



For the World
We Share

Standard Terms & Conditions of Purchase

Effective October 1, 2025

1. **Contract of Purchase:** These Terms and Conditions of Purchase together with the attached order (collectively, "Order") constitute the offer of Carrier Hong Kong Limited ("Carrier") to purchase the goods or services described on the Order from the party to whom the Order is issued ("Supplier"). Supplier's acknowledgment, delivery of goods or commencement of works shall constitute acceptance by Supplier of all terms and conditions in the Order. The Order (including all attachments and documents incorporated by reference or attached by Carrier) constitutes the entire agreement between the Carrier and Supplier and shall supersede all previous communications, orders, agreements, and representations, either oral or written, with respect to the subject matter hereof, and no agreement or understanding varying or extending the Order shall be binding upon Carrier unless expressly agreed to writing. For the avoidance of doubt, any additional or different terms or conditions which may appear in any communication from Supplier, whether sent prior to, contemporaneously with or after the Order is made, are hereby expressly objected to. No such additional or different terms or conditions in any printed form of Supplier shall become part of the Order despite Carrier's acceptance of goods or services.
2. **Price and Payment:** The price for the goods or services shall be the price as shown on the Order and shall be inclusive of all applicable taxes, duties, levies and/or other charges. As a condition of payment, Supplier shall be required to submit an invoice that: (a) accurately describes, in reasonable detail, the actual goods or services supplied even where Supplier is compensated under a retainer or similar arrangement; provided, however, that in the case of Supplier engaged as members of advisory panels or committees, the attendance records and reports of committee meetings shall constitute sufficient documentation for payment; (b) the individuals (in the case of an individual services vendor) or entities performing the services; and (c) the period of performance; and (d) the fees and expenses payable under the Order. Supplier shall issue invoices in accordance with Carrier's instructions, which may include designated system, format, and process. Where Carrier requires use of a designated system, no invoices shall be paid or deemed received until submitted in the designated system. Where Supplier provides customs services, Supplier acknowledges that success or similar contingency fee arrangements are strictly prohibited in connection with customs services, whether such customs services are performed by Supplier, or by a third party on Supplier's behalf. Carrier shall have the right to set off against any amount payable under the Order any indebtedness or other claim(s) which Carrier may have against Supplier howsoever and whensoever arising.
3. **Packaging and Delivery:** Unless otherwise agreed in writing, all goods shall be delivered to Carrier assembled, completed, and ready for use, and Carrier shall accept delivery of such goods at the location designated on the Order. Delivery of goods or performance of services is not complete until received and accepted by Carrier. The risk of loss and title to goods shall not pass to Carrier unless and until Carrier actually receives and accepts the goods at the location designated on the Order. The obligation by Supplier to meet the delivery or performance date is material; time is of the essence. Carrier's acceptance of goods or services shall not constitute a waiver of any of Carrier's rights. All goods shall be packaged according to specifications or, if not covered in the specifications, in such a manner as to ensure their safe transit and delivery. Damage resulting from improper packaging will be charged to Supplier.
4. **Delay:** Supplier shall not be deemed to be in default on account of delays to the extent it is beyond Supplier's control and not occasioned by Supplier's fault or negligence, provided that promptly upon the occurrence of any event which may result in a delay, Supplier shall give notice thereof to Carrier, which notice shall identify such occurrence and specify the period of delay which may reasonably be expected to result therefrom. In the event of delay due to any cause beyond Supplier's control and not occasioned by Supplier's fault or negligence for a period of more than thirty (30) days, Carrier shall have the option to terminate the Order upon written notice to Supplier, and such termination shall discharge all obligations and liabilities of the parties hereunder.
5. **Inspection and Acceptance:** Carrier may inspect all goods at any time, including during manufacture at Supplier's facility. Such inspection may at Carrier's option include confirmation of Supplier's compliance with all requirements of the Order. At no additional cost to Carrier, Supplier will permit Carrier and/or its designees access to Supplier's facilities at reasonable times and will provide all access and assistance reasonably necessary for such inspection and/or confirmation. All goods and services are subject to final inspection and acceptance by Carrier. Without prejudice to any other rights or remedies, Carrier shall have the right to reject defective goods or services and, at Supplier's risk (notwithstanding the terms of delivery) and expense, return the same to Supplier or dispose of the same according to Supplier's instructions. Payment or transfer of title shall not constitute acceptance. Carrier may return or reject as applicable any non-conforming goods or services to Supplier for reimbursement, credit, replacement or correction as Carrier may direct, or Carrier may correct and/or replace such goods or services at Supplier's expense. If Supplier fails to correct or replace non-conforming goods or services, per Carrier's direction, in a timely manner, Carrier may cancel the Order as to all such goods or services, and in addition, may cancel the then remaining balance of the Order. Any goods rejected by Carrier will be held by Carrier temporarily at Supplier's risk and expense. Supplier will reimburse Carrier for any packaging, handling and transportation costs Carrier incurs with respect to rejected goods. Carrier may revoke its acceptance of goods at any time, whether or not a substantial modification to the goods has been made, if Carrier finds a previously undiscovered defect in the goods which materially affects form, fit or function or substantially impairs the value of the goods to Carrier.
