



Standard Terms and Conditions of Goods

Effective January 1, 2023
Italy

The Parties mutually acknowledge that the terms and conditions set out in these Standard Terms and Conditions of Goods have been negotiated and therefore articles 1341 and 1342 of Italian Civil Code shall not apply.



STANDARD TERMS AND CONDITIONS OF GOODS

These Standard Terms and Conditions shall govern – together with Orders – the relationship between the Company, belonging to Carrier Group – or its affiliate – (hereinafter the “**Purchaser**”) and the supplier (as identified from time to time in each order, hereinafter the “**Supplier**” and, together with Purchaser, the “**Parties**”) in respect to the Goods – as defined below and identified in each order – that the Supplier will supply to the Purchaser.

For the purposes of these Standard Terms and Conditions, the following terms shall have the meanings set forth below:

“**Corrupt payment**” means anything of value authorized, offered, promised, or provided, directly or indirectly by the Supplier to improperly influence a person or a business in order to secure any improper advantage. Corrupt payment includes facilitating payment but exclude anything of value provided in response to an extortionate demand by a third party which places the Supplier under imminent threat of physical harm.

“**Entity**” means any corporation, limited liability company, partnership, sole proprietorship, trust or similar business entity, whether profit or not for-profit.

“**Facilitating Payment**” means a payment to a Government Official for the purpose of securing or expediting the performance of a routine government action, such as granting permits or licences, processing visas or customs clearance.

“**Government**” means any:

- a. Government, foreign or domestic, whether at the national, regional, or local level;
- b. Entity acting in an official capacity on behalf of a government;
- c. Entity, company, or business owned or controlled in whole or in part by a government;
- d. Political party;
- e. Public international organization (e.g., United Nations, World Bank); or
- f. Department, agency or instrumentality of any of the foregoing.

“**Government Official**” means any officer, director, or employee (whether elected or appointed) of a Government or any candidate for any position therein.

“**Goods**”: the parts, products, goods and generally the material specified in the Order and in the scope of supply;



“**Order**”: the purchase order issued by the Purchaser with any attachments thereto.

“**Rules and Regulations**”: each and any regulatory, administrative or technical instrument or provision of law, even if under a court order, on lawful and proper merchantability, safety, nature, quality, and technical and functional suitability of the Products as applicable in the countries where the Products are marketed by Purchaser or by its affiliates.

“**Parties**”: shall mean jointly the Purchaser and the Supplier.

“**Price**”: the price for the purchase of the Goods specified in the Order, including any charges, levies or taxes, except for VAT.

“**Spare Part(s)**”: the spare parts of the Goods.

“**Resources**”: personnel assigned by the Supplier to perform the Order in whatever capacity (including by way of example, but not limited to: employees, co-workers, apprentices, trainees, etc.).

“**Third Party**”: a subject that is not **Carrier**, an employee of **Carrier** or any Affiliate of **Carrier**.

“**Carrier**”: the company Carrier Global Corporation.

“**Carrier Group**”: the international corporate Carrier group to which Purchaser belongs.

The **Carrier Code of Ethics** available at <https://www.corporate.carrier.com/corporate-responsibility/governance/ethics-compliance/>, the **Carrier Supplier Code of Conduct** available at https://www.corporate.carrier.com/Images/Carrier-Supplier-Code-of-Conduct-07-2020-English_tcm558-81504.pdf as well as the 231 Model adopted by Purchaser pursuant to legislative decree no. 231/2001 (hereinafter also only “**231 Model**”) and available in its internet site, form an integral part of these Standard Terms and Conditions.

1 SCOPE OF SUPPLY.

1.1 The Supplier agrees to supply the Goods in compliance with the technical and functional specifications, terms, times and manner set forth in these Standard Terms and Conditions and specified in the Orders issued by the Purchaser from time to time. More generally, the Goods shall comply with any applicable rules and regulations (including by way of example and without limitation, those concerning product safety, quality standards, conformity certification and prohibition to use dangerous and harmful substances in electric and electronic equipment, as well as waste disposal issued by the European Community, etc.) and be fit for the intended purpose. The Supplier shall timely request any drawings, designs, specifications or other information omitted when drafting the Order, which may be necessary for better performance of the supply.

1.2. Signing these Standard Terms and Conditions (hereinafter also briefly referred to as “**Standard Terms and Conditions**” or “**Agreement**”) does not create an agent-principal relationship.

2 DELIVERY OF THE GOODS.

2.1 Unless otherwise agreed upon, the delivery terms for Orders shall be DAP (Incoterms 2020) place of destination specified in the Order.

2.2 The delivery dates of goods and quantities specified in the Order reflect requirement at the time of issuing the Purchase Order. Any delivery against such Purchase Order shall always occur in accordance with the latest schedule put forward by the Purchasing Department of the Purchaser and submitted to



the Supplier. Unless otherwise agreed upon, the delivery dates specified in the Orders are binding, must be considered as essential deadlines pursuant to art. 1457 of the Italian Civil Code and shall be construed as “dates of arrival at the place of destination specified in the Order”. The Supplier shall promptly notify the Purchaser, in any case with a prior notice of at least 5 (five) working days, of any event – either occurred or impending – that may affect compliance with the delivery date specified in the Order.

2.3 Purchaser shall be entitled to reject and return, at the expense and risk of the Supplier, any deliveries performed before the term specified in the Order, or to charge to the latter any storage costs and financial charges, it being however understood that, in case of delivery acceptance, the payment terms shall start from the delivery date specified in the Order, unless otherwise agreed in writing between the Parties.

2.4 Without prejudice to the provisions in the following paragraph (iii), in the event of repeated delivery delays or late deliveries not due to force majeure circumstances, Purchaser shall have the right to: (i) demand the performance of the Order, in whole or in part; or (ii) reject delivery and terminate the Order; and, in any case: (iii) require the payment of a penalty equal to 2% of the value of the undelivered goods for each day of delay, in addition to any additional direct or indirect damage that may be suffered in the case of failed or delayed delivery.

