplier Quality at MTU Maintenance Hannover GmbH: mtuh-supplier-quality-assurance@mtu.de
 Supplier Quality at MTU Maintenance Fort Worth Inc.: MTUMW-Supplier-Quality-Assurance@mtu.aero
 General (not location specific): MTU-Supplier-Quality-Assurance-MRO@mtu.de

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1 Revision History

This Form supersedes the following previous Supplier Quality Policy Forms:

- FO-SH-327 Rev.06 Issue 01-2018
- FO-SB-388 Issue 12-2022
- FO-SH-004 Issue: 13.06.2024

1.1 Current Revision

This Revision 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.

1.2 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.

2 Glossary of Terms

Table 1: Glossary of Terms

8D	8 Disciplines of Team Orientated Problem Solving
AD	Airworthiness Directive
ANAC Brazil	Agência Nacional de Aviação Civil (Brazil)
ATA	Airline Transport Association
C.A.S.E.	Co-Ordinating Agency for Supplier Evaluation
CAA UK	Civil Aviation Authority (United Kingdom)
CAAC	Civil Aviation Authority of China
CAAS	Civil Aviation Authority of Singapore (CAAS)
CAR	Corrective Action Request
CAR (TCCA)	Canadian Aviation Regulation
CoC	Certificate of Conformance
CSN	Cycles Since New
CSO	Cycles since Overhaul
DER	Designated Engineering Representative
DOA	Design Organization Approval
DOE	Design of Experiments
EASA	European Aviation Safety Agency
ED	Executive Decision
FAA	Federal Aviation Administration
FAR	Federal Aviation Regulation

FPY	First Pass Yield
IAW	In Accordance With
IL	Inspection Lot (<i>Receiving Inspection Passes with Usage Decision</i>)
IPC	Illustrated Parts Catalogue
JCAB	Japan Civil Aviation Bureau
MAG	Maintenance Annex Guidance
MOE	Maintenance Organization Exposition
MPM	Maintenance Policy Manual
MR	Maintenance Release
MSDS	Materials Safety Data sheet
NAA	National Aviation Authority
NTSB	National Transportation Safety Board
ODA	Organization Designation Authorization
OEM	Original Equipment Manufacturer
PAH	Production Approval Holder
PC	Production Certificate
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
TIP	Technical Implementation Procedures
TSN	Times Since New
TSO	Technical Standard Order – If related to minimum performance standard (FAA)
TSO	Times Since Overhaul – If related to Times provided on Purchase Order or Release Certificate

3 Applicability and Purpose

3.1 Applicability

This Supplier Quality Policy applies to all potential and currently approved companies who supply new and/or used spare parts to MTU or perform maintenance work on MTU product and MTU customer's product. Such companies are hereinafter be referred to as Suppliers and may include, but are not limited to, Distributors and Contractors (see *Para 4*). All Suppliers shall be familiar with the contents of this document. The Supplier'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 or performing maintenance work on MTU product and MTU customer's product.

3.2 Purpose

The purpose of this document is to assist Suppliers to understand and comply with all quality requirements applicable to purchase orders originating from MTU. The quality requirements detailed in this document are not intended to replace or restate any part of the EASA, FAA, CAAC, CAA UK, ANAC Brazil, JCAB, CAAS or TCCA aviation authority requirements, where such requirements are applicable to the Supplier's scope of work.

3.3 Code of Conduct

In addition to the applicable regulations and contracts with MTU Maintenance, the Supplier shall be in compliance with MTU's Code of Conduct, which can be found on the MTU website.

Link to overview of supplier related documents: <https://www.mtu.de/terms-conditions/> (Terms & Conditions - MTU Aero Engines)

Link directly to Code of Conduct: <https://www.mtu.de/about-us/corporate-governance/compliance/code-of-conduct-for-mtu-business-partners/>

The Code of Conduct for MTU Suppliers is essentially based on the ten principles of the UN Global Compact and defines the standards and requirements MTU imposes on its suppliers of goods and services with respect to human rights, labor standards, environmental protection, and the fight against corruption.

4 Definitions

4.1 Supplier:

A Supplier is any potential or currently approved organization that supplies products and/or performs services for MTU under a purchase order or contract. For the purpose of this Supplier Quality Policy, Suppliers are categorized as Distributors and Contractors, as defined below.