6. **Changes:** Carrier shall have the right at any time prior to the delivery date of the goods or services to direct changes to, or to cause Supplier to make changes in, drawings, specifications, descriptions, packaging, time and place of delivery, inspection/testing, scope, nature and duration of services, and/or method of transportation. Supplier is required to promptly implement such changes. Within thirty (30) days after receipt of a change notice from Carrier, Supplier shall notify Carrier of its proposed adjustment, if any, for the requested change including a cost breakdown and substantiation for the adjustment, whether by way of increase or decrease, and the parties shall negotiate an equitable adjustment. Any adjustment may only include reasonable costs that will necessarily be incurred as a direct result of the requested change. If Supplier fails to provide a proposed adjustment within thirty (30) days of receipt of Carrier's change notice, Supplier's claim for adjustment shall be deemed waived.
7. **General Warranties:** Supplier undertakes, represents and warrants that (a) if it is a body corporate, it has been duly incorporated and is validly existing under the law of the country of its incorporation and has full capacity, power and authority to own its properties and to conduct the businesses in which it is now engaged; (b) it has the right and authority to enter into the Order, the full power and authority to grant the rights granted by the Order, and that entering into and carrying out the terms and conditions of the Order will not violate any provision of the constitution of Supplier or any law, statute, ordinance, regulation, order, judgment or decree of any court or governmental agency; (c) any factual information provided by it for the purposes of the Order was true and accurate in all material respects as of the date it was provided or as of the date (if any) at which it is stated; (d) no order has been made or petition presented or resolution passed for the winding-up of Supplier and no distress, execution or other process has been levied on any of its assets. Supplier is not insolvent or unable to pay its debts and no receiver or receiver and manager has been appointed by any person of its business or assets or any part thereof and no power to make any such appointment has arisen; and (e) it has or will acquire good and valid title to the goods delivered to Carrier, and shall deliver to Carrier such good title free of any lien, pledge, encumbrances, mortgage, or any other charge or right whatsoever of any third party; (f) in the supply of goods or services to Carrier, it shall and shall procure its owners, employees, directors, officers, subcontractors, affiliates, agents and/or representatives ("Supplier's Representatives") to comply at all times with applicable law, including law prohibiting collusion, conflicts of interest, corruption and unfair competition, and all Carrier policies (including but not limited to the Carrier Code of Ethics (https://www.corporate.carrier.com/Images/Corporate-Code-Ethics-1122-English_tcm558-76502.pdf) and Supplier Code of Conduct (https://www.corporate.carrier.com/Images/Carrier-Supplier-Code-of-Conduct-07-2020-English_tcm558-81504.pdf)) as notified to Supplier from time to time, and at all times, to refrain directly or indirectly from offering, promising, attempting to provide, or providing any entertainment, gift, gratuity, money, ownership or financial interest in Supplier or other thing of value to any Carrier employee or government officials; (g) Supplier and Supplier's Representatives possess the requisite qualifications, professional skill and technical expertise to perform the obligations under the Order in compliance with all applicable law and regulations; and (h) it will promptly and accurately record in its books and records all transactions and expenses related to the goods or services.
8. **Goods Warranty:** Supplier undertakes, represents and warrants to Carrier and its Affiliates, successors, assigns, customers and end users ("End Users") of the goods or Carrier's products incorporating such goods ("Products") sold by Carrier that all goods provided hereunder shall: (i) be merchantable; (ii) be new upon receipt by Buyer; (iii) be free from defects in material and workmanship; (iv) be free from defects in design, except to the extent the goods are designed by Carrier; (v) be in strict compliance with all specifications, samples, standards, drawings, and performance requirements; (vi) be in compliance with all applicable regulations and other legal requirements concerning the manufacture, labeling, packaging, packing and delivery of the goods; (vii) be selected, designed, manufactured and assembled based upon Carrier's stated use; (viii) be fit for their intended purpose(s); (ix) be free from liens and encumbrances on title; and (x) not, through use or as part of a Product in any way infringe or contribute to the infringement of any intellectual property right, and no claim, action or suit alleging any such infringement or contribution to infringement is pending or threatened against Supplier, its employees, agents, suppliers or contractors; and (xi) not contain any open source software or other third party software that imposes any obligations or conditions on Carrier's intellectual property or confidential information (collectively "Goods Warranty"). This Goods Warranty shall survive delivery, inspection, test, acceptance, payment, and use for a period beginning on the later of the date of installation of the goods or Products, or the date the goods are delivered after a warranty repair or replacement and equal to the longer of sixty (60) months or the duration of any warranty of the goods or Products provided by Carrier in connection with



