GENERAL PURCHASING CONDITIONS

1. DEFINITIONS

1.1 The following terms and expressions shall have the meanings ascribed to them below:
"**General Conditions**": means these General Purchasing Conditions;
"**CAREL Group**": means CAREL and any other company, whether Italian or foreign, directly or indirectly controlled by, or associated with CAREL;
"**Purchaser**" or "**CAREL**": CAREL Industries S.p.A., or any other Italian company belonging to the CAREL Group, depending on who issues the Purchase Order from time to time in accordance with the purchase procedure referred to in article 3;
"Supplier": the seller of the Products purchased by the Purchaser, recipient of these General Conditions;
"**Parties**" means, collectively, the Purchaser and the Supplier; "Party" means, individually either the Purchaser or the Supplier depending on the case;
"**Products**": the products, components, goods, equipment, instruments, tools, raw materials, semi-finished products and/or materials (including any accessories, spare parts and Documentation), work equipment, which the Supplier undertakes to sell or supply to the Purchaser under each Contract, as more fully described and identified in the relevant Purchase Order;
"**Custom Products**": products made according to Technical Specifications defined by CAREL and accepted by the Supplier;
"**Spare Parts**": means the individual parts/accessories for Products covered by the Contract;
"**Services**": service performed by the Supplier in order to provide a benefit for CAREL;
"**Purchase Order**": the order for the purchase of Products issued by CAREL to the Supplier;
"**Order Confirmation**": acceptance of the Order in the forms provided for in article 3;
"**Contract**": the obligatory relationship regarding the supply of Products and/or Services, by the Supplier in favour of CAREL, governed, in accordance with the purchasing procedure referred to in article 3, by: *(i)* the terms and conditions set forth in these General Conditions, and *(ii)* the relevant Purchase Order (including the specific technical and economic conditions set forth therein), with the latter taking precedence over the General Conditions; (iii) Order Confirmation;
"**Fee**": the amount owed by the Purchaser to the Supplier in accordance with the provisions of article 4 as payment for the purchase of the Products and/or Services indicated in the Purchase Order;
"**Documentation**": the technical documentation, instruction and technical assistance manuals, operating manuals, quality certificates, drawings, warranty and inspection certificates, certificates of origin as well as any other document relating to the Products and/or Services and possibly marketed together with the same, as better indicated in the Purchase Order;
"**Technical Specifications**": the technical specifications describing, among other things, the qualitative, functional and application characteristics of the Products and/or Services, as described in the relevant Purchase Order and/or Documentation, as applicable, from time to time;
"**Intellectual Property Rights**": any trademark, patent, copyright, *know-how*, distinctive sign, industrial design, trade name as well as any other intellectual or industrial property right, including the related rights deriving from applications for registration of the same with the competent authorities and the rights of economic and commercial exploitation related thereto, recognised under any applicable law;
"**Confidential Information**": means any information disclosed in any form by the Purchaser to the Supplier on the occasion of and/or in relation to the negotiation, signing and/or execution of each Contract or in any case during the course of a commercial relationship, such as, purely by way of example, any information or data of a technical, strategic, economic-financial or

commercial nature, in any case relating to the enterprise, business and/or assets of the Purchaser or any CAREL Group Company, including any technical material, samples, models, technical or technological documentation made available to the Supplier by the Purchaser for the purposes of performing the Contract; all technical studies, analyses, compilations or other documents prepared by the Supplier, by or on behalf of the Purchaser or, in any case, when carrying out the activities covered by each Contract;;
"**Conflict Minerals Rules**": the U.S. "Conflict Minerals" Act of 2009, S. 819, Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended, supplemented and/or implemented from time to time, and the relevant European legislation (EU – Conflict Minerals Regulation);
"**WEEE and ROHS Regulations**": the provisions set forth in Directive no. 2012/19/EU on waste electrical and electronic equipment (WEEE) and Directive no. 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment (ROHS) and in Legislative Decree no. 151 of 25 July 2005, as amended, supplemented and/or implemented from time to time;
"**REACH Regulation**": the Regulation (EC) no. 1907 of 2005 of the European Parliament and of the Council of 18 December 2006, as subsequently supplemented, amended and/or implemented, concerning the "Registration, evaluation, authorisation and restriction of Chemicals – REACH";
"**Delivery Term**": the date of delivery to the Purchaser's premises indicated in the Purchase Order;
"**PED Directive**": Directive no. 2014/68/EU of the European Parliament and of the Council of 15 May 2014 on the harmonisation of the laws of the Member States concerning the making available on the market of pressure equipment;
"Information system": the organised set of resources, including hardware, software, cloud solutions, communication networks, data, processes and personnel, aimed at collecting, storing, managing, processing and distributing information.

