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# **Airworthiness Agreement**

FOR THE SUPPLY AND MANAGEMENT OF CONSUMABLE AND  
EXPENDABLE SPARES BETWEEN

**Aero Inventory (UK) Limited**

And

**Air Canada**

**Quality Approval for Aero Inventory (UK) Limited**

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Director Quality

**Airworthiness Approval for Air Canada**

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Director Regulatory Compliance

**Vendor:** Aero Inventory (UK) Limited

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## RECORD OF REVISIONS

Date	Document Version	Sections Affected	Comments
2008-05-29	Original	All	Original issue of the Airworthiness Agreement

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## 1 INTRODUCTION

### 1.1 Purpose

- 1.1.1 Air Canada (AC) and Aero Inventory (AI) have entered into a Commercial Agreement (hereinafter referred to as the Contract) for the supply and management of consumable and expendable aircraft spare parts to support AC line maintenance operations. This Airworthiness Agreement (hereinafter referred to as the "Agreement") describes the interface between AC and AI to support the requirements of the Contract and defines procedures to ensure the accomplishment of regulatory and airworthiness functions.
- 1.1.2 Any change to the Contract will require a review of this Agreement to ensure the continued effectiveness of the regulatory and airworthiness functions.
- 1.1.3 The AC Policies & Procedures which support its maintenance activities are found in the AC Control Manual (CNTRLMAN). AI's Policies & Procedures which are accepted by AC can be found in the AI Policy Manual.

### 1.2 Amendment

- 1.2.1 The AC Manager Maintenance Quality is responsible for the initial drafting, revision, and distribution of this Agreement and for obtaining the necessary approvals.
- 1.2.2 Proposed variations to the Agreement received in writing or email shall be jointly reviewed and approved by AC and AI. Changes which add, delete or alter the intent of the subject matter will constitute a major change and will require a new-signed revision of this agreement to be issued.
- 1.2.3 Once approved major changes to this Agreement will be identified by a revision bar located on the left margin of the page, adjacent to the respective change.
- 1.2.4 Minor changes to this Agreement will be made from time-to-time without issuing a new signed revision.
- 1.2.5 Minor changes are those changes which do not alter the intent of the subject matter; such as typographical error correction, punctuation and clarifications.

### 1.3 Distribution

- 1.3.1 There will be two original documents published and signed by the appropriate signing personnel.
  - 1.3.1.1 Each organization will hold an original signed copy of this Agreement and shall distribute it so that it is accessible to the necessary personnel for the duration of the Contract.

## 2 CONTACT LIST

### 2.1 General

- 2.1.1 AC will provide management representative(s) which will liaise with AI personnel and provide guidance on Air Canada systems as necessary.

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### 2.2 AC Personnel

#### 2.2.1 Key points of contact.

Title	Name	Phone	Email
Senior Director Inventory Planning & Distribution	Diane Mazuroski	514-422-7499	<a href="mailto:diane.mazuroski@aircanada.ca">diane.mazuroski@aircanada.ca</a>
Senior Director Maintenance Operations Control	Michel Barrette	514-422-6999	<a href="mailto:michel.barrette@aircanada.ca">michel.barrette@aircanada.ca</a>
Director Regulatory Compliance	Tom Liepins	514-422-4484	<a href="mailto:tom.liepins@aircanada.ca">tom.liepins@aircanada.ca</a>
General Manager Materials Management	TBD		
Manager Maintenance Quality	Rob MacMillan	514-422-7402	<a href="mailto:robert.macmillan@aircanada.com">robert.macmillan@aircanada.com</a>
Manager Demand Planning and Forecasting	John Joyce	514-422-7935	<a href="mailto:john.joyce@aircanada.ca">john.joyce@aircanada.ca</a>
Stores Duty Manager - YUL	Manager	514-422-7384	n/a

### 2.3 AI Personnel

#### 2.3.1 Key points of contact.

Title	Name	Phone	Email
Chief Operations Officer	Paul Docker	+44 20 8447 3431	<a href="mailto:Paul.docker@aero-inventory.com">Paul.docker@aero-inventory.com</a>
Quality Director	Graham Mitchell	+44 20 8447 3398	<a href="mailto:Graham.mitchell@aero-inventory.com">Graham.mitchell@aero-inventory.com</a>
Quality Manager	TBC		
Account Manager	TBC		
Inventory and Demand Planning Manager	TBC		

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### 3 HANDLING OF QUALITY AUDITS AND NON-COMPLIANCE ISSUES

#### 3.1 Quality Audits

- 3.1.1 AI, given prior notification shall provide to AC its auditors, inspectors, regulators and other auditing authorities access to any facility or part of a facility at which either AI or any of its subcontractors is providing the services related to the Contract and to all data and records relating to the services for the purpose of performing audits and inspections.
- 3.1.2 AC will conduct an assessment audit of the AI facilities. AC will add AI to its audit schedule.
- 3.1.3 From time to time AC will conduct sample audits of any material stocked at AC locations to verify that the material and traceability documentation meet the AC requirements to be installed on an AC aircraft.