Carrier's sale of its Products, which durations will be provided by Carrier upon written request and are INCORPORATED HEREIN BY REFERENCE. If nonconformities are identified, Supplier agrees, at Carrier's option, to either (a) reimburse Carrier for the full cost of all nonconforming or defective items and any cost incurred by Carrier in correcting or replacing such items or (b) to make the repair or provide the replacement. In the event Carrier elects (b), Supplier agrees, at Supplier's sole cost and expense, to correct defects in or replace any goods not conforming to the foregoing warranty promptly, but in no event, will such repair or replacement be completed more than thirty (30) days from notice of such nonconformity by Carrier. In the event that Supplier fails to correct defects in or replace nonconforming goods promptly, Carrier, after reasonable notice to Supplier, shall have the right to correct or replace such goods and charge Supplier for the cost incurred by Carrier in doing so. If defects are identified after shipment to Carrier's customer, goods may be scrapped, retained, or held for Supplier's disposition, at the discretion of Carrier or Carrier's customer. Supplier shall promptly reimburse Carrier for all expenses and damages incurred by Carrier and/or Carrier's customer regardless of the nature of such expenses or damages as a result of or relating to Supplier's failure to comply with (i)-(ix) above, including but not limited to repair, replacement, rework, removal and reinstallation costs, shipping costs, damages and/or accommodation payments, production delays, payment withholdings, field service costs, recall costs, administrative costs and costs of filing and complying with legal and regulatory requirements.

