



TERMS AND CONDITIONS OF PURCHASE

For purchase orders issued to suppliers and subcontractors

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Business-to-business terms. These terms are not intended to reduce statutory rights that cannot lawfully be excluded or restricted.

1. Application and Contract Formation

- 1.1 These terms and conditions of purchase (the "Terms") apply to every purchase order ("Purchase Order" or "PO") issued by PATTERN FASTENERS LIMITED ("Pattern Fasteners", "Buyer", "we" or "us") to the supplier named on the PO ("Supplier").
- 1.2 The PO is an offer to purchase the goods, materials, components, tooling and/or services described in it (together, "Supplies") on these Terms. The Supplier accepts the PO by written acknowledgement, by starting work, by procuring materials specifically for the PO, or by delivering any Supplies.
- 1.3 The contract consists of, in descending order of priority: (a) any written amendment signed or expressly approved by an authorised Pattern Fasteners representative; (b) the PO and its order-specific requirements; (c) drawings, specifications, standards and quality requirements referred to in the PO; and (d) these Terms.
- 1.4 Supplier terms, acknowledgements, quotations, delivery notes, portal terms or other conditions do not apply unless expressly accepted by Pattern Fasteners in writing. Performance of the PO is not acceptance of any Supplier terms.

2. Supplier Obligations

- 2.1 The Supplier must supply the Supplies strictly in accordance with the PO, applicable drawings, revision levels, specifications, standards, approved samples and written instructions.
- 2.2 Goods must be new, genuine, of satisfactory quality, free from material defects, and fit for any purpose expressly made known to the Supplier where Pattern Fasteners reasonably relies on the Supplier's skill or judgement. Services must be performed with reasonable skill and care, by appropriately competent personnel, and in accordance with good industry practice.
- 2.3 The Supplier is responsible for all dimensions, materials, processes, treatments, inspections, tests, certifications and other requirements within its scope, and must verify that documents used for manufacture are at the correct revision.
- 2.4 The Supplier must promptly notify Pattern Fasteners of any ambiguity, conflict, omission or suspected error in the PO or technical requirements before proceeding with affected work. The Supplier must not make its own material assumption where clarification could affect form, fit, function, safety, quality or compliance.

3. Quality Management, Traceability and Records

- 3.1 The Supplier must maintain a quality management system appropriate to the Supplies and the risks involved. Any specific certification requirement, including ISO 9001 or sector-specific approval, applies only where stated on the PO or agreed supplier approval requirements.
- 3.2 Where required by the PO, the Supplier must provide legible and accurate material certificates, certificates of conformity, inspection reports, test results, process certificates, PPAP, ISIR, first article inspection, IMDS or other quality records in the specified format.
- 3.3 The Supplier must maintain identification and traceability of materials, batches, heat or cast numbers, processes and inspection status to the extent required by the PO, applicable standard or good industry practice.
- 3.4 Unless a longer period is specified on the PO or by an applicable customer or regulatory requirement, the Supplier must retain manufacturing, inspection, test, traceability and conformity records relevant to the PO for at least 10 years after final delivery and make them available to Pattern Fasteners on reasonable request.
- 3.5 The Supplier must have controls appropriate to the risk of counterfeit, suspect or fraudulent material and components, and must purchase safety-, quality- or traceability-critical items from reputable and traceable sources.

4. Change Control and Subcontracting

- 4.1 The Supplier must not, without Pattern Fasteners' prior written approval, make a change that could affect conformity, quality, traceability or performance, including a change to material, design, process, manufacturing method, special process source, sub-tier supplier, manufacturing location, inspection method or significant production equipment.
- 4.2 The Supplier must notify Pattern Fasteners promptly of any planned discontinuation, obsolescence, loss or suspension of an approval or certification, significant quality-system change, or event that may affect its ability to perform the PO.
- 4.3 The Supplier may subcontract only where this is consistent with the PO and its approved supplier status. The Supplier remains fully responsible for sub-tier performance and must flow down all applicable technical, quality, confidentiality, compliance, traceability and record-retention requirements.