#### 3.2 Quality Issues during the performance of service

- 3.2.1 For day to day product quality issues, AC personnel shall liaise with the appropriate on site AI representative for resolution.
  - 3.2.1.1 If resolution is unable to be achieved, AI Quality Representative will liaise with the AC Manager Maintenance Quality as appropriate.

#### 3.3 Quality issues after product is released into service.

- 3.3.1 All AC identified issues, which relate to the airworthiness or quality of the product will be reported to the AI Quality Assurance Manager who will correct them in accordance with AI procedures.
  - 3.3.1.1 The AC Supply Chain department in consultation with AC Maintenance Quality will contact AI of quality issues for resolution.
- 3.3.2 Where product recall is required, AI shall coordinate all activities through AC Manager Maintenance Quality, Fleet and Supply Chain representatives proposing an action plan to ensure minimum disruption to the AC fleet.

#### 3.4 Non-compliance issues

- 3.4.1 All AC identified non-compliance issues shall be submitted in writing to AI Quality Assurance Manager who will correct them as required in accordance with AI procedures.
- 3.4.2 All AI identified non-compliance issues shall be submitted in writing to the AC Manager Maintenance Quality who will correct them as required in accordance with the CNTRLMAN.

#### 3.5 Suspected Unapproved Parts and Service Difficulty Reports (SDR)

- 3.5.1 AI shall monitor for Suspected Unapproved Parts (SUP) under FAA AC 21-29C or equivalent.
- 3.5.2 AI will follow their procedures as detailed in their Policy Manual, for product failures, malfunctions and defects, and;
  - 3.5.2.1 Within 72 hours upon discovery of any SUP AI shall provide a detailed report to the AC Manager Maintenance Quality who will review for submission to Transport Canada through the Transport Canada SDR website.

### 4 DEVIATIONS FROM AC POLICIES, PROCESSES OR STANDARDS

#### 4.1 General

- 4.1.1 Any conflict between the AC CNTRLMAN and the AI Policy Manual will be addressed through negotiations between AC and AI. Where warranted, resolutions to the conflicting issues will be incorporated in future revisions of this Agreement.

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## 5 TRAINING AND QUALIFICATIONS

### 5.1 General

- 5.1.1 AC accepts the training and qualification requirements for AI personnel.
- 5.1.2 AI personnel who have direct involvement in supporting the material requirements for AC must be made familiar with Transport Canada Airworthiness Notice B073.
- 5.1.3 The contents of this Agreement will become part of the required training for all personnel supporting this program.
- 5.1.4 AC reserves the right to verify AI personnel training and qualification records. AI shall provide copies of these records to AC upon request.

## 6 DOCUMENTATION AND DATA CONTROL PROVISIONS

### 6.1 Publications and maintenance data

- 6.1.1 The AC Manager Maintenance Quality and the AI Director Quality shall be responsible for determining which publication and maintenance data is required to support the Contract. Once defined, these requirements will be documented in a future revision of this Agreement.

## 7 TECHNICAL RECORDS

### 7.1 General

- 7.1.1 AI will maintain and store all pertinent technical records, including Material Safety Data Sheets (MSDS), parts certification and traceability documentation as specified in the AI Policy Manual. These records will be made available to AC its customers or regulators upon request.
- 7.1.2 These technical records shall be retained by AI in accordance with Air Canada's record retention policy for a minimum of seven years after receipt of the aeronautical product to AC or as mutually agreed between AC & AI.

## 8 MATERIAL CONTROL PROVISIONS

### 8.1 General

- 8.1.1 All purchasing of materials will be as per AI Policy Manual.
- 8.1.2 All materials supplied by AI must meet the storage and handling requirements of the manufacturer.
- 8.1.3 All materials subject to special handling and storage requirements will be controlled and monitored by AI as per the AI Policy Manual.
- 8.1.4 The storage of materials must be segregated to ensure that only OEM or AC approved equivalents are stored in the same bin location.

### 8.2 Material Certification

- 8.2.1 Material certification requirements must meet AC requirements as defined in the AC CNTRLMAN. AC has reviewed and accepted AI certification matrix which is identified in appendix A of this Agreement.
- 8.2.2 AC reserves the right to modify the material certification requirements unilaterally as imposed by airworthiness, regulatory or other customer requirements.
- 8.2.3 All material received by AC must be accompanied by documentation providing traceability to the originating certification

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8.2.4 AI is responsible to ensure that the appropriate certification is received for material "split shipments" delivered to AC.

### 8.3 Receiving Inspection

8.3.1 AC has reviewed AI receiving inspection procedures and has deemed them sufficiently similar to warrant acceptance of material as consigned inventory stock.

8.3.2 Materials shipped from AI inventory locations;

8.3.2.1 All materials received by AI will be inspected as per AI Policy Manual - Receiving Inspection process.

8.3.2.2 Upon order request by AC, AI will pick and dispatch material for goods delivery to AC.

8.3.3 Direct Shipped material from an approved vendor;

8.3.3.1 Where inventory shipped to AC does not go through an AI receiving inspection process, AC or AC contracted personnel will follow the AC CNTRLMAN process for material receipt. Direct shipped material is material that has been shipped directly from an approved supplier without having gone through an AI receiving inspection.