2. PURPOSE OF THE GENERAL CONDITIONS

2.1 The terms and conditions contained in these General Conditions govern the general aspects of the commercial relationship between the Supplier and the Purchaser and will apply – even if not expressly referred to – to each Order issued by CAREL and confirmed by the Supplier, in accordance with the purchase procedure as per article 3, with the exclusion of any other terms or conditions that may be affixed and/or referred to by the Supplier and not expressly accepted by the Purchaser. The determination of the economic and technical aspects is referred to the Order that from time to time will be sent by the Purchaser to the Supplier.
2.2 These General Conditions may only be waived in writing by the Parties. Any derogations and/or different conditions, also of the Supplier, resulting from other documents or agreements (including the supply confirmation, order acceptance, invoice, etc.) are effective only in the event of specific written acceptance by the Purchaser after the date of the Order.
2.3 It is expressly understood that, unless otherwise agreed in writing, in no case will the issue of an Order entail the attribution in favour of the Supplier of any exclusive right and, as a result, CAREL will remain fully free to purchase products similar or identical to the Products, as well as to request the supply of the Services referred to in the Order, from any third party supplier.

3. PURCHASING PROCEDURE

3.1 Orders placed by the Purchaser, either in writing or by e-mail, shall always be deemed to be supplemented by these Conditions, which remain valid on the whole even if some clauses are not applicable. The Order Confirmation must be given in writing and sent to the Purchaser by e-mail or other suitable electronic means to prove that it has been sent, promptly and in any case, unless otherwise agreed between the Parties, within 3 (three) business days of receipt, after which the

Order may be cancelled by the Purchaser. In any case, the Order shall be considered cancelled only if the Supplier receives express communication from the Purchaser. In the absence of cancellation by the Purchaser and/or in the absence of express acceptance, the Contract shall in any case be considered concluded with the start of the supply by the Supplier.
3.2 The Purchase Order shall expressly state:
(i) the code (CAREL code and the Manufacturer's code), the description of the Products and/or Services requested;
(ii) the quantity of Products ordered and/or the main methods of execution of the Services;
(iii) the Delivery Term of the Products and/or the execution term of the Services, and any period of duration of the supply;
(iv) the name and contact details of the Purchaser's internal contact to whom the relative Order Confirmation must be sent and to whom the Supplier may refer for any communication;
(v) the place and, if necessary, the premises where the Products are to be delivered and/or the Services are to be performed;
(vi) the Incoterms 2020 edition of the International Chamber of Commerce;
(vii) the Fee(s) and relative payment terms;
(viii) the data and details necessary for the Supplier to proceed with the relative invoicing;
(ix) the indication of the "order no." and "order date";
(x) reference to the unit price.

