

FRICTION TECHNOLOGY LIMITED



PURCHASING TERMS & CONDITIONS

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1. Scope

1.1

These Purchasing Terms and Conditions ("Conditions") apply to every Purchase Order issued by Friction Technology Limited ("FTL") for the supply of products, materials, components, assemblies, special processes and services.

1.2

These Conditions shall apply to the exclusion of all other terms and conditions submitted by the Supplier unless expressly accepted in writing by an authorised representative of FTL.

1.3

Where the Purchase Order references drawings, specifications, standards, customer requirements, statutory obligations or regulatory requirements, such documents shall form part of these Conditions.

1.4

Acceptance of a Purchase Order, commencement of work, manufacture, shipment of products or provision of services shall constitute acceptance of these Conditions.

1.5

Where conflict exists between documents, precedence shall be:

1. Purchase Order
2. Purchase Order amendments
3. Engineering drawings
4. Technical specifications
5. Customer-specific requirements
6. These Purchasing Terms and Conditions

1.6

Where applicable, these Conditions shall be read in conjunction with the n-Industries Code of Conduct, current issue.

2. Definitions

For the purposes of these Conditions:

Buyer means Friction Technology Limited.

Supplier means the organisation or individual providing products or services under a Purchase Order.

Purchase Order (PO) means the official purchasing document issued by FTL together with all referenced drawings, specifications, standards, amendments and contractual requirements.

Products means all materials, components, assemblies, tooling, software, calibration, testing, special processes and services supplied under a Purchase Order.

Customer Requirements means contractual, statutory or regulatory requirements imposed upon FTL by its customers which are flowed down to the Supplier.

Nonconforming Product means any product or service that fails to meet Purchase Order, drawing, specification or contractual requirements.

Special Process means any manufacturing process where conformity cannot be fully verified by subsequent inspection or testing, including (but not limited to) bonding, heat treatment, plating, coating, welding, non-destructive testing and surface treatments.

Critical Characteristic means any feature identified by FTL or its customer whose variation could affect safety, regulatory compliance, fit, function, performance or reliability.

Regulatory Authority means any organisation having statutory oversight of supplied products including, where applicable, the Civil Aviation Authority (CAA), European Union Aviation Safety Agency (EASA), Federal Aviation Administration (FAA), Ministry of Defence (MOD) or any equivalent authority.

3. Acceptance of Purchase Orders

3.1

Each Purchase Order issued by FTL constitutes an offer to purchase products or services subject exclusively to these Conditions.

3.2

The Supplier shall review the Purchase Order to ensure all technical, commercial and quality requirements are fully understood before accepting the Order.

3.3

Any ambiguity, omission or conflict identified within Purchase Order documentation shall be referred to FTL for clarification before manufacture or supply commences.

3.4

The Supplier shall not alter any drawing, specification, manufacturing method, inspection method or contractual requirement without prior written approval from FTL.

3.5

Acceptance of the Purchase Order may be demonstrated by:

- Written acknowledgement.
- Commencement of manufacture.
- Commencement of services.
- Shipment of products.
- Any other action indicating acceptance of the Order.

3.6

Any conditions proposed by the Supplier which conflict with these Conditions shall be of no effect unless specifically agreed in writing by FTL.

4. Supplier Obligations

4.1

The Supplier shall ensure all products and services supplied conform fully to the Purchase Order, applicable drawings, specifications, standards and statutory requirements.

4.2

The Supplier shall operate controlled manufacturing and inspection processes capable of consistently achieving specified requirements.

4.3

Personnel performing activities affecting product conformity shall be competent through appropriate education, training, qualifications, skills and experience.

4.4

The Supplier shall appoint a representative responsible for all technical, quality and commercial communications relating to the Purchase Order.

4.5

No process specified within the Purchase Order shall be subcontracted without prior written approval from FTL.

Approval to subcontract shall not relieve the Supplier of responsibility for product conformity.

4.6

The Supplier shall comply with all applicable legislation relating to:

- Health and Safety
- Environmental Protection
- Employment

- Export Controls
- Hazardous Substances
- Product Compliance

4.7

The Supplier shall maintain appropriate business continuity arrangements and notify FTL immediately of any event likely to affect quality, delivery or continuity of supply.

5. Quality Management System

5.1

The Supplier shall maintain an effective Quality Management System appropriate to the products or services supplied.

5.2

Where specified within the Purchase Order, the Supplier shall maintain certification to EN9100, AS9100, ISO 9001 or another quality management standard approved by FTL.

5.3

Suppliers undertaking special processes shall maintain all customer or industry approvals specified within the Purchase Order, including NADCAP approval where contractually required.