Where an organization acts as both Distributor and Contractor, the requirements applicable to both Supplier Categories shall apply.

4.2 Distributor:

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

4.2.1 OEM: (Original Equipment Manufacturers)

- The holder of a Production Certificate authorization, who controls the design and quality of a product, article, or part(s) and issues an authorized release certificate.

4.2.2 New Parts Suppliers:

- Any company which is officially authorized to supply new parts on behalf of a PAH/OEM including authorized release certificate
- Any company which solely supplies new parts including authorized release certificate, supplies standard parts including a Certificate of Conformance

4.2.3 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 certificated repair station/maintenance organization

4.3 Contractor:

A Contractor is an organization which:

- is certificated by an aviation authority (EASA and FAA Certificates are mandatory) as a repair station/maintenance organization for the work carried out. The scope of maintenance is indicated in the ratings and limitations in the Contractor's approval certificate.
- certifies the work with an Authorized Release Certificate as per their applicable aviation regulations.

4.4 Sub-Contractor:

A Sub-Contractor is an organization which:

- is not certificated by the applicable aviation authority as a repair station/maintenance organization for the work carried out.
- only carries out individual, specifically defined work steps or processes according to MTU instructions.
- shall work under the MTU Maintenance Management System and are subject to inspection by MTU Maintenance.

5 Distributor-Specific Quality System Requirements

The following chapters are only applicable for Distributors

5.1 Quality Management System

All Distributors shall have a documented Quality Management System which is formally accredited to at least one appropriate standard, e.g. AS9100, AS9120, ASA100, AC00-56. An accreditation in accordance with ISO9001 is not sufficient for. Exception: For Distributors solely supplying parts for Industrial Gas Turbines an accreditation with ISO 9001 is acceptable.

The Quality Management System shall at least cover the following elements:

- Counterfeit parts and materials
- Prevention of suspected unapproved parts
- Use customer-designated or approved external providers, including process sources (e. g. special processes), if requested
- Notify MTU Maintenance Purchasing and Supplier Quality Assurance of non-conforming processes, products or services and obtain approval for their disposition;
- Flow down to external providers applicable requirements including customer requirements;
- Retain documented information, including retention periods and disposition requirements.
- Training, qualification, competence, awareness

The organization shall ensure that persons doing work under the organization's control are aware of:

- the MTU supplier quality policy;
- relevant quality objectives;
- their contribution to the effectiveness of the quality management system, including the benefits of improved performance;
- the implications of not conforming with the quality management system requirements;
- relevant quality management system documented information and changes thereto;
- their contribution to product or service conformity;
- their contribution to product safety;
- the importance of ethical behaviour;

The organization shall continually improve the suitability, adequacy and effectiveness of the quality management system

5.2 Quality Management System Certificates

5.2.1 OASIS Database

AS9100 or AS9120 certified Distributors shall provide access to data (e.g. certification, audit report and findings, corrective actions) within the OASIS databases upon request.

5.3 Documentation Package

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

- Authorized Release Certificate (Original)
- Copies of the Previous Authorized Release Certificates (traceability)
- Copies of approved non-conformance reports (e.g. DR, DICA,...) as referred on the Authorized Release Certificate
- Material Certificate (ASA Statement Form 2020 is preferred)
- Incident/Accident Clearance Statement / Non-Incident statement (see Point 10.7)
- Delivery note
- Packing slip

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

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

5.4 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.

5.5 PMA-Parts

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 11.1*). Parts and repairs not listed in the technical data (i.e. - PMA parts and DER repairs) may not be used without prior approval from MTU.

6 Contractor-Specific Quality System Requirements

The following chapters are only applicable for Contractors

6.1 Quality System Certification:

As a minimum all Contractors shall have EASA Part 145 and FAA Part 145 aviation authority certification. In addition to this minimum requirement, it is desirable that Contractors have CAAC, CAA UK, CAAS, ANAC Brazil, JCAB and TCCA maintenance approval (if no acceptance, e. g. via Bilateral Agreement, is in place) certification as well as accreditation to one or more of the following standards, AS9100, ISO14001 and ISO45001.

6.2 Airworthiness Certification:

Prior to accepting the order, the Contractor shall ensure that approval to perform the required maintenance work on MTU product (*inspect, repair, overhaul, etc.*) is included in their respective aviation authority certification, capability lists, etc.