9. Service Warranty: Supplier undertakes, represents and warrants that all services provided under the Order shall where applicable: (i) have been and will be performed in a professional and workmanlike manner and in accordance with current, sound and highest generally accepted industry standards and practices by appropriately licensed, trained, supervised and personnel who are experienced in the appropriate fields; and (ii) do, if applicable, and will conform to and be in compliance with all applicable specifications, performance requirements and other requirements contained in the Order (the "Service Warranty"). Supplier agrees that should any of the services be defectively performed by Supplier, Supplier will re-perform or correct such defective services at no additional charge. In the event of failure by Supplier to correct defects in or replace nonconforming services promptly, Carrier, after reasonable notice to Supplier, may make such correction or replace such services and charge Supplier for the cost incurred. Notwithstanding any other provision, in addition to the foregoing, Supplier shall be liable for Carrier's actual costs, expenses and damages related to or arising from the services not conforming to the Services Warranty. Supplier warrants to Carrier that all documentation and certifications by Supplier or Supplier's subcontractors or business partners, as applicable, are current, complete, truthful, and accurate and have been signed or stamped, as applicable, by individuals authorized and qualified to sign or stamp such documentation and certifications. Supplier agrees to obtain and maintain - at its own expense - all permits, licenses and other forms of documentation required by Supplier to comply with all applicable laws, ordinances, and regulations, or of other governmental agency. Carrier reserves the right to review and approve all applications, permits, and licenses prior to the commencement of any work.

10. Termination without cause: Carrier may terminate the Order in whole or in part by 30 days' notice in writing to Supplier without cause and in such event, Carrier and Supplier shall negotiate reasonable termination costs consistent with the cost of materials and labor incurred (and not otherwise mitigated) on ordered products or services prior to the date of Carrier's termination notice, provided Supplier takes all steps reasonably necessary to mitigate such costs and the total amount shall not exceed the contracted value of the products or services satisfactorily provided or performed up through the date of termination. Save and except for the aforementioned amounts, Carrier shall not be liable for any loss suffered or incurred by Supplier arising from any such termination.

11. Termination for cause: Carrier may immediately terminate the Order in whole or in part for cause by notice in writing to Supplier where (a) Supplier fails to perform and/or fulfill any material part or material obligation under the Order and such failure is not capable of being remedied, or in the case of failure capable of being remedied, Supplier has failed to remedy such failure within 30 days after the receipt of a request in writing from Carrier; (b) Supplier commits any material breach of any term of the Order, a breach of ethics and compliance covenant or requirements in Carrier's compliance and ethical conduct policies including the Carrier Code of Ethics and Supplier Code of Conduct; (c) Supplier becomes insolvent or makes an assignment for the benefit of creditors, or if there shall be instituted by or against Supplier, any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt or insolvency law of any jurisdiction or for the appointment of a receiver or trustee in respect to any of Supplier's property and such proceeding is not dismissed or cured within 60 days; or (d) Supplier fails or refuses to cooperate with Carrier audit or investigation. Supplier shall have no claims whatsoever against Carrier in respect of such termination. On termination of the Order, Carrier shall be relieved of its obligations to make further payments to Supplier and shall be entitled to recover damages arising from such breach. Carrier's right of termination of the Order shall be without prejudice to any claim, remedy or right of action that it may otherwise have under the Order.

12. Effect of Termination: Any termination of the Order (howsoever occasioned) shall not affect any accrued rights or liabilities of either party nor shall it affect the coming into force or the continuance in force of any provision hereof which is expressly or by implication intended to come into or continue in force on or after such termination. In the event of termination of the Order by Carrier for cause, the following shall apply, without prejudice to any other rights or remedies which shall have accrued or shall thereafter accrue to Carrier as a result of the termination for Supplier's breach of the Order: (a) all advance payments that have been made to Supplier by Carrier under the Order, less the value of all goods or services provided by Supplier which have been accepted by Carrier in writing, shall be refunded by Supplier to Carrier forthwith; and (b) Carrier shall be entitled to recover from Supplier any damages, losses, costs and expenses which Carrier may sustain or incur in consequence of such breach and termination arising therefrom. In the event of termination of the Order howsoever occasioned: (a) without prejudice to Carrier's rights under the Order in respect of any breaches by Supplier, Carrier shall be entitled to engage any other party or parties ("New Supplier") to continue with the provision of the goods or services and Supplier shall refund to Carrier, on a pro-rate basis, all fees or payments made in advance or previously paid to Supplier for the goods not yet delivered to and accepted by Carrier, and/or periods for which the services have not yet been carried out under the Order; (b) Supplier shall furnish to Carrier any documents or other property provided by Carrier to Supplier for the purpose of the services without charge; (c) Supplier shall take all such steps as may be necessary to prepare and agree with Carrier on a detailed plan for the orderly handover of such services to Carrier or a New Supplier or such other third party as may be engaged by Carrier, with minimum interruption and inconvenience to Carrier; and (d) Supplier shall cease to use Carrier's trade name or trademarks. Where Supplier undertakes to remove all markings, colours or paintings which bear reference to or is associated with Carrier, Supplier agrees that Carrier shall have the right to withhold any payment due from Carrier to Supplier at the time of the notice of the termination in respect of the services performed by Supplier prior to the termination of the Order until Carrier is satisfied that all the terms under the Order have been satisfactorily carried out.