5.4

The Supplier shall immediately notify FTL of:

- Suspension of certification.
- Withdrawal of certification.
- Significant audit findings.
- Regulatory enforcement action.
- Circumstances affecting approval status.

5.5

FTL reserves the right to assess, approve, monitor, suspend or remove Suppliers from its Approved Supplier List based upon quality, delivery, audit performance, corrective action effectiveness and business risk.

5.6

Supplier evaluation may include:

- Desktop assessments.
- Supplier questionnaires.
- Remote audits.
- On-site audits.

- Product surveillance.
- Performance monitoring.

6. Product & Process Requirements

6.1

The Supplier shall ensure that all Products supplied conform to the requirements of the Purchase Order, applicable engineering drawings, specifications, standards, approved samples and any customer-specific requirements referenced by FTL.

6.2

The Supplier shall establish and maintain appropriate manufacturing and process controls to ensure consistent conformity throughout production.

6.3

Where Special Processes, Critical Characteristics, Key Characteristics or customer-designated special requirements are identified, the Supplier shall implement suitable controls to ensure continued conformity.

6.4

No deviation from approved drawings, specifications, materials, manufacturing methods, inspection methods or acceptance criteria shall be permitted without the prior written approval of FTL.

6.5

Where specified within the Purchase Order, the Supplier shall undertake First Article Inspection (FAI) in accordance with the applicable standard or customer requirement before commencement of production deliveries.

6.6

Where statistical process control, capability studies or other statistical techniques are specified within the Purchase Order, the Supplier shall implement such requirements and retain objective evidence demonstrating compliance.

6.7

Where specified, each delivery shall be accompanied by the appropriate documentation, including but not limited to:

- Certificate of Conformity
 - Material Certificates
 - Inspection Reports
 - Test Reports
 - First Article Inspection Reports
 - Special Process Certificates
 - Calibration Certificates
-

7. Product Safety

7.1

The Supplier shall establish, implement and maintain processes appropriate to the Products supplied to ensure product safety throughout manufacture, inspection, storage, packaging and delivery.

7.2

Personnel whose activities affect product conformity shall understand their contribution to:

- Product Conformity
- Product Safety
- Customer Satisfaction

7.3

Where a product safety concern or potential safety risk is identified, the Supplier shall immediately notify FTL and implement appropriate containment actions pending disposition.

7.4

The Supplier shall ensure that suspected or confirmed product safety issues are investigated promptly and appropriate corrective actions implemented to prevent recurrence.

8. Prevention of Counterfeit Parts

8.1

The Supplier shall establish and maintain effective processes to prevent the introduction of counterfeit or suspect counterfeit Products into the supply chain.

8.2

Products shall be procured only from approved or authorised manufacturers, distributors or other approved sources unless otherwise authorised in writing by FTL.

8.3

The Supplier shall maintain sufficient traceability to identify the origin of Products, materials and components supplied to FTL.

8.4

Where counterfeit or suspect counterfeit Products are identified, the Supplier shall:

- Immediately quarantine the affected Product.
- Notify FTL without delay.
- Prevent further shipment.
- Investigate the source of the Product.
- Implement appropriate corrective action.

8.5

Counterfeit or suspect counterfeit Products shall not be reworked, repaired or represented as genuine Products.

9. Notification of Changes

9.1

The Supplier shall obtain written approval from FTL before implementing any significant change that may affect Product conformity.

9.2

Such changes include, but are not limited to:

- Manufacturing Processes
- Inspection Methods
- Manufacturing Location
- Ownership or Legal Entity
- Manufacturing Equipment affecting Product Quality
- Software affecting Product Acceptance
- Raw Material Source
- Approved Sub-tier Suppliers
- Special Process Providers
- Product Design (where the Supplier has design authority)

9.3

The Supplier shall immediately notify FTL of:

- Product nonconformities discovered after shipment.
- Suspension or withdrawal of Quality Management System certification.
- Regulatory action affecting supplied Products.
- Significant organisational changes affecting quality or delivery.
- Major business continuity issues.

9.4

No significant change shall be implemented until written approval has been received from FTL where such approval is required.

10. Control of Non-Conforming Product

10.1

The Supplier shall establish documented arrangements for the identification, segregation and control of Nonconforming Product.

10.2

No Product known or suspected to be nonconforming shall be supplied to FTL without prior written concession.

10.3

Where a nonconformity is identified after delivery, the Supplier shall notify FTL immediately upon discovery.

10.4

The notification shall include, where applicable:

- Purchase Order Number
- Part Number
- Batch or Lot Number
- Quantity Affected
- Description of the Nonconformity
- Initial Containment Actions
- Assessment of Potential Impact

10.5

FTL reserves the right to:

- Reject Nonconforming Product.
- Require replacement.
- Require repair or rework where approved.
- Require additional inspection or testing.
- Recover reasonable costs arising from the nonconformity where contractually applicable.