6.2.1 Contractors Located in Europe or USA:

Contractors located in Europe or the USA who hold both EASA and FAA aviation authority certification, shall return the item with the appropriate Authorized Release Certificate fully and accurately completed as a dual release.

6.2.2 Contractors Located in Europe:

Contractors located in Europe who hold EASA, FAA and TCCA aviation authority certification, shall return the item with the appropriate Authorized Release Certificate fully and accurately completed as a triple release.

6.2.3 Contractors With CAAC Approval in Addition to EASA and FAA Approval:

Where the Contractor has CAAC aviation authority certification in addition to EASA and FAA certification, and the MTU purchase order and/or contract stipulates that a CAAC Authorized Release Certificate (AAC-038) is also required, this shall be supplied in addition to the dual/triple release Authorized Release Certificate.

6.2.4 Bilateral Agreement:

Where no bilateral agreement is in existence between the USA, Europe or Canada and the applicable independent state, individual Authorized Release Certificates shall be generated. All Authorized Release Certificates generated for the same item shall make clear and accurate reference to each other.

6.2.5 Digital Signature:

The Contractor may only apply electronic/digital signatures to Authorized Release Certificates when authorized to do so by the applicable aviation authority.

6.2.6 Exceptions

Exceptions to the rulings above will be decided on an individual basis depending on end user requirements where specific instructions will be issued. In all cases of doubt, the Contractor shall contact MTU Supplier Quality Assurance for clarification. Incorrect, incomplete, ambiguous, missing or damaged documentation will cause parts to be rejected at Receiving Inspection, placed in quarantine. The non-conformance shall be recorded against the supplier (QN) and included in quality performance calculations (*see Point 11.1*).

6.3 Requirements for Times and Cycles

6.3.1 TSN and CSN

In all cases where the purchase order indicates TSN and CSN, regardless of whether the part is a life limited/tracking part or not, these data shall be included in the remarks section of the Authorized Release Certificate.

When MTU does not know the TSN/CSN, then UNK (*unknown*) will be indicated in the purchase order. When UNK is indicated in the purchase order, this must be included in the remarks section of the Authorized Release Certificate.

When MTU does not provide any data for TSN and CSN, then TSN: UNK and CSN: UNK shall be included in the remarks section.

6.3.2 TSO and CSO

When the part is overhauled and certified as Overhauled, the TSO and CSO shall be set to zero (0) and included in the remarks section, TSO: 0 and CSO: 0.

When the part is not certified as Overhauled (*e.g. Repaired, Inspected, Tested, etc.*), and the TSO and CSO values are indicated in the purchase order, these TSO and CSO values shall be included in the remarks field of the Authorized Release Certificate.

When the TSO/CSO values are not included in the purchase order TSO: UNK and CSO: UNK shall be included in the remarks field of the Authorized Release Certificate.

The cycles remaining for any parts (*including LLPs*) shall not be included on the Authorized Release Certificate.

6.4 ADs and SBs

6.4.1 General

The Contractor shall ensure that all ADs and SBs which are applicable to any item maintained for MTU, are both known and reviewed. The Contractor shall ensure that the method used for obtaining this information, is documented and adhered to at all times. Both EASA and FAA airworthiness directives apply.

6.4.2 AD Confirmation ("Dirty Fingerprint")

In order for MTU to comply with regulatory and customer requirements, in all cases where an AD is required and accomplished, the shop floor paperwork confirming the inclusion of the AD shall be delivered together with the part and the airworthiness approval. This paperwork may be either the "Dirty Fingerprint" shop floor traveler/router/job card etc., a printout of the computerized routing card, or a detailed shop repair report clearly indicating the inclusion of the AD.

6.5 Engine Manuals and Technical Data

The Contractor shall have a robust system in place to obtain and implement the latest level technical information (*e.g. engine manuals, ADs, SBs, etc.*). When the MTU purchase order contains a specific reference with revision and date, this information shall be used for the maintenance activity ordered. When only the chapter reference, is stated on the purchase order, without revision and date, then the latest revision of that data shall be used for the maintenance activities ordered. Parts and repairs not listed in the technical data, such as PMA parts or DER repairs, shall not be used without prior approval from MTU.