2.5 The amount of penalties and additional damage suffered due to failed or late deliveries may be offset by Purchaser with the amounts due to the Supplier as at the same date. The provisions of this Article shall apply also in case the Supplier fails to timely remedy to any defective Goods. In case of discrepancy between the quantities stated in the supporting documents accompanying the Goods and those actually delivered, as well as between the prices shown on the Supplier's invoice and those indicated in the Order, the Supplier shall issue a corresponding credit note to Purchaser.

2.6 The Goods shall always be accompanied with the consignment note in four copies, on which the Supplier shall report the corresponding Order number, the quantity and description of the goods, with special regard to all abbreviations, identification numbers, serial numbers and the definition of the goods as stated in the Order; the Supplier shall also state whether the consignment is a “final shipment”, “partial shipment” or “replacement shipment”, and in the latter case the consignment note shall report the number of the return consignment note. If the Purchaser supplies goods or semi-finished goods for further processing, the consignment note of the goods that the Supplier will deliver against the corresponding Order shall also report the number of the Purchaser's shipping note for those goods or semi-finished goods, along with a full description and the corresponding quantity, and shall state whether the shipment is a partial or complete quantity.

2.7 The Purchaser reserves the right to reject any Goods delivered in excess of the quantities indicated by the Purchaser and return them to the Supplier. All related expenses shall be charged to the Supplier, without prejudice to the Purchaser's right to claim damages in excess of the foregoing amounts. The Purchaser shall not be liable for any Goods delivered by the Supplier in excess of ordered quantities, even when such Goods are received by the Purchaser's Receiving Department.

2.8 The packing of the Goods shall be appropriate for the supplied material and the selected means of transport; consequently, all damages resulting from defective and/or inappropriate packing shall be at the Supplier's charge even if the agreed delivery terms are ex works. Where required, the Supplier shall deliver the Products by using the containers provided for this purpose by Purchaser, which shall then return the empty ones on the way back, at the expense of the Supplier, through the forwarder appointed by the Supplier for delivery.

2.9 The delivery or payment of the Goods shall not, in any case, be deemed as a confirmation of Product full compliance by Purchaser.

3 GOODS ACCEPTANCE.



3.1 The Goods to be supplied shall be inspected according to the instructions provided by the Purchaser to the Supplier from time to time, except when the Supplier makes use of self-certification, without prejudice to the Purchaser's right to perform a random inspection of the Goods. If such inspection gives a positive result, the Goods shall be considered as accepted and title to the Goods shall be transferred to the Purchaser.

3.2 In the event the Goods are rejected, the Supplier shall promptly replace the Goods rejected by the Purchaser, or remove their faults and defects, or make any modifications necessary to render them compliant after the Purchaser's notification and according to the Purchaser's requests; all expenses and charges shall be borne by the Supplier.

3.3 If the Supplier does not provide the above remedies, the Purchaser may terminate the Order by operation of law pursuant to Art. 1456 of the Italian Civil Code, without prejudice to the right to repeat any payments made and to demand compensation for any damage incurred.

3.4 The Parties agree that in the event the Goods supplied are faulty, the Purchaser shall be entitled to reject the whole supply, as an alternative to the right to have the defective Goods replaced, even when the supply is scheduled to occur in several subsequent deliveries, and to terminate the Order. Notwithstanding the above, the Purchaser shall, in this case, have the right to withhold the Goods delivered previously and acknowledged as free from faults, to secure compensation for the damage incurred by the Purchaser by reason of Order termination. The Purchaser shall also be entitled to procure the Goods to be supplied elsewhere and any extra price shall be borne by the Supplier.

3.5 The warranty period covering the Goods at the Supplier's charge shall begin on the date indicated in the acceptance document.

3.6 Any Goods not accepted and rejected by the Purchaser shall be kept available to Supplier for a maximum period of 10 working days from the date of rejection notification. After such term expires and the Supplier has not collected such Goods, the Goods may be disposed of without any liability attaching to the Purchaser; any expenses shall be at the Supplier's charge.

3.7 In order to ensure full identification and traceability of the Goods, they shall be identified and provided with a label bearing the code number assigned by Purchaser as to catalogue, identify and manage them. Upon request, the Goods shall also be identified by their serial number.

3.8 In addition to transport documents, the Supplier shall submit the appropriate customs documents, including, but not limited to, the Certificate of Origin as well as any other documents and statements that may be required at the place of departure or destination of the Goods for export and import purposes, respectively. In the event that the Supplier fails to submit or provide the documents necessary for transportation and invoicing, including the Certificate of Origin and/or the documentation attesting the preferential or non-preferential origin of the Products, the Supplier agrees, at any time, to refund, set off and indemnify Purchaser (or its associates or subsidiaries) from and against all damages related to the Goods remaining in any transit country or detained as well as hold it harmless against any further losses, expenses, claims, demands or proceedings arising from this failure, by promptly providing documents and taking all necessary measures.

4 WARRANTY.

4.1 The Supplier warrants that, regardless of Purchaser's inspection, the Goods (i) conform to the technical specifications indicated in the Order (including the provisions relating to documentation, support and delivery of the Goods); (ii) are free from any kind of faults that may affect their value and/or suitability, even partially, for the intended use; (iii) are free from lack of quality and (iv) are manufactured, supplied and marketable in total compliance with the Rules and Regulations. The Supplier shall bear the sole

liability towards the Purchaser even when any faults originate from Goods components, their assembly and/or any activities performed by third parties for the Supplier. Notwithstanding the provisions of articles 1495 and 1512 of the Italian Civil Code, the term for claiming any faults shall be 60 days from the time the faults are identified by the Purchaser and anyway the Supplier irrevocably waives as of now the right to object to any delayed notice thereof by Purchaser. The Supplier shall – at its expense and at the Purchaser's discretion – promptly replace or repair the Goods; in any case, the Supplier shall reimburse Purchaser for all documented expenses that may become necessary for the elimination of the defects. The Parties expressly agree that the Purchaser shall be entitled to suspend payments until the Goods are replaced with conforming Goods or Goods that have been rendered compliant to the technical and functional specifications indicated in the Order and/or the faults/defects have been eliminated.

