

Number: 216  
Issue: 001  
Date: 3 May 2007

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## Concession Liability for JSF F-136 Development Engine Programmes.

For the attention of the Managing Director,

Dear Sir or Madam,

### Scope:

- All suppliers in receipt of purchase orders from Rolls-Royce Business Units covering delivery of Joint Strike Fighter (JSF) development engine parts for the duration of a development programme.
- Suppliers of supporting development and test hardware covered by purchase orders issued by Rolls-Royce Investments & Services Purchasing are excluded from this arrangement.
- **The requirements of this NTS supersede those previously detailed within NTS 180 (issued on 6th March 2006) which is now withdrawn from use.**

### Applicability:

- Concessions identified as being required on JSF F-136 parts manufactured for new engine development programmes launched by Rolls-Royce.

### Definitions:

- **Development Part:** A part supplied for the manufacture / build of a new engine variant, or major new development engine programme.

**NB:** Any parts supplied for the purpose of validating in-service modifications are not included.

- **Duration of Development Programme:** New development engine programmes vary in duration, however the duration of this policy shall be at the discretion of Rolls-Royce but will typically be limited to the point of entry into service of each engine type.

## Concession Liability for JSF F-136 Dev. Engine Programmes.

### Background:

Resulting from a number of supplier workshops, Rolls-Royce have now introduced a change to the setting of concession liability for development engine part(s) supply.

Following the introduction of this change, all future concessions identified on new development programmes will be set as Rolls-Royce liable (i.e. nil supplier "cost of non-quality or scorecard impact").

### Action Required:

To enable the above, all relevant supplier concessions:

- Must be accompanied by an acceptable root cause investigation together with details of associated actions to prevent recurrence on future part(s) supply (refer to SABRe: Non-conformance Control Process for additional detail).
- No retrospective action shall be undertaken to adjust previously cleared concessions.
- This policy shall be applied with immediate effect.

### Note:

Rolls-Royce believes this policy will facilitate greater "working together" on future development programmes, without supplier performance being negatively impacted.

No additional special action is required by suppliers in identifying such concessions to Rolls-Royce, judgement will be made on each submission by the relevant Rolls-Royce Quality personnel.

- If necessary, further clarification can be obtained from the Roll-Royce Purchasing Department placing the order(s).
- Please cascade the content of this notification to all relevant personnel within your company - as / where necessary.

**Yours faithfully,  
for Rolls-Royce plc.**

**Authorised by:**



**Richard Hawkins.  
Head of Supplier Quality.  
Supplier Development.**



**Lawrence Jenkins.  
Global Supplier Development  
& Quality Operations Director.**