5. Right of Access, Inspection and Audit

- 5.1 Pattern Fasteners may, on reasonable notice, inspect or audit relevant production, processing, inspection, testing, storage and quality records relating to the PO at the Supplier or approved sub-tier premises. Where required by our customer or a competent regulatory authority, equivalent access must be provided to them.
- 5.2 Inspection, audit, approval, source inspection or payment by Pattern Fasteners does not relieve the Supplier of responsibility for conformity, quality or compliance and does not constitute final acceptance.

- 5.3** The Supplier must provide reasonable cooperation, access to relevant records and competent personnel during an audit or investigation relating to the Supplies.

6. Non-Conforming Supplies and Corrective Action

- 6.1** The Supplier must not knowingly deliver non-conforming Supplies. If the Supplier identifies or suspects non-conformity before delivery, it must notify Pattern Fasteners promptly and obtain written disposition before delivery. No use-as-is, repair or deviation is permitted without written approval.
- 6.2** If non-conformity is discovered after delivery, the Supplier must immediately support containment and traceability, identify potentially affected batches or deliveries, and provide information reasonably requested by Pattern Fasteners.
- 6.3** At Pattern Fasteners' option, the Supplier must promptly repair, rework or replace non-conforming Supplies, or refund the price. The Supplier will bear reasonable direct costs caused by Supplier non-conformity, including agreed sorting, return carriage, re-inspection and replacement costs, to the extent caused by the Supplier's breach.
- 6.4** The Supplier must provide root-cause analysis and corrective action in a format reasonably requested by Pattern Fasteners, including 8D or equivalent where appropriate, and must implement effective actions within agreed timescales.

7. Delivery, Packaging and Logistics

- 7.1** The Supplier must deliver the exact quantity on the date and to the location stated on the PO unless Pattern Fasteners agrees otherwise in writing. Time is of the essence for delivery where a required delivery date is stated.
- 7.2** Early delivery, over-delivery, under-delivery or split delivery requires prior approval unless expressly permitted by the PO. Pattern Fasteners may reject, return or store unauthorised excess or early deliveries at the Supplier's risk and reasonable cost.
- 7.3** The Supplier must package, preserve, identify and transport the Supplies so that they arrive undamaged, uncontaminated and fit for storage and use. Packaging and labels must comply with the PO, applicable law and any specified customer requirements.
- 7.4** Each delivery must include a delivery note stating at least the PO number, item or part number, description, quantity, batch/lot or heat reference where applicable, and any certificate references required by the PO.
- 7.5** Risk and title pass to Pattern Fasteners on physical delivery to the location stated on the PO, unless the PO states a different Incoterm. Passing of title or risk does not constitute acceptance of conformity.

8. Price, Invoicing and Payment

- 8.1** The price stated on the PO is fixed and includes all costs of packaging, carriage, insurance, duties and other charges except VAT, unless the PO expressly states otherwise. No surcharge or additional charge is payable without prior written approval.
- 8.2** A valid invoice must quote the Pattern Fasteners PO number and include sufficient information to identify the Supplies and delivery. Invoices submitted before delivery may be held until the corresponding Supplies are received unless the PO expressly permits advance or staged billing.
- 8.3** Payment terms are those stated on the PO. If the PO does not state payment terms, payment is due 60 days after receipt of a valid undisputed invoice or receipt of the Supplies, whichever is later, subject always to applicable law.
- 8.4** Pattern Fasteners may withhold a genuinely disputed amount while the dispute is investigated and may set off amounts the Supplier owes Pattern Fasteners against amounts due to the Supplier, to the extent permitted by law.
- 8.5** Payment does not constitute acceptance of the Supplies and does not waive rights relating to latent defects, shortages, overcharges or other breach.