10.6

Where requested by FTL, the Supplier shall undertake a root cause investigation and implement effective corrective action.

Evidence of corrective action shall be submitted within the timescale specified by FTL.

11. Verification, Inspection and Right of Access

11.1

FTL reserves the right to verify the conformity of Products and Services supplied under any Purchase Order.

Verification activities may include, but are not limited to:

- Review of documentation.
- Incoming inspection.
- Witnessing of manufacturing operations.
- Witnessing of inspection or testing.
- Review of First Article Inspection (FAI) records.
- Process audits.
- Quality Management System audits.

11.2

Verification, inspection or acceptance by FTL shall not relieve the Supplier of responsibility for ensuring that all Products and Services comply fully with Purchase Order requirements.

11.3

Where contractually required, the Supplier shall provide FTL with reasonable access to its premises, facilities, personnel, records and Products relevant to the Purchase Order.

11.4

Where flowed down through customer contracts or regulatory requirements, the Supplier shall also permit reasonable access to:

- FTL Customers.
- Regulatory Authorities.
- Certification Bodies.
- Civil Aviation Authorities.
- Other authorised representatives acting on behalf of FTL.

11.5

Such access shall be provided upon reasonable notice unless otherwise required by contract, customer requirement or applicable law.

12. Records and Traceability

12.1

The Supplier shall establish and maintain records demonstrating conformity with all Purchase Order requirements.

12.2

Records shall include, where applicable:

- Inspection Records.
- Test Reports.
- Certificates of Conformity.
- Material Certificates.
- Calibration Records.
- First Article Inspection Reports.
- Process Validation Records.
- Special Process Certificates.
- Corrective Action Records.
- Traceability Records.

12.3

Unless otherwise specified within the Purchase Order, quality records shall be retained for a minimum period of **ten (10) years** from the date of delivery.

12.4

Records shall:

- Remain legible.
- Be readily retrievable.
- Be protected against loss, damage or deterioration.
- Be made available to FTL upon reasonable request.

12.5

Products shall be identified throughout manufacture, storage and delivery to maintain traceability appropriate to the Product supplied.

12.6

Where batch, lot or serial number traceability is specified, the Supplier shall maintain traceability throughout all stages of manufacture and shall ensure such identification is reflected on all relevant documentation.

13. Flow-down Requirements

13.1

The Supplier shall flow down all applicable Purchase Order, statutory, regulatory and customer-specific requirements to any approved Sub-tier Supplier engaged in the manufacture or provision of Products or Services.

13.2

The Supplier shall remain fully responsible for ensuring that Sub-tier Suppliers comply with all applicable contractual and quality requirements.

13.3

The Supplier shall ensure that flowed-down requirements include, where applicable:

- Product Conformity.
- Product Safety.
- Counterfeit Parts Prevention.
- Traceability.
- Record Retention.
- Right of Access.
- Change Notification.
- Control of Nonconforming Product.
- Ethical Behaviour.
- Code of Conduct
- Human Factors.
- Customer-specific Requirements.

13.4

Approval by FTL to use a Sub-tier Supplier shall not relieve the Supplier of responsibility for Product conformity.

14. Ethical Behaviour, Code of Conduct and Human Factors

14.1

The Supplier shall comply with the principles of the n Industries Code of Conduct, current issue, or shall operate to equivalent ethical, social, environmental and responsible business standards.

14.2

Personnel performing activities affecting Product conformity shall understand the importance of:

- Product Conformity.
- Product Safety.
- Ethical Behaviour.
- Compliance with Customer Requirements.

14.3

The Supplier shall encourage personnel to report any actual or suspected condition that may adversely affect Product quality, safety or conformity without fear of reprisal.

14.4

The Supplier shall ensure that Human Factors likely to influence Product quality are appropriately managed through suitable training, supervision, communication and workload management.

15. Packaging, Preservation and Delivery

15.1

Products shall be packaged, preserved and protected to prevent deterioration, contamination or damage during storage, handling and transportation.

15.2

Packaging methods shall be appropriate to the nature of the Product and any specific requirements identified within the Purchase Order.

15.3

Each delivery shall be clearly identified and accompanied by all documentation specified within the Purchase Order.

15.4

Where applicable, delivery documentation shall include:

- Purchase Order Number.
- Part Number.
- Revision Status.
- Quantity Supplied.
- Batch or Lot Number.
- Certificates of Conformity.
- Material Certificates.
- Special Process Certificates.
- Inspection or Test Reports.