6.6 Anti-Drug and Alcohol Programme:

Contractors within the USA shall actively participate in an accepted anti-drug and alcohol misuse prevention testing programme. Proof of the programme existence is demonstrated through page A449 of the FAA Operations Specifications. Copies of page A449 shall be supplied to MTU Supplier Quality Assurance for record purposes. Proof of active participation in the anti-drug and alcohol misuse prevention programme will be periodically verified during on-site audits, desktop audits, or by special request for documented evidence. Contractors located outside the USA where applicable, shall have a programme which is compliant to any appropriate national law.

6.7 Contracting and Subcontracting Work:

If the Contractor, outside of normal operations, intends to use another Contractor or Sub-Contractor (*as defined in Point 4*) to perform maintenance work on their behalf, MTU Purchasing shall be informed of this intention prior to placing the order with that company. In the event that maintenance work on MTU items is delegated to sub-tier maintenance providers, the Contractor is responsible for the quality of all work and documentation produced by its sub-tier maintenance providers. The Contractor shall ensure that sub-tier maintenance providers which are located in the USA, at all tiers, whether certificated or non-certificated, actively participate in an appropriate anti-drug and alcohol misuse prevention programme.

6.8 Contractor Approval

6.8.1 Approval Duration

MTU approved supplier status is valid for thirty six (36) months from the date of approval unless otherwise revoked or surrendered. Initial supplier approval and re-approval is dependent upon the receipt of the required documents, which includes as appropriate, aviation authority approval certificates, quality system approval certificates, capability lists, correctly and satisfactorily completed desktop audit.

6.9 Reporting of Non-Conforming / Unairworthy Product

In the event that a Contractor identifies that a product may be non-conforming and/or unairworthy, a written notification of this fact shall be sent to the MTU Maintenance contact person within 24 hours of the situation being identified. The written notification shall include all applicable details pertaining to the identified suspect parts. This includes, but is not limited to, the following:

- Purchase order number including the position number
- Part number
- Quantity
- Batch number
- Delivery note/waybill details
- Date of shipment
- Date of manufacture/repair
- Any other data that may assist MTU Maintenance to identify the product when received and facilitate the segregation and quarantine of the suspect product.

In the event that a Contractor has identified non-conforming product prior to dispatch but deems that the product may still be useable, the product shall be immediately segregated and quarantined. Written concession approval to deliver the non-conforming product shall be obtained from MTU Maintenance prior to shipment. This written concession approval shall include as a minimum one signature from a senior quality department employee.

6.10 Purchase Order

6.10.1 Purchase Order handling:

The following information shall be provided prior to shipment to the responsible purchasing agent:

- If an exchange part is offered and accepted by MTU, the new part number and serial number must be provided to MTU
- PN changes in case SB is performed
- Quantity of parts related to the part condition (inspected, repaired, overhauled, non-repairable etc.)

6.10.2 Deviation to Purchase Order

A Contractor shall not deviate from the purchase order requirements. In all cases where a deviation from the purchase order appears to be required or advisable to the Contractor, it shall be ensured by the Contractor that any deviation from the original MTU purchase order is accepted either by a revised purchase order or a clear written statement by the MTU purchasing department, e.g. an accepted quote. In the event that the purchase order is ambiguous, clarification shall be requested from the MTU purchasing department prior to further processing.

In the event that a deviation to the purchase order is approved by MTU Maintenance, (e.g. IEN, EA, DR, etc.), the applicable paperwork is to be included in the documentation package delivered together with the part.

6.11 Shipping and Documentation Package

The Contractor shall ensure that the documentation package is complete and satisfactory to MTU Maintenance prior to dispatching the order. The original documentation applicable to the parts shall always be placed inside the packaging close or attached to the part. Photocopies of documentation and certification shall be affixed to the outside of the packaging for customs purposes and. If Authorized Release Certificate refers to a Partial Release Certificate issued by a sub-contractor, then a copy of Partial Release Certificate of subcontractor has to be provided to MTU together with the part and other paperwork inside of the box. If the Authorized Release Certificate refers to a previous Release Certificate, this previous Authorized Release Certificate shall be included in copy together with a copy any referred approved non-conformance Reports (e.g. DR, DICA,..), if applicable.