8.3.4 Quarantine of products

8.3.4.1 Any product which AC performs the receiving inspection and it does not meet the required standards or documentation will be placed in quarantine. AI on-site representatives will be notified and be responsible for co-ordinating the necessary requirements to have the product released from quarantine.

8.3.4.2 Any material issued to AC and is subsequently found to be non-compliant, will be returned to AI along with a description of the non-compliance.

### 8.4 PMA Parts and Material Substitutions

8.4.1 In certain applications AC has approved the use of PMA parts. AC shall identify to AI those PMA parts that AC has approved.

8.4.2 In an AOG situation the AC Manager Maintenance Quality in conjunction with the AC Fleet Engineer will have the ability to approve a PMA part for a one time use.

8.4.3 AI may only make material substitutions with written concurrence from AC Engineering.

### 8.5 Approved Vendors

8.5.1 All purchasing of services for the Contract will be in accordance to AI Approved Vendor List.

8.5.2 AI will provide a list of AI approved vendors to AC Manager Maintenance Quality. Any vendors which AC elects not to use will be communicated to AI as an AC unapproved vendor. Any AC unapproved vendors will be identified in AI's system as such.

8.5.3 AI will provide a list of AI approved vendors and AC identified unapproved vendors to the AC Manager Maintenance Quality upon request.

8.5.4 Personnel involved with the receiving activities must be made aware of any unapproved AC vendors.

### 8.6 Handling of Dangerous Goods

8.6.1 AI must have personnel qualified to handle Dangerous Goods or contract all handling to an organization appropriately qualified to ship Dangerous Goods

8.6.2 Dangerous Goods are those items as defined within AC Material database or the AI Material database as such.

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### APPENDIX A – CERTIFICATION REQUIREMENTS

#### DOCUMENTATION MATRIX

CLASS	ORIGIN	NEW PRODUCTS	
		CERTIFIED SOURCES OR OEM's	NON-CERTIFIED SOURCES OR DISTRIBUTORS/TRADERS
Expendables (Class III Parts)	JAA/EASA USA Countries	<ul style="list-style-type: none"> <li>▪ Form One / 8130-3 from OEM.</li> <li>▪ Surplus – 8130-3 from FAA DAR or C of C from 121 / 135 Airline or 145 Repair Station</li> </ul>	<ul style="list-style-type: none"> <li>▪ Statement of conformity from seller plus Form One / 8130-3 from OEM.</li> <li>▪ Surplus - Statement of Conformity from seller plus 8130-3 from FAA DAR or C of C from 121 / 135 Airline or 145 Repair Station</li> </ul>
Standard parts	JAA/EASA USA	<ul style="list-style-type: none"> <li>▪ C of C from OEM</li> <li>▪ Surplus - 8130-3 from FAA DAR or C of C from 121 / 135 Airline or 145 Repair Station</li> </ul>	<ul style="list-style-type: none"> <li>▪ C of C from Distributor or OEM</li> <li>▪ Surplus - Statement of Conformity from seller plus 8130-3 from FAA DAR or C of C from 121 / 135 Airline or 145 Repair Station</li> </ul>
Raw Materials and Consumables (Metals, Plastics, Wood, Fabrics, Lubricants, Cement, Compounds, Paints, Chemicals, Sealants)	JAA/EASA USA Countries	<ul style="list-style-type: none"> <li>▪ C of C stating Manufacturing, supplier source and batch number.</li> <li>▪ Material subject to special conditions such as shelf life to have this noted on C of C.</li> <li>▪ Physical &amp; chemical test report also required as applicable</li> </ul>	<ul style="list-style-type: none"> <li>▪ Statement of Conformity from seller plus C of C stating Manufacturing, supplier source and batch number.</li> <li>▪ Material subject to special conditions such as shelf life to have this noted on C of C.</li> <li>▪ , Physical &amp; chemical test report also required as applicable.</li> </ul>
All Items	Canada	<ul style="list-style-type: none"> <li>▪ TCCA Form 24.0078</li> </ul>	<ul style="list-style-type: none"> <li>▪ Statement of conformity from seller plus TCCA Form 24.0078</li> </ul>
All Items	Bilateral Countries	<ul style="list-style-type: none"> <li>▪ Certification in accordance with those countries' national airworthiness organizations which hold an arrangement with Transport Canada for the supply of aeronautical products.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Certification in accordance with those countries' national airworthiness organizations which hold an arrangement with Transport Canada for the supply of aeronautical products.</li> </ul>

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# AIR CANADA

## Maintenance

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All Items	Non-Bilateral Countries	<ul style="list-style-type: none"> <li>For foreign countries which do not have a regulatory agreement with Canada, then those parts must have their applicable part number identified in the certificate holders IPC in addition to appropriate certification iaw their NAA</li> </ul>	<ul style="list-style-type: none"> <li>For foreign countries which do not have a regulatory agreement with Canada, then those parts must have their applicable part number identified in the certificate holders IPC in addition to appropriate certification iaw their NAA</li> </ul>
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