9. Warranty

- 9.1** Unless the PO specifies a longer period, the Supplier warrants for 12 months after delivery that the Supplies conform to the contract, are free from material defects in design (where Supplier-designed), materials and workmanship, and satisfy the obligations in clause 2.
- 9.2** If Supplies are repaired, reworked or replaced under warranty, the warranty period for the affected Supplies restarts on redelivery for 12 months or continues for the unexpired original period, whichever is longer.
- 9.3** The Supplier must pass to Pattern Fasteners the benefit of any manufacturer or sub-tier warranty relating to the Supplies, without limiting the Supplier's own obligations.

10. Customer Requirements and Flow-Down

- 10.1** Where the PO identifies end-customer, regulatory, defence, aerospace, automotive or other special requirements, the Supplier must comply with them and flow them down to relevant sub-tier suppliers. Requirements may include approval of

sources, special-process controls, product safety, key characteristics, record retention, right of access and notification of non-conformity or change.

- 10.2** The Supplier must ensure that personnel performing work affecting conformity are competent and aware of their contribution to product or service conformity, product safety and ethical behaviour where such requirements apply.

11. Pattern Fasteners Property and Tooling

- 11.1** All drawings, specifications, gauges, tools, fixtures, materials, components, data, samples and other property supplied or paid for as Pattern Fasteners-owned property remain or become Pattern Fasteners' property as stated on the PO.
- 11.2** The Supplier must clearly identify Pattern Fasteners property, keep it secure and in good condition, use it only for Pattern Fasteners work, not create a lien or security interest over it, and promptly report loss, damage or deterioration.
- 11.3** On request or termination, the Supplier must return Pattern Fasteners property promptly in reasonable condition, fair wear and tear excepted. The Supplier must not dispose of such property without written authority.

12. Intellectual Property

- 12.1** Each party retains ownership of intellectual property owned by it before the PO or developed independently of the PO.
- 12.2** Where the Supplier creates drawings, specifications, software, designs, reports or other deliverables specifically for Pattern Fasteners and the PO price includes payment for that development, intellectual property in those deliverables will vest in Pattern Fasteners on creation to the extent legally possible, and the Supplier will execute documents reasonably required to confirm that ownership.
- 12.3** To the extent Supplier background intellectual property is embedded in a deliverable and is necessary for Pattern Fasteners or its customer to use, maintain, repair, reproduce or source the Supplies, the Supplier grants Pattern Fasteners a perpetual, irrevocable, worldwide, royalty-free licence for those purposes.
- 12.4** The Supplier warrants that Supplies designed or selected by the Supplier do not knowingly infringe third-party intellectual property rights and will indemnify Pattern Fasteners against direct losses and reasonable costs arising from a third-party infringement claim attributable to the Supplier's design or unauthorised use of third-party rights.

13. Confidentiality and Publicity

- 13.1** The Supplier must keep confidential Pattern Fasteners and customer drawings, specifications, prices, forecasts, commercial information, data and other information that is confidential by nature or designation. It may disclose information only to personnel and approved sub-tier suppliers who need it for the PO and are bound by equivalent confidentiality obligations.
- 13.2** The Supplier must not use Pattern Fasteners' or any customer's name, logo, part, drawing, photograph or project information in advertising, case studies, social media, publicity or sales material without prior written consent.
- 13.3** Confidentiality obligations do not apply to information demonstrably in the public domain without breach, lawfully known without restriction, independently developed, or required by law to be disclosed.

14. Legal, Ethical and Regulatory Compliance

- 14.1** The Supplier must comply with all laws and regulations applicable to the Supplies and its performance of the PO, including applicable anti-bribery and anti-corruption, modern slavery and human trafficking, sanctions and export-control, health and safety, employment, environmental and product-compliance requirements.
- 14.2** Where applicable to the Supplies or stated on the PO, the Supplier must provide information and declarations reasonably required for compliance with UK REACH/REACH, RoHS, conflict-mineral/customer sourcing requirements, responsible minerals, substance restrictions, origin, customs and trade-compliance obligations.
- 14.3** The Supplier must not offer, promise, give, request or accept any bribe, kickback or improper advantage in connection with the PO and must maintain procedures appropriate to its business to prevent bribery and unethical conduct.
- 14.4** The Supplier must take reasonable steps to prevent forced labour, slavery, servitude, human trafficking and unlawful child labour in its operations and relevant supply chain, and must provide reasonable information requested by Pattern Fasteners for supply-chain due diligence.