13. Intellectual Property Rights: All inventions, patents, patent applications, copyrights, design rights, trade secrets, know-how or other industrial or intellectual property and related information and embodiments, associated with, or used in or for, the development, testing, manufacturing and maintenance of the goods shall be identified herein as "Intellectual Property". Such related information and embodiments include, without limitation, test results, tooling, jigs and fixtures, samples, Software, Firmware, source code, designs, processes, drawings, prints, specifications, reports, data, technical information, and instructions. All Intellectual Property owned by Supplier prior to entering into the Order ("Supplier Background Property") shall remain owned by Supplier. Supplier hereby grants and promises to grant to Carrier a worldwide, non-exclusive, perpetual, fully paid, irrevocable, sub-licensable license to Supplier Background Property to use, sell, offer for sale, import, export, copy, adapt, embed, modify, make derivative works, make and have made goods, services or the like for Carrier. Supplier warrants that the goods supplied under the Order do not infringe any Intellectual Property rights and undertakes to indemnify and hold Carrier harmless against all demands, actions, costs, claims, expenses and damages which Carrier, Carrier's customers, affiliates, insurers and their respective employees, officers, directors, representatives and agents (together, "Carrier Indemnitees") may incur in respect of any claim for infringement or alleged infringement or in respect of any other rights occasioned by the manufacture, sale or use of the goods or services provided under this order and shall if Carrier so requires at Supplier's own cost take over the conduct of any such action, claim or demand. Supplier will notify Carrier of any third party license terms or restrictions that limit Carrier's use of the Supplier Background Property or impose any obligations on Carrier and will provide Carrier with copies of the third party agreements and acquire additional licenses as needed by Carrier to exercise its rights under the Order. "Carrier Project Property" shall mean all Intellectual Property and tangible work product conceived, created, acquired, or first reduced to practice in connection with the Order. Carrier shall own all Carrier Project Property. Supplier shall not have any rights in Carrier Project Property except as Carrier may grant for the purposes of manufacturing goods for Carrier. Supplier shall take all steps which are deemed necessary by Carrier to secure Carrier's rights. Supplier represents that it has taken no action to assist in the registration of the copyrights or patents on the Carrier Project Property and will do so only as and when requested by Carrier. Supplier will contractually bind its employees and other persons or parties as may be used by Supplier in the performance of the Order to the obligations established under this clause. Supplier warrants that the goods or services will be created originally by Supplier or employees of Supplier within the scope of their employment and with a written obligation to assign all right, title, and interest in the goods and or services and associated Intellectual Property to Supplier, including the rights enumerated and assigned to Carrier herein, or by subcontractors with a written obligation to assign all right, title, and interest in the goods and or services and associated Intellectual Property to Supplier or, to the extent that goods and or services include third party parts, components or software, that Supplier has acquired the necessary rights for unencumbered use of the parts, components or software in the goods. Supplier warrants that in the event of a breach of obligations by an employee or other person or party as defined in this clause, Supplier will enforce the contractual provisions and, upon the written request of Carrier, permit Carrier to enforce the contractual provisions in Supplier's name. Supplier warrants that it is in compliance with all