If the MTU Maintenance Purchase Order work scope asks to state the Third Party PO or Ex ESN or other customer information on the Authorized Release Certificate, such information is to be stated in remarks field of Authorized Release Certificate.

If a shipment of parts contains of more than one box, please indicate in any way. All parts shall be packed in a manner which precludes damage and/or deterioration due to heavy handling of the container.

7 General Quality System Requirements

7.1 Revisions to Quality System Certificates and Organizational Changes

Suppliers shall ensure that copies of all revised, updated or changed quality system documentation (certificates, operations specifications, capability lists, etc. as applicable) are supplied to MTU Supplier Quality Assurance within five (5) working days of the revision.

When organizational changes to the designated quality contact person(s) occurs, the Supplier shall provide MTU Supplier Quality Assurance with the new contact details within five (5) working days of the organizational change. All document copies may be sent directly to the email addresses listed on page one of this document or to the responsible purchasing agent. Failure to comply with these requirements may result in suspension or revocation of approved supplier status.

7.2 Record Retention

The Supplier shall retain records of maintenance on MTU product for the following minimum periods:

- Distributors: three (3) years from the date the article was shipped/dispatched to MTU Maintenance.
- Contractors: five (5) years from the date the article was approved for return to service.

When specified in the purchasing contract, the record retention period may be extended to longer than five (5) years for Contractors or three (3) years for Distributors. However, the purchasing contract may not specify a period of less than five (5) years for Contractors or three (3) years for Distributors. Records shall be complete and maintained in a manner which avoids loss, damage and deterioration.

8 Original Equipment Manufacturer (OEM)

The following chapter is only applicable for OEMs.

OEMs are required to be in full compliance with the applicable production regulations, e.g. EASA Part 21 or FAA Part 21. OEMs shall provide a copy of the valid production certificate to MTU Maintenance contact person.

8.1 Material Certification

All new parts, where applicable, shall be accompanied with an Authorized Release Certificate. Exclusions apply as defined for e.g. Standard Parts within the applicable regulation, such as EASA, FAA, TCCA and CAAC.

9 New Parts Supplier

9.1 Material Source

Distributors of new parts are fully responsible for the quality performance of their suppliers of parts and materials. Responsibilities include but are not limited to, the following:

- Product quality
- Product identification and status
- Product airworthiness certification and traceability documentation
- Supplier Monitoring (such as audits, corrective and preventive actions, etc.)

9.2 Material Source Certification

All new parts, where applicable, shall be accompanied with an Authorized Release Certificate and all other documentation. Distributors shall review all ancillary paperwork to ensure it is complete and correct.

Where an Authorized Release Certificate cannot be issued or is not necessary (e.g. standard parts), the part shall be accompanied with a Certificate of Conformance (CoC) issued by the manufacturer (e.g. for standard parts). Each Certificate of Conformance shall include a statement with the following or similar wording. The intent of the wording may not be changed:

9.3 Standard Parts Supplier

All Standard Parts shall be accompanied with an Certificate of Conformance (CoC) or an Authorized Release Certificate. Each CoC 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".

Distributors of Standard parts shall be in compliance with following requirements:

- Distributors shall have a list of manufacturers of "Standard Parts", which are being sold to MTU.
- Manufacturer of the parts must be approved as a supplier in the distributor's system
- Manufacturer of the parts shall have an accredited / certified quality management system
- Manufacturer of the parts shall be qualified to manufacture the parts
- A system for supplier monitoring and surveillance of the manufacturer of the parts shall be implemented
- Documentation of the supplier monitoring and surveillance shall be archived in accordance with aviation industry standards.
- Required documents, e.g. current quality management system certificates, documentation regarding the capability, shall be retained and made available to MTU upon request.
- Traceability to the manufacturer shall be ensured at all times by the distributor
- The distributor shall work with MTU to a reasonable extend to grant access to the manufacturer's premises for MTU representatives, MTU customers and Aviation Authorities, as requested by MTU.

9.4 Unapproved Parts

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. The supplier shall plan, implement and control a process appropriate to the organization and its scope of work that identifies and prevents the use of unapproved and suspected unapproved parts.

This shall include, but not be limited to:

- training of appropriate persons in the awareness and identification of suspected unapproved parts;
- procurement requirements for assuring traceability of parts and components to an authorized source;
- inspection processes to detect suspected unapproved parts;
- monitoring of suspected unapproved parts reporting from external sources;
- quarantine and reporting of suspected unapproved parts in accordance with applicable requirements from the competent authority or the customer.