15. Insurance and Liability

- 15.1** The Supplier must maintain insurance appropriate to its business and the risks of the Supplies, including employers' liability insurance where legally required and appropriate public, product and professional liability cover. Evidence of cover must be provided on reasonable request.
- 15.2** The Supplier is responsible for direct loss, damage, cost or expense suffered by Pattern Fasteners to the extent caused by the Supplier's breach of contract, negligence, wilful misconduct, non-conforming Supplies or breach of law.

15.3 Nothing in the contract excludes or limits liability that cannot lawfully be excluded or limited, including liability for death or personal injury caused by negligence, fraud or fraudulent misrepresentation.

16. Data Protection and Information Security

16.1 Each party must comply with applicable data protection law in relation to personal data processed for the PO.

16.2 Where the Supplier receives Pattern Fasteners or customer confidential information electronically, the Supplier must maintain reasonable technical and organisational security measures appropriate to the sensitivity of the information and must notify Pattern Fasteners promptly of a security incident that materially affects such information or performance of the PO.

17. Business Continuity and Force Majeure

17.1 The Supplier must maintain proportionate business continuity arrangements for reasonably foreseeable disruptions affecting critical Supplies and must notify Pattern Fasteners promptly of an event likely to affect delivery, capacity, quality or continuity.

17.2 Neither party is liable for delay caused by an event beyond its reasonable control, but the Supplier must use reasonable efforts to mitigate disruption, prioritise recovery and keep Pattern Fasteners informed. Shortage of labour, material or capacity is not force majeure to the extent it could reasonably have been avoided through normal supplier planning or alternative sourcing.

17.3 If a force majeure event is likely to delay a required delivery materially, Pattern Fasteners may source alternative supplies for the affected quantity and may terminate the affected part of the PO if delay continues for more than 30 days, without liability for the unperformed part.

18. Suspension and Termination

18.1 Pattern Fasteners may terminate all or part of a PO immediately by written notice for material breach that is incapable of remedy, repeated breach, serious quality or compliance failure, insolvency, loss of a required approval, or failure to remedy a remediable breach within a reasonable period stated in notice.

18.2 Pattern Fasteners may terminate an uncompleted PO for convenience on written notice. In that case, the Supplier will stop work as directed and Pattern Fasteners will pay for conforming completed Supplies accepted, plus reasonable unavoidable committed costs properly evidenced and incurred before notice, less costs reasonably mitigated. The Supplier is not entitled to lost profit on cancelled work not performed.

18.3 Termination does not affect accrued rights or provisions intended to survive, including confidentiality, intellectual property, quality records, warranties, liability and governing law.

19. General

19.1 The Supplier may not assign, novate or transfer the contract or a material part of it without Pattern Fasteners' prior written consent.

19.2 No failure or delay by Pattern Fasteners to exercise a right is a waiver. A waiver must be in writing and applies only to the specific matter stated.

19.3 If a provision is invalid or unenforceable, it will be modified to the minimum extent necessary and the remaining provisions continue in force.

19.4 No person other than Pattern Fasteners and the Supplier has a right to enforce the contract under the Contracts (Rights of Third Parties) Act 1999, except that a Pattern Fasteners customer or regulatory authority may exercise any inspection or access right expressly granted to it by these Terms or the PO without becoming a party to the contract.

19.5 A variation to the contract is effective only if agreed in writing by an authorised Pattern Fasteners representative.

20. Governing Law and Jurisdiction

20.1 The contract and any non-contractual obligations arising from it are governed by the law of England and Wales.

20.2 The courts of England and Wales have exclusive jurisdiction to settle any dispute arising out of or in connection with the contract.