STANDARD TERMS & CONDITIONS OF PURCHASE

ATTACHMENT D

ARTIFICIAL INTELLIGENCE

The following clauses of this policy are incorporated into Carrier's Standard Terms & Conditions of Purchase which may be found at https://www.corporate.carrier.com/suppliers/terms-conditions/ (the "**Terms**") and into any Agreement whenever the Seller delivers goods or services that contain, incorporate or utilize Artificial Intelligence. All capitalized terms used in this policy but not defined shall have the same meaning given to them in the Terms.

1.   Definition and Scope

"Artificial Intelligence" or "AI" shall mean any software, system, algorithm, model, or technology that simulates or exhibits intelligence, learning capabilities, predictive analysis, autonomous decision-making, or content generation, including but not limited to machine learning, deep learning, neural networks, large language models, computer vision systems, and generative AI technologies. This Attachment applies to any goods or services that incorporate, utilize, or are developed using AI.

2.   Disclosure and Documentation

Seller shall disclose to Buyer in writing prior to delivery: (a) the presence of any AI components in goods or services; (b) the functionality, capabilities, and limitations of such AI components; (c) data types processed by AI systems; (d) whether goods or services utilize third-party AI technologies; and (e) a description of the AI governance framework implemented by Seller to ensure the AI systems' safety, security, and compliance with applicable laws and regulations. Such documentation shall be maintained and updated throughout the lifecycle of the AI component.

3.   Compliance with AI Regulations

Seller warrants that all AI components or systems incorporated into goods or services comply with all applicable laws, regulations, industry standards and frameworks governing the development, deployment, and use of AI technologies, including but not limited to data protection, privacy, non-discrimination, transparency, explainability, and sector-specific AI regulations. Seller shall monitor regulatory developments and ensure ongoing compliance with new or amended AI regulations.

4.   Risk Management

Seller shall implement and maintain a comprehensive AI risk management system that: (a) identifies potential risks associated with the development, deployment, and use of AI components; (b) implements appropriate risk mitigation measures; (c) includes regular testing and validation of AI systems; and (d) provides for prompt notification to Buyer of any identified risks, incidents, or vulnerabilities that may affect the goods or services provided.

5.   Transparency and Explainability

Seller warrants that all AI systems are designed with appropriate levels of transparency and explainability suitable to their use case and risk profile. For any AI system that makes or supports decisions affecting

individuals, Seller shall ensure that: (a) the system's operation can be explained in understandable terms; (b) decisions can be appropriately reviewed; and (c) human oversight is maintained where necessary.

6. Data Usage for AI

In addition to complying with Section 8.5 of the Terms and Attachment A regarding data privacy, Seller warrants that all data used for training, testing, or operating AI systems have been lawfully obtained and processed. Seller shall maintain records of data sources, processing activities, and data governance measures, and shall make such records available to Buyer upon request. Seller shall not use Buyer's data, Proprietary Information, or Intellectual Property to train AI systems beyond the scope necessary to fulfill its obligations under the Agreement without Buyer's prior written consent.

7. AI Intellectual Property

In addition to Section 19 of the Terms, Seller warrants that it has secured all necessary rights and permissions for any AI-generated content, code, or other outputs incorporated into the goods or services. The ownership of AI-generated outputs developed specifically for Buyer shall be considered "Buyer Project Property" as defined in Section 19. Seller shall implement appropriate measures to track and document the provenance of AI-generated content.

8. Human Oversight and Accountability

Seller shall maintain appropriate human oversight over AI systems, particularly for high-risk applications. Seller shall clearly define roles and responsibilities for human review, intervention, and accountability in connection with AI systems. Seller shall not deploy fully autonomous AI systems that make critical decisions without meaningful human oversight without Buyer's prior written approval.

9. AI Auditing and Assessment

Seller shall permit Buyer to audit and assess any AI components upon reasonable prior notice, including through technical documentation review, testing, or third-party verification. Such audits may include bias assessments, security testing, performance validation, compliance verification, or other evaluations deemed necessary by Buyer.

10. AI Security

Seller shall implement appropriate technical and organizational security measures for AI systems in accordance with industry best practices, including protection against unauthorized access, adversarial attacks, data poisoning, and model theft or manipulation. Seller shall promptly address any identified security vulnerabilities in AI components.

11. AI Indemnification

Seller's indemnification obligations under Section 10 of the Terms shall extend to any claims, allegations, or damages arising from AI components, including but not limited to: (a) AI system malfunctions or errors; (b) biased or discriminatory outputs; (c) IP infringement claims related to AI-generated content; (d) unauthorized data usage; (e) non-compliance with AI regulations; and (f) failure to implement appropriate safeguards.