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9.5 Counterfeit parts and materials

The Distributor shall plan, implement and control processes, appropriate to the organization and the product, for the prevention of counterfeit or suspect counterfeit part use and their inclusion in product(s) delivered to the MTU network.

Counterfeit part prevention processes should consider:

- training of appropriate persons in the awareness and prevention of counterfeit parts;
- application of a parts obsolescence monitoring program;
- controls for acquiring externally provided product from original or authorized manufacturers, authorized distributors, or other approved sources;
- requirements for assuring traceability of parts and components to their original or authorized manufacturers;
- verification and test methodologies to detect counterfeit parts;
- monitoring of counterfeit parts reporting from external sources;
- quarantine and reporting of suspect or detected counterfeit parts.

9.6 Product Recall

The Distributor shall establish, implement, and maintain a process for the recall of product delivered to MTU. This process shall include an immediate notification to affected MTU locations and proper containment, corrective and preventive actions.

10 Used Parts Supplier

10.1 Definitions

Used parts fall into two categories, Serviceable and Unserviceable.

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 5.3.
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 5.3.

10.2 Use of Repair Stations

Distributors shall ensure that Repair Stations which perform maintenance on their behalf, have aviation authority certification to perform the required maintenance work. It shall be ensured, that only appropriate Aviation Authority approved Repair Stations are used, when maintenance including inspection is performed on engine or components. To this end the Distributor shall maintain copies of the Repair Station's current aviation authority certificates including ratings and limitations, approval schedules and for FAA approved Repair Stations the complete operations specifications. Where referenced in the authority documents the copies of the capability lists shall also be maintained. These documents shall be provided to MTU Maintenance Purchasing and / or Supplier Quality Assurance Personnel upon request.

Distributors of Used Parts are fully responsible for the quality performance of their suppliers of parts and materials (Repair Stations, Part Suppliers, Dealers, Brokers etc.), 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
- A system to provide a clear, complete and correct repair order to reflect the status of engines and piece parts being sent to the repair station.
- Product airworthiness certification and traceability documentation
- Supplier corrective action
- Supplier auditing
- Coordinate rectification of quality concerns (e. g. flight safety related issues) between MTU Maintenance and repair stations: The used parts supplier shall work with MTU to a reasonable extent to grant access to the repair station's premises for MTU representatives, MTU customers and Aviation Authorities, if appropriate.

10.3 Authorized Release Certificate

Distributors shall ensure that part or material procured from Repair Stations, Part Suppliers, Dealers, Brokers are accompanied by an Authorized Release Certificate and all other documentation necessary to provide traceability to the last operator/OEM/Repair Station as appropriate.

10.4 Part Material Certification

The standard ASA Statement Form 2020 is the preferred document and shall include traceability by reference to the Authorized Release Certificate and the MTU Maintenance purchase order. When an alternative Part Material Certification document is used, the required traceability information shall be included.

10.5 Supply Chain Requirements for Engine tear downs

The Distributor shall ensure, that:

- Tear downs are handled in accordance with OEM requirements including information regarding special events. In addition to the Incident/Accident Clearance Statement / non-incident statement a review of technical documents, such as BSI reports may be necessary;
- A system is in place to provide a clear, complete and correct tear down order to reflect the status of engines sent to the repair station.
- Risk mitigations actions are in place, if the distributor intends to use non-aviation-authority approved sources for engine tear downs. It is strictly recommended to only use aviation authority approved sources, whenever engine parts are handled

10.6 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.*).

10.7 Incident/Accident Clearance Statement / Non-Incident Statement /

Used parts supplied to MTU Maintenance shall be accompanied by an unambiguous Incident/Accident Clearance Statement (see for example ASA Statement Form 2020) or a non-incident statement, as appropriate. The statement used shall be in compliance with the applicable standards and / or templates, e. g. as provided by ASA Statement Form 2020 for the Incident/Accident Clearance Statement or the ATA 106 Spec for the Non-Incident Statement.

This statement may be included in the Part or Material Certification Form, (*see Point 10.4*).

10.8 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 Used Parts Suppliers when revised and is always available upon request from MTU Maintenance Supplier Quality Assurance.