4. FEES, INVOICING, AND PAYMENT TERMS
4.1 The Purchaser will pay the Supplier the fee for the supply as established in the Purchase Order.
4.2 All Fees are net of VAT and inclusive of transport and packaging expenses, travel, board and lodging expenses for the Supplier's personnel that may be employed in the supply, insurance costs, as well as any other cost and/or expense relating to the supply, which shall be borne exclusively by the Supplier, unless otherwise indicated in each Purchase Order.
4.3 For Contracts covering the supply of Products for a specific period of time, the Fees shall remain fixed and unchanged for the duration of the Contract.
4.4 The Supplier shall issue invoices for the Fees as indicated in the relevant Purchase Order, with a date no earlier than the date of actual delivery of the supply, in accordance with the agreed Incoterms. Each invoice issued by the Supplier shall expressly state: **(i)** the relevant Purchase Order number; **(ii)** the relevant order position; **(iii)** the description of the Products and/or Services to which the invoice refers.
The Purchaser shall pay the Fee indicated in the Purchase Order to which the invoice refers, in accordance with the terms and methods of payment indicated in the Purchase Order.
4.5 Payment of the Fee shall in no circumstances be construed as implied acceptance of the Products and/or Services by the Purchaser, nor shall such payment be deemed to be a waiver of the Purchaser's right to reject any Products not in accordance with the Contract or any other rights or entitlements the Purchaser may have against the Supplier under the Contract and/or applicable law.
4.6 Unless otherwise agreed upon by the Parties, the Purchaser reserves the right to suspend payments to the Supplier for: **(i)** delay in the delivery of the Products and/or in the performance of the Services; **(ii)** notification of defects/faults or, in any case, not timely and exact fulfilment. In such cases, the payment terms may be suspended and shall start to run again from the time when: **(i)** delivery is made **(ii)** the defect or fault has been remedied. It is understood that during the suspension of payments, for the reasons mentioned above, the Supplier may not suspend the execution of its services, nor claim any interest whatsoever.

4.7 The Supplier shall bear all present or future expenses, taxes and levies of any kind relating to the Contract, unless otherwise agreed in the Purchase Order.

5. TERMS OF DELIVERY OF PRODUCTS AND/OR PERFORMANCE OF SERVICES; TRANSFER OF PRODUCT OWNERSHIP AND RISK

5.1 The Supplier undertakes to deliver the Products at the place and time of delivery indicated in the Purchase Order, as well as to perform the Services at the place and in the Timeframe indicated in the Purchase Order.

5.2 The terms of delivery of the Products and/or performance of the Services, as specified in each Purchase Order, shall be considered as essential and peremptory, in the interest of the Purchaser, for the proper performance of each Contract. If the Supplier fails to comply with the terms or deadlines set for the delivery of the Products and/or the performance of the Services, the Purchaser shall be entitled to terminate with immediate effect all or part of the relevant Contract by simple written notice to the Supplier.

5.3 Notwithstanding the foregoing, as soon as the Supplier becomes aware of any event or circumstance preventing the Supplier from complying with the contractually agreed terms and deadlines for the delivery/supply of the Products and/or the performance of the Services, the Supplier shall promptly inform the Purchaser in writing, indicating the estimated delay. The Supplier undertakes to take all possible and necessary action to limit the delay with diligence and at its own expense and to comply with the Purchaser's instructions to help limit the resulting damage. If the Supplier is unable to provide an alternative date, which is convenient and acceptable to the Purchaser, the Purchaser, at its sole discretion, shall be entitled to terminate the relevant Contract in whole or in part with immediate effect.

5.4 When supplying Products and/or performing the Services, unless the relevant Purchase Order expressly provides for the Supplier's right to deliver the Products and/or perform the Services even earlier than the final delivery and/or performance date set out in the Purchase Order, the Supplier shall strictly adhere to the date of delivery of the Products and/or performance of the Services indicated therein. If the Supplier delivers the Products and/or performs the Services in advance, the Purchaser shall have the right, at its sole discretion, to: **(i)** charge the Supplier for any expenses and/or costs relating to the storage, warehousing and/or preservation of the Products throughout the period; and **(ii)** in the event of delivery of the Products and/or performance of the Services more than 7 (seven) days before the date specified in the Purchase Order, refuse, in whole or in part, a) the delivery of the Products and return to Supplier, at the Supplier's expense, any Products of which the delivery has not been accepted; b) the performance of the Services.

5.5 Deliveries must be made according to the agreed Incoterm, at CAREL's premises or according to a different method indicated in the Purchase Order. Risk for damage and/or loss of the Products is transferred from the Supplier to the Purchaser only at the time of delivery to the agreed location in accordance with the Order and according to the Incoterms agreed therein. Also, the Supplier will be liable for any damage and/or loss of the Products, after the delivery, if resulting from defective or insufficient packaging.

5.6 The delivery of the Products shall in no way be deemed to constitute acceptance of the Products by the Purchaser. The Purchaser reserves the right to verify the conformity of the Products delivered by the Supplier with the provisions of the relevant Contract and to report to the Supplier any defects and/or non-conformities found on the Products, in accordance with this Contract as indicated in article 9.