4.2 The warranty period shall begin on the date set out in art. 3 above, and its conventional duration shall be 5 (five) years, even when the Purchaser has already started processing the Goods and/or the Goods have already been incorporated into products of the Purchaser, and even when the invoices for the Goods have already been paid. During such warranty period, the Goods shall conform to the functional features and requirements of the technical and functional specifications and any other requirements agreed upon between the Parties. The Parties agree that during the warranty period the Supplier shall – free of charge and at the Purchaser's discretion – promptly replace or repair any defective part of the Goods; in any case, the Supplier shall reimburse Purchaser for all documented expenses that may become necessary for the elimination of the defects. The replaced or repaired Goods or parts of the Goods shall be covered by Supplier's warranty for an additional period of 12 months starting from the date the replacement or repair acceptance document is signed.

4.3 If the Supplier fails to immediately remedy the defects following a specific request from Purchaser, this latter is entitled to remedy them, either directly or through third parties, at the Supplier's expense in case of emergency and, in particular, as to avoid imminent risks or prevent greater loss or damage.

4.4 Without prejudice to its right to claim greater damages, Purchaser shall charge to the Supplier the costs of direct labour, whether its own or of third parties, for each item of the defective Goods identified by Purchaser. The average cost of internal labour is agreed with the Supplier at €45 per hour; third-party labour costs shall be documented with the corresponding invoices or labour billing records issued by such third parties for the activities performed. A flat rate cost of €150 for each Non-Conformity Report shall be also charged to the Supplier for indirect management costs.

4.5 The Supplier shall immediately inform Purchaser of any rumours or news, even if not confirmed, about the possible dangers arising from defects in Goods and/or spare parts and/or any of the supplied batches, in order to avoid any accident or loss or damage to persons and/or property.

4.6 Without prejudice to the above, the Supplier shall indemnify and hold Purchaser harmless from any damage or cost incurred as a result of the defective Goods supplied.

4.7 Failure to fulfil the obligations under this Clause 4 shall entitle the Purchaser to terminate the Order the default relates to, pursuant to Art. 1456 of the Italian Civil Code, to repeat any payments made and to demand compensation for any damage incurred.

4 BIS SPARE PARTS.

4 bis.1 The Spare Parts shall be provided by the Supplier to Purchaser based on the quantities and schedules necessary as to meet the Products warranty and after-sales service requirements, to the highest standards of customer satisfaction, until the expiration of the 10th year following the last supply of each Product, even if falling after the termination of the Order and/or the Agreement.

4 bis.2 Unless otherwise agreed between the Parties, the prices for the supply of Spare Parts shall be agreed on the basis of the last price paid for each Product, the expected volumes, the supply batches and the packaging required by Purchaser. In the case of Products out of mass production processes, the price shall be defined depending on the required quantities and packaging.

5 CONSIDERATION AND INVOICING.

5.1 The Consideration for the Goods shall be specified from time to time in each Order.

5.2 Unless specifically otherwise set out in the Order, the Consideration is fixed and invariable and includes and represents the full consideration for any and all obligations, costs and charges provided for in the Order. Any and all taxes, duties and other charges related to the manufacture, sale and delivery of Goods to Purchaser (or to its associates or subsidiaries, if so requested by Purchaser), depending on the type of Incoterms specified in the Order, shall be borne by the Supplier.

5.3 In addition to the references required by law, each invoice shall always include the date of the corresponding Order. In addition to any applicable rules, each invoice shall also indicate the corresponding Order number, the quantity and description of the Goods, with special regard to all abbreviations, identification numbers, serial numbers and the definition of the Goods as stated in the Order.

5.4 Unless otherwise communicated in writing by Purchaser to the Supplier, invoices shall be issued monthly and sent exclusively via XML format, in accordance with the law, which shall be the only format deemed valid for the purposes of this contract. The Purchaser ID is as indicated by Purchaser. Any errors or omissions in the Supplier's invoice or the failure to submit the supporting documents shall determine the payment of a penalty of € 300.00 (EUR three hundred/00), as well as the suspension of payment until such errors or omissions are remedied and/or documents are completed.

5.5 The Parties agree that the Supplier's failure to fulfil the obligations under these Standard Terms and Conditions or under individual Orders shall entitle the Purchaser to suspend any payments due for services/supplies performed in the past, also unrelated to the Order, by way of compensation for possible damage resulting from Supplier's default. Purchaser may suspend the payment thereof until the compliance of the supply is proven by a final court judgement and, therefore, the Supplier may not file claims to recover its credit nor may any interest accrue for the unpaid amounts, not even the statutory interest rates and those set forth by Italian Legislative Decree no. 231/2002 as amended and supplemented.

6 PAYMENT TERMS.

6.1 Unless specifically otherwise set out in the Order, the Consideration shall be paid by bank transfer to the account identified by the IBAN number of the Supplier.

6.2 Notwithstanding the provisions of Italian Legislative Decree no. 231/2002, in the event that the payment does not occur within the term set out above or in the corresponding Order, interest at the legal rate shall begin to accrue under Art. 1284 of the Italian Civil Code after fifteen days from receipt of the letter of default in payment sent by the Supplier by registered mail with advice of receipt or by certified e-mail.

6.3 Unless otherwise agreed in writing between the Parties, the payment terms for the Goods purchased under the Order shall be and in any case the invoices shall be settled within 120 (one hundred and twenty) days + 10 days (one hundred and twenty plus ten) from invoice date, end of month.



6.4 Any payment of supplies shall not negatively affect, in any way, the right of Purchaser to challenge the supply and to settle the payment again, in addition to its right to claim compensation for any suffered loss or damage, without exceptions, against the Supplier.