Link to overview of supplier related documents: <https://www.mtu.de/terms-conditions/> (Terms & Conditions - MTU Aero Engines)

Link directly to MTU Maintenance "Do Not Use List": https://www.mtu.de/fileadmin/EN/9_Privacy-Statement_Terms-Conditions/AGB-EN/MTU_Maintenance_DO_NOT_USE_List_LT-SH-037.pdf

10.9 Unapproved Parts

The Distributor shall have a system in place to monitor suspected unapproved parts notifications and similar notifications identified through the FAA, EASA etc., such as Unapproved Parts notifications, SAFOs, Safety Information Bulletin etc. The Distributor shall ensure that no parts which have been identified through the above channels, are supplied to MTU Maintenance. The supplier shall plan, implement and control a process appropriate to the organization and its scope of work that identifies and prevents the use of unapproved and suspected unapproved parts.

This shall include, but not be limited to:

- training of appropriate persons in the awareness and identification of suspected unapproved parts;
- procurement requirements for assuring traceability of parts and components to an authorized source;
- inspection processes to detect suspected unapproved parts;
- monitoring of suspected unapproved parts reporting from external sources;
- quarantine and reporting of suspected unapproved parts in accordance with applicable requirements from the competent authority or the customer.

10.10 Counterfeit parts and materials

The supplier shall plan, implement and control processes appropriate to the organization and the product, for the prevention of counterfeit or suspect counterfeit part use and their inclusion in product(s) delivered to the MTU network.

Counterfeit part prevention processes should consider:

- training of appropriate persons in the awareness and prevention of counterfeit parts;
- application of a parts obsolescence monitoring program;
- controls for acquiring externally provided product from original or authorized manufacturers, authorized distributors, or other approved sources;
- requirements for assuring traceability of parts and components to their original or authorized manufacturers;
- verification and test methodologies to detect counterfeit parts;
- monitoring of counterfeit parts reporting from external sources;
- quarantine and reporting of suspect or detected counterfeit parts.

10.11 Product Recall

The Distributor shall establish, implement, and maintain a process for the recall of product delivered to MTU. This process shall include an immediate notification to affected MTU locations and proper containment, corrective and preventive actions.

11 Supplier Quality Performance

11.1 Quality Performance Evaluation

Ongoing supplier quality performance 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.

In the event that several inspection lots within a given delivery are identified with quality problems, each inspection lot shall be rated as a separate non-conformance / Quality Notification (QN).

The target for First Pass Yield is reviewed and defined on an annually basis. The information regarding the target value may be obtained from the MTU Maintenance Hannover Supplier Quality Assurance Department.

11.1.1 Rejection Criteria:

Rejection Criteria are divided into four (4) main categories:

- Category A: Order related (e. g. incorrect quantity, wrong part delivered)
- Category B: Documentation related (e. g. certificate incorrectly completed, missing paperwork)
- Category C: Transport related (e. g. part or packaging damaged during transport)
- Category D: Product quality related (e. g. part out of limit, defective part)

11.2 Corrective Action

Supplier Performance is evaluated frequently. During this evaluation all rejections during incoming inspection and issues occurring during assembly and / or test are reviewed. Especially repeated failures and issues with an impact on maintenance operations are reviewed. The evaluation may lead to the definition of further measures, which are detailed in the following.

Applicable to Distributors only:

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. Information from the corrective action – as long as no proprietary information is affected – shall be forwarded to MTU Maintenance on request.

11.2.1 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 Supplier to enable remedial action to be defined and implemented before the issue deteriorates further. An example for a Heads-Up is the notification provided to Suppliers who are among those causing the most QNs per month. The Supplier is required to address the issues internally and provide feedback to the Supplier Quality Assurance department. No formal document or defined method is required.

11.2.2 Action Plan

In addition to a Heads-Up an action plan might be requested by MTU Maintenance Supplier Quality Assurance. A specific form will be provided to the Supplier, containing a brief description of one or more non-conformances or failures requiring action. This action plan shall be completed and returned to MTU Maintenance Supplier Quality Assurance within a defined timeframe.

11.2.3 Corrective Action Request

A formal request for corrective action is raised when a deterioration in quality performance or recurring error is identified which has a significant effect on MTU Maintenance internal processes.