agreements (including license agreements) with third parties that relate to the Supplier Background Property. Supplier shall not sell to any third party any parts, components, products, systems or processes produced using Carrier's Proprietary Information, Carrier's Intellectual Property or Carrier Project Property. Supplier shall not label, advertise, market, or promote any parts, components, products, systems or processes in any way that indicates that they are a "replacement" or "substitute" for any parts, components, products, systems or processes that Supplier manufactures or has manufactured for and/or sold to Carrier including, without limitation, display or use by Supplier of any product/part number assigned to such parts, components, products, systems or processes by Carrier or Supplier. Except as expressly authorized herein, nothing in the Order shall be construed as Carrier granting Supplier a license in or any right to use any Supplier Project Property other than in the performance of work under the Order.

14. **Carrier Property:** Supplier is responsible for the storage, protection, calibration, maintenance, care (other than normal wear), and replacement (if necessary) of all tooling and equipment owned by Carrier or used in the production of goods made by Supplier for sale to Carrier. Said tooling or equipment shall be stored separately when not in use, will be subject to surveillance inspection upon notice and shall be returned in an acceptable condition upon demand or notice.

15. **Indemnities and Liability:** Supplier shall defend, indemnify and hold harmless Carrier's Indemnitees from and against any and all claims, allegations, suits, demands, proceedings, judgments, awards, losses, liabilities, damages, penalties, fines, assessments, costs and/or expenses (including legal costs and expenses) of any kind or nature relating to, arising directly or indirectly out of, in the course of or in connection with Supplier's performance of the Order including, but not limited to, any breach or non-performance by Supplier of any undertakings, warranties, or obligations under the Order; any personal injury, death, loss of or damage to property arising from any act or omission of Supplier and/or Supplier Representatives; any negligent act or omission or willful default, misconduct or fraud of Supplier and/or Supplier Representatives; any defect in the goods or services supplied by Supplier; and/or any breach of applicable law by Supplier and/or Supplier's Representatives. Notwithstanding anything herein, in no event will Carrier be liable for any of Supplier's loss of profit, savings, third party, contracts, revenue, interest or goodwill (unless specifically covered under an indemnity) or for any consequential, indirect, incidental or special loss, damage or expenses even if it has been advised of their possible existence and even if such loss damage or expense is caused by the negligence of Carrier, its employees, directors, officers, affiliates, agents or subcontractors. To the fullest extent permitted by law, and notwithstanding any other provision of the Order, the total liability, in the aggregate, of Carrier to Supplier, for any and all claims, losses, costs or damages, and costs or claims expenses resulting from or in any way related to the Order or from any cause or causes shall not exceed the total payment payable to Supplier in the Order.

16. **Import and Export Controls:** Supplier shall be solely responsible and liable for compliance with all local, state, and federal laws, rules, and regulations applicable to the manufacture, use, importation, exportation or the re-importation/re-exportation of the goods or services provided under the Order.

17. **Audit:** Upon reasonable notice to Supplier, Carrier or an authorised representative of Carrier is entitled to, during the term of the Order and for a period of seven (7) years after the expiry or termination of the Order, appoint its employees or external auditors to conduct an audit of the accounting, business practices, or business ethics relating to the services under the Order and Supplier's compliance with its obligations under the Order. Supplier shall at its own cost provide Carrier or its employees or auditors with sufficient access to its office premises, personnel, information and document to enable Carrier to assess and verify Supplier's compliance. Without limiting any other right or remedy available to Carrier, if an audit identifies any breach, Supplier must at its own cost, do all things necessary to remedy such breach within 30 days.

18. **Advertising:** No advertising or publicity having or containing any reference to Carrier shall be made by Supplier or Supplier's agent unless Supplier obtains written consent of Carrier.