6.5 Payments from Supplier to Purchaser, if any, must be made only and exclusively by legal entity or physical person indicated in the invoice and signing the present Agreement, unless otherwise agreed in writing with Purchaser, at latest, before the Delivery of the goods by Supplier. Purchaser has the unilateral and indisputable right to refuse, at its only discretion, any payment by a third party, different from the Supplier's, not previously authorized by Purchaser in accordance with the present clause.

7 SETOFF.

The Purchaser may set off any amounts due to the Supplier by reason of an Order against any debts or claims owed by Supplier.

8. PURCHASER'S PROPERTY.

8.1 Any tools, equipment, moulds, drawings or other material that the Purchaser may make available to the Supplier or the Supplier may produce on behalf of the Purchaser in connection with an Order, or for which the Purchaser has paid consideration, are the sole property of the Purchaser.

8.2 The Supplier shall not limit such property right in any manner by placing liens, pledges, encumbrances on them or otherwise. Upon termination of the relationship between the Parties or after the Order is performed, and anyway upon the Purchaser's demand, the Supplier shall return such property to the Purchaser in the same conditions as it was originally made available, with the exception of reasonable tear and wear by virtue of the activity performed. The Purchaser shall have the right to inspect the condition of its property after prior notice to be sent to the Supplier's premises.

9 INTELLECTUAL PROPERTY RIGHTS.

9.1 The Supplier acknowledges that Purchaser (and/or the Purchaser Group) is the exclusive owner of the intellectual and industrial property rights of the Goods specifically designed for Purchaser and/or of the Goods manufactured on the basis of designs developed, also partially, by Purchaser (and/or the Purchaser Group). The Supplier represents and warrants that the Goods do not infringe any industrial and intellectual property rights of third parties.

9.2 The Supplier shall promptly inform Purchaser of any violation of its industrial or intellectual property rights of which it becomes aware during the term of the Order and shall ensure, where required, the necessary assistance in the proceedings that may be brought forward to protect such rights.

9.3 Purchaser may, at any time, require the Supplier to place its Marks, or any other different mark indicated in writing, on the packaging of the Goods and/or Spare Parts. That being the case, the Marks shall be placed according to Purchaser's instructions as to position, size and application method. The Supplier hereby acknowledges that it has no right, title or expectation on Purchaser's Marks and that any use thereof shall be made in the sole interest of Purchaser.

9.4 Upon termination of the Order for any reason whatsoever, the Supplier shall immediately cease to use the Marks and return all material still in its possession relating thereto to Purchaser, without prejudice to use thereof for the production of Spare Parts.

9.5 Drawings, models, moulds, tools, samples and any other assets owned by Purchaser shall be used by the Supplier solely for the productions required by Purchaser. Upon express written request of



Purchaser, the aforementioned assets shall be returned to the latter or destroyed by the Supplier under its responsibility.

9.6 Upon termination of the Order for any reason whatsoever, the Supplier shall promptly deliver the documentation related to Purchaser's technical information as well as the technical and marketing material relating to the Goods and/or Spare Parts in its possession.

9.7 If the supplied Goods are designed and/or customised for Purchaser and/or manufactured on the basis of designs developed, in whole or in part, by Purchaser (and/or associates or subsidiaries thereof), the Supplier shall ensure: (i) that the Supplier, a limited part of its staff having access to Intellectual Property Rights and/or the Confidential Information under Article 16 and the subcontractor (if any) will not develop or have not developed any mark, trademark, sign, logo, symbol, technology or the like, on their behalf or on behalf of others, which may be used to manufacture goods or products identical or substantially similar to the Goods and/or the marks without the prior written consent of Purchaser; and (ii) that the Supplier, the Supplier's personnel and any subcontractor will not manufacture, pack, market or sell goods or products identical or substantially similar to the Goods on their behalf or on behalf of third parties. Any non-fulfilment of the exclusivity and non-competition obligations under this provision by the Supplier, the Supplier's personnel and the subcontractor shall oblige the Supplier to pay damages to Purchaser.

10 SUPPLIER'S PERSONNEL.

10.1 The Supplier declares that it has its own independent organisation, it conducts business at its own risk and it has the necessary personnel and equipment to provide the Goods. These Standard Terms and Conditions shall not be construed as creating any relationship between the Parties other than a supplier-purchaser relationship; by way of example and without limitation, joint-ventures, *de-facto* companies, fiduciary, trust, agency, employment and subcontracting relationships are excluded.

10.2 The Supplier shall perform the activities under the Orders using its employees and co-workers, for whom it shall have obtained the necessary authorisations under applicable regulations in force.

10.3 The Supplier shall offer its personnel the remuneration, employment and social security terms provided for by prevailing law, regulations or national collective agreements; all obligations concerning the payment of social security and welfare contributions, insurance against occupational accidents and third-party liability under prevailing law shall attach to the Supplier, as well as any other expense incurred by reason of incompliance with law and/or administrative provisions. Pursuant to Act no. 977/1967 (as amended and supplemented), Italian national collective agreements, ILO Convention no. 138 of 1973, ILO Convention no. 182 of 1999, as well as other national, EU and international provisions that prohibit the employment of minors, the Purchaser forbids its Suppliers to make use of child labour. Only apprenticeship, internship or similar training schemes for minors, as provided for by the law, are allowed. "Minor" means any individual who is under the age of 16 years or anyway under compulsory school age, or anyway under the legal working age. The Supplier is aware that the Purchaser does not purchase goods or services from suppliers that make use of child labour, and declares and confirms that the Supplier, its operating companies, divisions, subsidiaries and/or associates, in Italy or abroad, do not and will never make use of child labour to provide the goods or services.

10.4 In the event the Supplier fails to comply with the provisions of this Clause, this Agreement shall be terminated by operation of law under Art. 1456 of the Italian Civil Code, by a simple written notice sent to the Supplier.

10.5 The Supplier shall defend, indemnify and hold harmless the Purchaser from and against any disputes arising directly with its personnel as to the violation of applicable regulations or with social security authorities as to the relating relationship, and with third parties as to issues concerning the work entrusted to them, and shall bear any resulting charges and expenses even after the effective term of individual Orders.