15.5

Products having shelf-life limitations shall be clearly identified with the date of manufacture, expiry date and any applicable storage conditions.

15.6

The Supplier shall notify FTL immediately if any circumstance arises that is likely to affect the agreed delivery date or quantity.

16. Confidentiality

16.1

The Supplier shall treat all information received from FTL as confidential unless such information is already in the public domain or disclosure is required by law.

16.2

Confidential information includes, but is not limited to:

- Engineering Drawings.
- Specifications.
- Purchase Orders.
- Manufacturing Processes.
- Product Designs.
- Test Data.
- Commercial Information.
- Pricing.
- Customer Information.
- Technical Documentation.
- Computer Software.
- Intellectual Property.

16.3

The Supplier shall use confidential information solely for the purpose of fulfilling the Purchase Order and shall not disclose such information to any third party without the prior written consent of FTL.

16.4

The Supplier shall implement appropriate measures to protect confidential information from unauthorised access, disclosure, alteration or loss.

16.5

Upon completion or termination of the Purchase Order, FTL may require the return or secure destruction of confidential information, except where retention is required by law or contractual record retention requirements.

17. FTL Property

17.1

All tooling, gauges, fixtures, patterns, drawings, specifications, models, CAD data, software, equipment, materials or other property supplied by FTL shall remain the sole property of FTL unless otherwise agreed in writing.

17.2

The Supplier shall:

- Clearly identify FTL Property.
- Maintain FTL Property in good condition.
- Protect FTL Property against loss, damage or deterioration.
- Use FTL Property solely for fulfilling FTL Purchase Orders.

17.3

The Supplier shall not copy, reproduce, modify, transfer or dispose of FTL Property without prior written approval.

17.4

Loss, damage or deterioration of FTL Property shall be reported to FTL immediately upon discovery.

17.5

Upon request, or upon completion of the Purchase Order, FTL Property shall be returned promptly in good condition, allowing for reasonable wear through normal use.

18. Liability and Warranty

18.1

The Supplier warrants that all Products and Services supplied shall:

- Conform to the Purchase Order.
- Be free from defects in material and workmanship.
- Comply with all applicable drawings, specifications and standards.
- Be fit for their intended purpose where such purpose has been made known to the Supplier.
- Comply with all applicable statutory and regulatory requirements.

18.2

Acceptance, inspection or payment by FTL shall not relieve the Supplier of responsibility for defective or nonconforming Products.

18.3

Where defective or nonconforming Products are identified, FTL reserves the right to require, at the Supplier's expense:

- Replacement.
- Repair.
- Rework.
- Additional inspection.

- Additional testing.

18.4

Where contractually applicable, FTL reserves the right to recover reasonable costs incurred as a direct consequence of nonconforming Products or Services supplied by the Supplier.

18.5

Nothing within these Conditions shall exclude or limit liability where such exclusion is prohibited by law.

19. Force Majeure

19.1

Neither party shall be liable for failure to fulfil its contractual obligations where such failure results directly from events beyond its reasonable control.

19.2

Force Majeure events may include, but are not limited to:

- Natural disasters.
- Fire.
- Flood.
- Pandemic.
- War.
- Terrorism.
- Civil unrest.
- Government restrictions.
- Industrial disputes beyond the reasonable control of the affected party.

19.3

The affected party shall notify the other party without undue delay, providing details of:

- The nature of the event.
- Its anticipated duration.
- The expected impact upon supply.
- Proposed mitigation actions.

19.4

The Supplier shall take all reasonable steps to minimise disruption and resume normal supply as soon as practicable.

19.5

Where a Force Majeure event continues for an extended period and significantly affects contractual performance, FTL reserves the right to review, suspend or cancel the affected Purchase Order without liability.

20. Governing Law

20.1

These Purchasing Terms and Conditions and all Purchase Orders issued by FTL shall be governed by and interpreted in accordance with the laws of England and Wales.

20.2

Any dispute arising from these Conditions or any Purchase Order shall, unless otherwise agreed between the parties, be subject to the exclusive jurisdiction of the Courts of England and Wales.

20.3

Should any provision of these Conditions be held to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

Appendix A – Supplier Quality Requirements

Where specified by the Purchase Order, the Supplier shall additionally comply with customer-specific quality requirements, including but not limited to:

- EN9100 / AS9100 flow-down requirements.
- Customer-specific quality clauses.
- First Article Inspection requirements.
- Key Characteristic controls.
- Special Process approvals.
- Product traceability requirements.
- Retention of documented information.
- Right of access for customers and regulatory authorities.
- Customer notification requirements.
- Preservation of product.
- Prevention of counterfeit parts.
- Product safety requirements.