19. **Confidentiality:** "Confidential Information" and/or "Proprietary Information" (hereinafter referred to collectively as "Proprietary Information") shall, for the purpose of the Order, mean: (i) information, knowledge or data disclosed by Carrier to Supplier, regardless of whether disclosed in written, tangible, oral, visual or other form and (ii) information, knowledge or data which was obtained from facility visits. In the event Carrier furnishes sample goods, equipment, or other objects or material, including software, to Supplier, the items so received and any information contained therein shall be treated as Proprietary Information disclosed to Supplier under the Order. Furthermore, any and all information obtained or derived from said items, including results from testing, shall be treated as if they were Proprietary Information disclosed pursuant to the Order. All Proprietary Information disclosed in any documentary or tangible form, whether in written or electronic form may be marked "Proprietary" or "Confidential" and if the Proprietary Information is not so identified, it will be considered proprietary if by its very nature or the circumstances under which it is disclosed one would reasonably consider it to be proprietary. Supplier shall use Carrier's Proprietary Information solely for the purposes of supporting the current business relationship with Carrier and not for any other purpose. To the extent the parties have executed a separate non-disclosure agreement (the "NDA"), the NDA shall govern the treatment of Proprietary Information until its expiration or termination. Following expiration or termination of the NDA, Supplier agrees that it shall not disclose Carrier's Proprietary Information to any third party without Carrier's express written consent. Supplier may disclose Carrier's Proprietary Information to contract workers, consultants and agents of Supplier who have a need to know and who have executed agreements with Supplier obligating them to treat such information in a manner consistent with the terms hereof. Supplier shall not (a) sell parts or components incorporating or containing Carrier Proprietary Information to any third party including, without limitation, any goods having the same product numbering or other identification as any parts or components sold to Carrier, or (b) sell any goods or services to any third party which have been produced using Carrier Proprietary Information. Notwithstanding the foregoing, the Order shall not restrict or affect Supplier's rights to use or disclose information: (1) which is or may hereafter be in the public domain through no fault of Supplier; or (2) which Supplier can show, as reflected by its written documents, was known to it prior to the disclosure by Carrier; or (3) which is disclosed to Supplier by a third party, without restrictions similar to those herein imposed, subsequent to disclosure by Carrier; or (4) which Supplier can show, as reflected by its documents, was independently developed by Supplier without the use of the Proprietary Information.

20. **Insurance:** Supplier upon entering into the Order shall immediately insure at Supplier's expenses against any damage, loss or injury that may occur to any person or any property in connection with or in consequence of the performance of this Purchase Order. Such insurance shall include but not limited to third party or public liability insurance and employees' compensation insurance. Supplier shall pay all insurance premiums punctually and Supplier shall produce on request the insurance policy and evidence of payment of insurance premium to prove that it has complied with the requirements under this clause, provided that nothing herein shall render Carrier liable for the correctness or adequacy of such policies or for ensuring that they comply with the relevant legislation pertaining to insurance. Supplier is to ensure the adequacy of the insurance coverage taken out to cover his workers and the contractual, common law and statutory liabilities in respect of the goods or services provided under the Order.

21. **No Waiver:** A failure by Carrier to exercise or enforce any rights conferred upon it by the Order shall not be deemed to be a waiver of any such rights or operate so as to bar the exercise or enforcement thereof at any subsequent time or times. Waiver of any right arising from a breach or non-performance of the Order or arising upon default under the Order shall be in writing and signed by the party granting the waiver. A party is not entitled to rely on a delay in the exercise or non-exercise of a right arising from a breach or non-performance of the Order or on a default under the Order as constituting a waiver of that right.

22. **Data Privacy:** (a) The parties acknowledge that in the execution and the administration of the Order, personal information of either party will be collected and processed, as independent data controllers, for invoicing and contract execution and management purposes, and the parties shall comply with any and all Data Privacy Laws (defined below). 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 Order and thereafter. "Data Privacy Laws" means applicable national, federal, state and provincial laws relating to data privacy, the protection, processing and/or cross-border transfer of personal information in the course of the performance of this Agreement. Data Privacy Laws include the European Union General Data Protection Regulation, as well as any similar legislation in the world including, without limitation, the Personal Data (Privacy) Ordinance of Hong Kong. (b) 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, please consult our General Privacy Notice (www.corporate.carrier.com/legal/privacy-notice-general). (c) This data privacy clause will survive the termination of the Order.