11 ADDITIONAL OBLIGATIONS OF THE SUPPLIER AND ITC

11.1 The Purchaser encourages the Supplier to adopt the Carrier Supplier Code of Conduct or a similar code meeting the same requirements suitable for its reference industry, requiring compliance with law and regulations in force, including guidelines to maintain a safe and healthy work environment, giving due consideration to environmental protection, waste and emission reduction, energy saving, and prohibiting involvement in unlawful conduct (e.g. facilitation, or offer or payment of bribes).

By way of example and without any limitation whatsoever, the Supplier undertakes:

- to observe all prevailing law provisions and regulations, including those prohibiting collusion, conflicts of interest, corruption and unfair competition, further to dispositions of the Carrier Code of Ethics, of the Carrier Supplier Code of Conduct and of the 231 Model (hereinafter the “Rules”), that it has read and understands;
- not to offer, promise, attempt to offer or provide any kind of **Corrupt payment** or **Facilitating payment** (directly or indirectly);
- not to offer, promise, attempt to offer or provide any ownership or financial interest in the Supplier to any Purchaser or Carrier’s employee or Government Official;
- to timely and accurately record all transactions and expenses relating to the Purchaser in its accounting books and records and supporting documents (e.g. invoices, receipts);
- generally, to avoid any conduct that involves committing and/or a risk of committing an unlawful act and/or a crime (irrespective of whether such unlawful acts and/or crimes are actually committed or punishable);
- to perform every assigned task with transparency, loyalty, fairness, professional rigour and in good faith;
- to not give and/or promise any form of gifts and/or benefits and/or payments in favour of employees of the Purchaser or individuals employed with the Public Administration, public officials and/or public servants, with special regard to: Italian and/or foreign public managers, officials, employees and/or of political parties and/or their members and officials, candidates to political posts and/or their relatives and/or individuals connected with them, as may influence their independent judgement, abusing their functions, and/or induce anyone to secure any advantage in favour of the Carrier Group (e.g. in order to obtain, retain or direct business agreements to it);
- to immediately inform the Purchaser in writing of any situation that may, even just potentially, lead to a conflict of interest and refrain from taking any action in conflict of interest, without the prior express written authorisation of the Purchaser.

11.3 In order to ensure the respect of the Rules during the performance of this General Conditions, each Party undertakes to provide all documents and other information proving compliance with the Rules, when required by the other Party and to inform the other Party without delay, of the Party being in breach of any Rules, of the Party being aware of any breach of the Rules by a third party, as well as of any measures implemented in order to comply with the Rules.

11.4 The Supplier, after prior reasonable notice, grants the Purchaser and/or its authorised representatives access to its operational offices/headquarters, as well as to its account books and staff registers and the relating documents (with a right to view and reproduce them) to enable them to evaluate and determine the Supplier’s compliance with the obligations under these Standard Terms and Conditions and with the Rules and with any individual Order, and to the business practices applicable to the goods/services provided under the Orders. In addition to the provisions of the above paragraph, the Supplier’s failure to assist with any verification or investigative audit of the Purchaser to establish



compliance with the provisions of this Clause, entitles the Purchaser: i) to suspend payments; ii) to demand the compensation of damages.

11.5 In the event the Supplier fails to comply with the provisions of this Clause, this Agreement shall be terminated by operation of law under Art. 1456 of the Italian Civil Code, by a simple written notice sent to the Supplier.

11.6 International Trade Compliance:

Restricted Parties and Restricted Sourcing (a) Supplier represents that it is not a Restricted Party, defined as (i) a party listed on a list of parties with whom business is restricted or prohibited by the United States, the European Union or its Member States, the United Kingdom, or other applicable governments, including but not limited to the US Office of Foreign Assets Control (“**OFAC**”) Specially Designed Nationals List, the OFAC Consolidated List, or other similar lists; (ii) the government, including the agencies and instrumentalities thereof, of **Cuba, Iran, North Korea, Syria, or the Crimea, Donetsk, Kherson, Luhansk or Zaporizhzhia regions of Ukraine (“Restricted Territory”)**, or Venezuela; (iii) an ordinary resident of, or entity incorporated under the laws of a Restricted Territory; or (iv) an entity owned 40 percent or more, in the aggregate, or controlled by, a party covered by (i)-(iii). Supplier shall notify Purchaser promptly and in writing if Supplier, any of its subsidiaries, or any of their respective officers or directors, or Supplier’s vendors working on this Agreement, in each case, becomes, or there is a reasonable basis that such party will become, a Restricted Party. (b) Supplier shall not procure Products, services, goods, parts, or Product components subject to Orders and this Agreement, from (A) Restricted Parties, (B) Restricted Territories, or (C) regions or entities restricted for import into the country of destination, such as parties and regions subject to Withhold Release Orders issued by U.S. Customs and Border Protection. Supplier shall provide Purchaser, upon Purchaser’s reasonable request, the identity of its suppliers and/or the Product manufacture location or any Product subcomponents, as applicable, to confirm compliance with legal and regulatory requirements and the Order. Supplier shall ensure sub-supplier compliance with this section of the Agreement.

Export Compliance: Supplier is responsible for obtaining, at its own expense and risk, all permits, certificates and licenses required by applicable Laws (including export licenses). Supplier shall provide Purchaser with reasonable assistance in obtaining any re-export licenses. Supplier shall inform Purchaser in the order receipt acknowledgement of any dual-use goods and provide Purchaser with the classification number and any documents required to obtain the export license. Supplier shall comply, and cause each of its subsidiaries, agents and contractors to comply, with respect to all activities and transactions contemplated under this Agreement, with all applicable export control laws, regulations, and orders (including the U.S. Export Administration Regulations administered by the Bureau of Industry and Security, U.S. Department of Commerce (“**BIS**”), 15 C.F.R. parts 730-774) or the European Union Regulation 2021/821 (“**Export Controls**”) and economic sanctions laws and trade embargoes (including those administered or enforced by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“**OFAC**”), and U.S. Department of State and the European Commission (“**Sanctions**”). Supplier (i) represents and warrants to Purchaser that such Products are not subject to the jurisdiction of the ITAR and do not appear on the United States Munitions List (“**USML**”), and (ii) shall provide Purchaser with (a) the applicable Harmonized Tariff Schedule Number and (b) the Export Control Classification Number (“**ECCN**”) of such Products, software, technology or services controlled by the EAR, and to include the ECCN of parts and components if such classification differs from the ECCN of the goods or software and (c) and the dual-use status of such Products or any analogous classification under any other Applicable Law.