When a formal corrective action request is issued, the Supplier is required to utilize recognized methods and techniques (e.g. 5-Why or Ishikawa) 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

11.3 Audit

All Suppliers are subject to periodic and performance based quality system review. This will either be through an on-site audit by MTU Maintenance authorized auditors, a remote audit or a detailed electronic Supplier Quality Assurance Questionnaire (Desktop Audit). Exclusions may apply for OEMs covered by a Part 21 approval and depending on the contractual agreements.

All audit types encompass the requirements of MTU Maintenance and its customers as well as aviation authorities and certification bodies. The Supplier shall ensure active participation during the audit process.

11.3.1 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 Supplier 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.

11.3.2 Remote Audit

Remote Audits are based on quality performance and/or purchasing department requests. Remote audit activities are performed at any place other than the location of the auditee, regardless of the distance using remote communication systems. In order to conduct a remote audit, certain prerequisites must be fulfilled both by MTU and the Supplier. These will be confirmed in cooperation with the Supplier.

11.3.3 On-Site Audit

On-site audits are based on quality performance and/or purchasing department requests. When an on-site audit has been scheduled, the main purpose is to review the individual quality escapes and evaluate the corrective actions taken. The intention is to assist the Supplier 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 focus on the specific areas determined by the purchasing department. The Supplier shall ensure that the corrective action, in particular resulting from the audits, are implemented in due time.

12 Environmental, Health and Safety

12.1 Environmental Management

MTU Maintenance is accredited to ISO14001 and thus is incumbent to encourage all Suppliers 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 Suppliers are encouraged to implement environmental controls appropriate for the size and type of facility, and thus proactively protect our common environment and future.

Environmental rating levels are as follows:

Level 1	Level 1: Contractors with formally accredited environmental management system (<i>ISO:14001 or equivalent</i>)
Level 2	Contractors with verifiable internal environmental management controls but no formal accreditation
Level 3	Contractors without verifiable environmental controls in place

12.2 Health and Safety Management

MTU Maintenance locations may be accredited to ISO 45001 and are thus incumbent to encourage all Suppliers to be proactive in their approach to employee health, safety and well-being. All Suppliers are encouraged to implement an employee health and safety management system which includes, but is 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, firefighting, fire extinguishers and emergency alarm plans
- Ensure that no underage persons are employed within the organization

13 Information Security Requirements

The objectives of the ISMS are confidentiality, integrity, availability of information. Achieving these objectives allows MTU to protect information assets against various threats, to ensure continuity of critical assets and business processes, to minimize business risks, and to ensure compliance with applicable legal, regulatory, and contractual obligations

In order to obtain this the Supplier is requested to ensure

- Controlled access to the facility
- Implement a user authorization concept in case his employees have access to IT systems
- controlled access to MTU information and data
- Employee trustworthiness and awareness
- Cooperation in case of investigations
- Correct and safe archiving of MTU data
- Reporting of all identified information security incidents to MTU.

The Supplier shall implement organizational and technical measures according to the current technical standards to ensure confidentiality, authenticity integrity and availability of information within his IT systems, processes and components used to provide materials and services to MTU and to protect any data and information received by MTU.

This should consider but is not limited to the use of backup systems, physical protection, access control to the facility as well as critical areas and user authorization concepts.

13.1 Incident reporting

The Supplier shall report any Information security incident to MTU immediately.

InfoSec Incident:

An Information Security Incident refers to one or more unintended or unexpected events that have a significant likelihood of compromising the confidentiality, integrity, or availability of information or information systems. Such incidents may affect operational continuity, regulatory compliance, or safety-related functions.

These incidents can include, but are not limited to:

- Unauthorized access to systems or data,
- Loss or theft of information-bearing assets,
- Malware infections or denial-of-service attacks,
- Breaches of access control or misuse of privileges,
- Failures in security controls or monitoring mechanisms.

Potential impacts of this incident on aviation safety shall be assessed by the Supplier and the result of this assessment shall be provided to MTU.

The Supplier shall cooperate with MTU, its customers and authorities in investigations.

14 Exclusions

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 below referenced table for Exclusion requests and forward this to the applicable MTU Maintenance Supplier Quality Assurance Group for review and approval.

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

14.1 Exclusion Requests

Table 3: Exclusion Request

Exclusion Requests	
Clause No.	Reason