23. **Artificial Intelligence:** "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 provision applies to any goods or services that incorporate, utilize, or are developed using AI. Supplier shall disclose to Carrier 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 Supplier 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. Supplier 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. Supplier shall monitor regulatory developments and ensure ongoing compliance with new or amended AI regulations. Supplier 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 Carrier of any identified risks, incidents, or vulnerabilities that may affect the goods or services provided. Supplier 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, Supplier 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. Supplier warrants that all data used for training, testing, or operating AI systems have been lawfully obtained and processed. Supplier shall maintain records of data sources, processing activities, and data governance measures, and shall make such records available to Carrier upon request. Supplier shall not use Carrier's data, Proprietary Information, or Intellectual Property to train AI systems beyond the scope necessary to fulfill its obligations under the Agreement without Carrier's prior written consent. Supplier 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 Carrier shall be considered "Carrier Project Property" as defined herein. Supplier shall implement appropriate measures to track and document the provenance of AI-generated content. Supplier shall maintain appropriate human oversight over AI systems, particularly for high-risk applications. Supplier shall clearly define roles and responsibilities for human review, intervention, and accountability in connection with AI systems. Supplier shall not deploy fully autonomous AI systems that make critical decisions without meaningful human oversight without Carrier's prior written approval. Supplier shall permit Carrier 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 Carrier. Supplier 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. Supplier shall promptly address any identified security vulnerabilities in AI components. Supplier's indemnification obligations hereunder 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.

24. **Sustainability:** Supplier acknowledges having read Carrier's 2030 ESG Goals as set forth at <https://www.corporate.carrier.com/corporate-responsibility/our-sustainability-goals/> as may be amended from time to time ("Sustainability Goals") and agrees to take reasonable and timely action to support Carrier's achievement of the Sustainability Goals including, without limitation, collecting information throughout Supplier's supply chain on the origin and use of specific materials in the goods sold to Carrier, participating in assessments and responding to Carrier's requests for information. Supplier further agrees to comply with all Carrier's published policies on sustainability as they exist from time to time and all current and subsequently enacted laws and regulations regarding sustainability applicable to Carrier, Carrier's customers or the goods or services. Carrier's current ESG Report can be found online at <https://www.corporate.carrier.com/corporate-responsibility/esg-report/>.

25. **Third Party Rights:** Unless expressly provided to the contrary in the Order, a person who is not a Party to the Order may not enforce any of its terms under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong).

26. **Severability:** If at any time any provision of the Order shall be or shall become illegal, invalid or unenforceable in any respect, the legality, validity and enforceability of the remaining provisions of the Order shall not be affected or impaired thereby, and shall continue in force as if such illegal, invalid or unenforceable provision was severed from the Order.

27. **Relationship:** The Order does not create a principal and agent, employer and employee, partnership, joint venture or any other relationship except that of independent contractors between the parties. Neither party shall have any right, power or authority to bind or enter into commitments on behalf of the other party.

28. **Subcontracting and Assignment:** Supplier shall not, without the written consent of Carrier, subcontract or assign the whole or any part of the Order. Where subcontracting has been mutually agreed in writing, all of Carrier's conditions shall apply to all Supplier's assignees or subcontractors and Carrier shall have the opportunity to contract directly with the subcontractor and in any case, to perform the same level of due diligence on such subcontractor in accordance with Carrier's internal policy. For the avoidance of doubt, Supplier shall remain liable for performance notwithstanding any approval by Carrier of an assignment. Carrier shall be entitled at any time to assign the Order or any benefits or part thereof without Supplier's consent.

29. **Governing Law and Jurisdiction:** This Agreement shall be governed by and construed in accordance with the laws of Hong Kong. Supplier hereby submits to the non-exclusive jurisdiction of the courts of Hong Kong.