12 OBLIGATIONS OF THE PARTIES CONCERNING SAFETY AND ENVIRONMENTAL MATTERS.

12.1 The activities under the Order to be performed at the Purchaser’s premises shall be carried out in compliance with the guidelines of the Purchaser and with the provisions, also concerning safety and accident prevention (including, but not limited to Italian Presidential Decree no. 459/96, to Italian

Legislative Decree no. 17/2010 and to Italian Legislative Decree no. 81/2008 article 23 - Obligations of manufacturers and supplier - as amended and supplemented).

12.2 Where applicable to the Order, the Supplier declares to be in compliance with the provisions of Directive 67/548/EEC, concerning the classification, labelling and packaging of dangerous substances and with Regulation (EC) no. 1907/2006, concerning the registration, evaluation, authorisation and restriction of chemicals and expressly undertakes to provide the Safety Data Sheet pursuant to art. 31(CE) no. 1907/2006, as well as any information to allow a clear identification of the chemical substances supplied and the implementation of appropriate risk management measures.

12.3 The Supplier is and remain responsible, exclusively, of the full compliance of the Products with any applicable normative provision in the matter of: **(i)** reduction of the use of dangerous substances, including but not limited to Directives 2011/65/UE on June 8th, 2011 (RoHS), implemented in Italy by Legislative Decree March, 4th 2014, no. 27, Directive (UE) 2015/863 on March 31st implemented in Italy by Decree August, 6 2015 as amended and supplemented **(ii)** registration, evaluation, authorization and restriction of Chemicals (Reach) including but not limited to Regulations (CE) no. 1907/2006 December 18th 2006, no. 987/2008 October 8th 2008, no. 895/2014 August 14th 2014 as amended and supplemented, as well as **(iii)** any national, local legislation, EU legislation issued to enforce the above mentioned legislation, as well as **(iv)** any possible update and amendment to the above mentioned regulations and laws under points (i), (ii) and (iii) above.

12.4 If the products of the Supplier are not compliant with the aforesaid laws and requirements for any reason (including a change in the products and/or or a change in the aforesaid laws and requirements), Purchaser reserves its right to cancel all or some of the orders at the Supplier's expenses and/or to terminate the present agreement, with no liability for Purchaser and with withdrawal of any claim by the Supplier.

The Supplier undertakes to timely and adequately inform Purchaser 6 months in advance at least of all the changes in the Products that could impact on RoHS /REACH requirements or any other applicable law requirement. In any event, Purchaser reserves its right to terminate the present agreement, with no liability for Purchaser and with withdrawal of any claim by the Supplier.

Purchaser will reserve the possibility to request to the Supplier all relevant information and declarations, as well as to carry out all relevant verifications, to ensure that the Supplier comply with the aforesaid laws and requirements.

In case of infringements by the Supplier of any legal requirement provided under points (i), (ii), (iii) and (iv) above, the Supplier undertakes to indemnify and hold harmless Purchaser from any claim, liability, loss, damage (including direct and indirect), judicial provision of any origin and to take responsibility of all damages (direct and indirect) and losses suffered by Purchaser in this respect.

12.5 The Supplier undertakes, under its exclusive liability, to respect all the legislative provisions, as well as to observe all the regulations, rules and prescriptions of the competent Authority in the matter of transportation and disposal of waste and, in particular, the obligations set forth by the Directive 2012/19/EU of the European Parliament and of the Council on waste electrical and electronic equipment (WEEE), transposed in Italy by Legislative Decree on March, 14th 2014, no. 49 and relevant implementing decrees and following amendments.

12.6 In case of infringement by the Supplier of said normative provisions the Supplier obliges itself to indemnify and hold harmless Purchaser of any claim, liability, loss, damage (direct and indirect), judicial provision of any origin and to take responsibility of all damages (direct and indirect) and losses suffered by Purchaser because of said infringement.

13 NO ASSIGNMENT OR SUBCONTRACT OF AGREEMENT OR ASSIGNMENT OF CREDITS.



13.1 The Supplier may not assign or subcontract in full or in part the Orders and/or the rights and/or obligations thereunder to third parties. The Supplier may not transfer the right to collect and assign the credits relating to the Orders, and anyway such acts shall not be enforceable against the Purchaser.

13.2 Pursuant to Art. 1406 of the Italian Civil Code, the Supplier herewith agrees that the Purchaser may assign the Order, in full or in part, to third parties and companies of Carrier Group.

14 TERMINATION.

14.1 Except for the specific termination provisions set out elsewhere in these Standard Terms and Conditions and without prejudice to the right to damage compensation, the Purchaser may terminate the Orders by operation of law, pursuant to Art. 1456 of the Italian Civil Code, by simple written notice, if the Supplier does not fulfil correctly any one of the obligations concerning:

- (i) compliance of the Goods with the corresponding technical and/or functional specifications;
- (ii) delivery of Goods within the term set forth by the Order;
- (iii) property rights of the Purchaser provided for by Clause 8;
- (iv) intellectual or industrial property rights of the Purchaser or of third parties and relating indemnity provided for by Clause 9;
- (v) warranty provided for by Clause 4;
- (vi) observance of health and safety regulations;
- (vii) failure to observe, even in part, the provisions of the Carrier Code of Ethics and of the Carrier Supplier Code of Conduct and of any additional policies to be issued as well as the provisions of 231 Model;
- (viii) infringement of the disposition concerning the obligation of the parties in safety and environmental matters;
- (ix) failure to observe the provisions of Clause 11;
- (x) confidentiality obligations;
- (xi) prohibition to assign the Order and/or credits or to subcontract the Order;
- (xii) failure to maintain an insurance policy;
- (xiii) obligations concerning the traceability of financial transactions;
- (xiv) if the Supplier becomes insolvent or bankrupt, or enters into bankruptcy proceedings.

14.2 Purchaser shall also have the right to immediately terminate the Order in the event that the corporate structure of the Supplier is modified as to include a competitor of Purchaser, directly or indirectly through persons or subsidiaries, associates or investees, including *de facto* companies.

14.3 The Purchaser shall advise the Supplier immediately, and anyway within 2 days, of the occurrence of any such event.

14.4 The Purchaser shall, in any case, have the right to terminate the Orders pursuant to Art. 1454 of the Italian Civil Code in the event of Supplier's default of any kind, provided that the Purchaser has sent an invitation to perform within 15 days by registered mail with advice of receipt, and the claimed default has not been remedied within that term.

14.5 After termination of this agreement for whatever cause, the Supplier shall return to the Purchaser all material possibly made available under the Order and shall remove any persons and property of the Supplier from the Purchaser's sites.

14.6 In the event of termination by operation of this Clause, the Purchaser shall have no obligation to make any additional payments to the Supplier. Recovery of loss of profit of the Supplier is expressly excluded.



15 EARLY TERMINATION.

15.1 The Purchaser may terminate Orders at any time by written notice sent by Certified Electronic Mail or registered mail with advice of receipt and in advance by fax, with no damages or compensation rights for the Supplier. Termination will take effect on the fifteenth day after receipt of such notice by CEM or fax, and the Purchaser shall pay the amounts due to Supplier for the Goods supplied until termination date; recovery of loss of profit is expressly excluded.

15.2 Without prejudice to the early termination by notice expressly provided for by specific provisions hereof, Purchaser shall be entitled to suspend the performance of the Order, by written notice to the Supplier, at the occurrence of the following events:

(i) situations, facts or actions indicating a situation of intervening or predictable inability of the Supplier to ensure the normal fulfilment of its obligations (such as, but not limited to, in cases of failed or delayed payments to employees, social security authorities, tax authorities, suppliers or banks, as well as bill protests, securities and/or property executions, revocation of licenses or permits, preparatory and/or initial actions for voluntary liquidation procedure, application for arrangement with creditors, or out-of-court settlement, winding-up by court order or composition, bankruptcy, etc.);

(ii) interruption of supplies for a period longer than 15 (fifteen) working days due to the suspension of the normal activity of the Supplier, for any reason whatsoever;

(iii) failure to ensure consistent quality of the Goods, in compliance with the requirements specified in Order and/or of Purchaser.

15.3 If the aforementioned circumstances do not cease within 30 (thirty) days of receipt of a communication from Purchaser, this latter shall have the right to terminate the Order with immediate effect by sending a normal written notice, with no damage, compensation or reimbursement rights for the Supplier. That being the case, Purchaser shall collect any finished and semi-finished Products, and Spare Parts stored at the Supplier's premises.

16 CONFIDENTIALITY.

16.1 Any information concerning the Purchaser, its business, products and clients, which the Supplier should obtain in the course of performing the Orders and its obligations under these Standard Terms and Conditions shall be treated as confidential Information. The Supplier shall only use such information in connection with the obligations under these Standard Terms and Conditions and with order performance and within the strictly necessary limits, and shall not disclose it in any way or manner, copy or reproduce it, without the prior written consent of the Purchaser, except when its disclosure becomes necessary to comply with any legal obligations or orders of any competent authorities, provided that, even in such circumstances, the Party that has to fulfil these requirements promptly informs the other Party in order to agree on the time and contents of any communication which, as far as possible, shall be limited to the facts and/or documents which the aforementioned obligations or orders refer to. The Supplier in any case shall protect the confidentiality of the Purchaser's information with the same degree of care with which it protects its own confidential information. Any information made available by the Purchaser under this Agreement, including any copies, shall be returned or destroyed by the Supplier upon the occurrence of any of the following events, whichever occurs first:

- upon completion of Orders;
- at any time, upon Purchaser's demand;
- upon termination of the relationship between the Parties for whatever cause.



16.2 The Supplier shall cause its employees to fulfil the obligations under this Clause. The provisions of this Clause shall remain in full force and effect even after this Agreement is terminated for whatever reason.

17 DATA PRIVACY.

The terms and conditions for the processing of personal information relevant to these Conditions are indicated in Annex A "Processing of personal information", which forms an integral and essential parts of this Agreement.

18 ORDER OF PRECEDENCE.

In the event of a dispute or a conflict between the provisions of the Order, the Standard Terms and Conditions and the Supplier's quotation accepted by the Purchaser, if any, for the purpose of governing contractual relationship, the order of precedence shall be as follows: (i) Order; (ii) Standard Terms and Conditions; (iii) Supplier's quotation accepted by the Purchaser.

19 GOVERNING LAW AND COURT OF JURISDICTION.

19.1 These Standard Terms and Conditions and the relating Orders are governed by Italian law. In the event that the Agreement involves any international Party, the United Nations Convention on Contracts for the International Sale of Goods (CISG) of 11 April 1980 shall not apply.

19.2 Any disputes between the Parties in connection with the Standard Terms and Conditions and/or the Orders, including those concerning validity, construction, enforceability, performance and termination, shall be submitted to the Court of Milano, Italy, that shall have sole jurisdiction.

20 REGISTRATION.

For the purpose of registration, the Parties declare that this agreement concerns transactions subject to VAT carried out in the course of business and as such, registration is only required as and when the document is filed with official authorities, subject to payment of a fixed registration tax.

21 NOTICES.

In order to be fully enforceable against the other party, any communication between the Parties in respect of the relationship hereunder shall be made in writing and sent only to the following addresses:

For the Purchaser: as specified in the Order or indicated by the Purchaser.

For the Supplier: Address specified in the Order.

and to the e-mail addresses expressly designated from time to time.

22 ORDERS.

22.1 The Orders issued by the Purchaser shall be treated as contracts in their own right and governed by these Standard Terms and Conditions. At the Purchaser's discretion, Orders may be sent to the Supplier by registered mail with advice of receipt (hereinafter "Mail Orders"), or also by electronic mail ("E-mail Orders") or fax ("Fax Orders").

22.2 Orders placed in the above manners shall be considered as received by the Supplier on the date of the transmission receipt and shall be treated as fully valid and accepted by the Supplier, with respect to

all of their provisions, upon commencement of their proper performance or anyway unless the Purchasing Department of the Purchaser receives a written notice to the contrary within 5 working days from transmission of the Order, or unless the Supplier receives a notice from the Purchaser by e-mail, fax or post service that cancels or modifies the Order received previously. During the performance of the supply, Purchaser may change the quality, quantity, and characteristics of Products and those changes shall be readily implemented by the Supplier. In the event that the aforementioned changes affect timing and costs, the Parties shall meet in order to agree on any adjustment of prices and delivery terms.

22.3 If the Supplier requests any modifications and/or additions to the Order, the Purchaser may:

- if such requests are considered acceptable, issue a new Order that cancels and replaces the previous Order;
- otherwise, cancel the Order, and the Supplier may not demand any indemnification, refund of expenses or compensation of any kind for failure to enter into the agreement.

22.4 If the Purchaser requests a confirmation expressly stating Order acceptance to be sent to a specific ordinary mail or e-mail address or fax number, the corresponding E-mail Order, Fax Order or Mail Order shall not give rise to any obligations for the Purchaser even if it has been correctly received as provided for by the above paragraphs, unless the Supplier has sent the confirmation under this subsection.

22.5 The Parties agree that any E-mail Order, Fax Order or Mail Order correctly sent as provided for by this Clause shall be deemed to satisfy the written form requirement. The Parties agree that such Orders shall have the effects provided for by Article 2702 of the Italian Civil Code.

22.6 Orders issued under these Standard Terms and Conditions shall remain in force for the period of provision specified therein. Tacit renewal of Order is excluded, even in the event the Supplier continues to provide the Services after the period of provision specified in the Order. Under no circumstances shall any surplus provision in excess of Order quantities be accepted.

23 OBLIGATIONS CONCERNING THE TRACEABILITY OF FINANCIAL TRANSACTIONS.

23.1 The Parties declare that they are aware of all obligations concerning the traceability of financial transactions under Act no. 136 of 13 August 2010 and subsequent amendments, and agree to comply with such obligations.

23.2 In particular, if a certain Order originates from a public procurement procedure subject to mandatory traceability, the Purchaser shall notify the details of the contracting public body and the relating contract, along with the reference Unique Project Number (*CIG* or *CUP*), where available as provided for by applicable law, to the Supplier.

23.3 The Supplier shall include the same obligations provided for by this Clause in the contracts with its subcontractors and anyway to ensure that the latter comply with the provisions of Art. 3 of Act no. 136/2010. In the event the Supplier fails to comply with obligations provided for by this Clause and, more generally, with the mandatory traceability of financial transactions pursuant to Act no. 136/2010, the Purchaser may automatically terminate this Agreement by operation of law pursuant to Art. 1456 of the Italian Civil Code and Art. 3, paragraph 9 *bis*, of Act no. 136/2010, without prejudice to its right to compensation of any and all damages, including loss of profit.

23.4 In the event the Supplier fails to comply with the obligations concerning the traceability of financial transactions under Art. 3 of Act no. 136/2010, the Purchaser shall immediately notify the contracting public body and the competent Prefecture-Territorial Government Office pursuant to Art. 3, paragraph 8 of Act no. 136/2010. In the event the subcontractors to the Supplier do not comply with the above obligations, the Supplier shall likewise notify the Contracting Body.



24 FINAL PROVISIONS.

24.1 These Standard Terms and Conditions cancel and replace any previous verbal or written understandings between the Parties concerning the same matter.

24.2 In the event one or more provisions of these Standard Terms and Conditions and/or of the Orders are held to be null and void, voidable or invalid by a court of competent jurisdiction, under no circumstances shall such nullity, voidness, voidability or invalidity affect the remaining provisions of the Standard Terms and Conditions, and such null and void, voidable or invalid provisions shall be deemed to have been modified to such extent and effect as required for the court of competent jurisdiction to hold them to be fully valid and effective.

24.3 Failure to exercise a right under these Standard Terms and Conditions or the relating Orders, or to require remedy for a breach of the above shall by no means be construed as a waiver of or implicit modification to the provisions or remedies thereunder.

Annex A: "Processing of personal information"

The Parties mutually acknowledge that the terms and conditions set out in these Standard Terms and Conditions of Goods have been negotiated and therefore articles 1341 and 1342 of Italian Civil Code shall not apply.



Annex A: Processing of personal information

The Parties acknowledge and agree that in the execution and the administration of the Agreement, personal information of either Party will be collected and processed, as independent data controllers, for invoicing and contract execution and management purposes, and comply with any and all Data Privacy Laws. Where a Party provides the other Party with any personal information for such purpose, it will ensure that it has the legal right to do so, including obtaining consent and providing notice to the individuals whose personal information it has provided to the other, if needed. The Parties shall neither sell, nor exchange for anything of value, personal information processed in the course of the performance of the Agreement and thereafter. Carrier may share personal information with Carrier's service providers and Carrier may store personal information on servers located and accessible globally by Carrier entities and their service providers but only in accordance with applicable data privacy laws and with appropriate protections in place. Data privacy is important to Carrier. For more information, consult our General Privacy Notice (www.corporate.carrier.com/legal/privacy-notice-general).