5.7. The Supplier undertakes to deliver the exact quantity of the Products indicated in the Order. Should delivery be partial with respect to the quantity indicated in the Order, the Purchaser reserves the right to cancel the missing quantity. Should the delivery exceed the quantity indicated

in the Order, the Purchaser reserves the right to accept or return the excess quantity at the Supplier's expense.
5.8 The Products must be accompanied by paper documentation in accordance with the laws in force in the countries crossed. The accompanying documentation must clearly show all the following data: name of sender, name of consignee, exact location of destination, delivery term of the goods (INCOTERMS), number of packages and gross weight, order number, Purchaser's codes and relative quantity including the unit of measurement clearly indicated. Individual packages must be labelled with the name of the sender and the consignee and must be clearly identified and distinct in the case of multiple packages.
5.9 The Services shall be performed at CAREL's premises or, in any case, at the location identified by the Buyer and indicated in the Purchase Order, without prejudice to all reciprocal obligations in terms of workplace safety and the environment.
5.10 The Purchaser reserves the right to verify the conformity of the Services performed by the Supplier with the provisions of the relevant Contract and to report to the Supplier any defects found on the Services.
5.11 The Services shall be performed in compliance with applicable regulations.

6. CONTRACT TERM AND WITHDRAWAL
6.1 The Contract shall come into force on the date when the Purchaser receives the Order Confirmation duly issued by the Supplier and shall remain fully valid, effective and binding for the period necessary for the complete and regular execution of any and all obligations and/or fulfilments deriving therefrom, to be performed by the Parties.
6.2 For Contracts involving the continuous supply of Products and/or Services, the Purchaser shall be entitled to withdraw from the Contract by giving written notice to the Supplier at least 60 (sixty) days before the effective withdrawal date, without prejudice to the Supplier's right to payment of the Fees for services already made up to that date.

7. TERMINATION OF CONTRACT AND EXPRESS TERMINATION CLAUSE
7.1 In addition to the cases of withdrawal and termination provided for by law, and without prejudice to the right to compensation for damages, the Purchaser may terminate the relationship pursuant to Article 1456 of the Italian Civil Code, by simple written notice upon the occurrence of even only one of the following events:

a) the Supplier's failure to comply with the technical, qualitative or production characteristics of the Product and/or Services as described in the Documentation;
b) non-compliance by the Supplier with the prohibition to use the Purchaser's trademarks and the obligation of confidentiality;
c) violation of one of the requirements of the Group's Code of Conduct;
d) the Supplier's failure to comply with the terms or timing established for the delivery of the Products and/or the performance of the Services;
e) if the Supplier is unable to indicate an alternative date for delivery of the Products and/or performance of the Services, which may be convenient and acceptable to the Purchaser.
f) the Supplier's insolvency, including its de facto insolvency, or liquidation, or if the Supplier is otherwise unable, for any reason whatsoever, to manage its affairs properly and regularly, or has been subject to enforcement proceedings or any other form of restriction on its assets that jeopardises, or creates a serious risk of jeopardising, the proper performance of its contractual obligations under the Contract;
g) the Supplier sells, assigns, transfers or otherwise disposes of all or part of its business (or business unit), which is wholly or partly devoted to the supply of the Products and/or

performance of the Services covered by the Contract or ceases or terminates all or part of its business activities;

h) if the Supplier is merged with another company or legal entity through the incorporation of a new company or, in the event of a merger by incorporation into another company or legal entity and/or if there is, for any reason and/or as a result of any corporate operation involving the Supplier and/or its direct or indirect shareholders, a change of control in the Supplier's shareholding structure;

i) failure to comply with the Supplier's requirements referred to in article 8;

l) failure to comply with the Product requirements referred to in article 9;

m) non-compliance with the clause provided for in article 18.7 regarding the transfer of the Contract;

(n) failure to comply with article 15.

7.2 If the Supplier fails to fulfil its obligations, the Purchaser shall be entitled to purchase and/or procure freely from other suppliers products identical to those covered by the Contract, also in order to be capable of fulfilling its commitments to third parties. In this case, the Supplier shall reimburse the Purchaser for any and all additional costs and/or expenses incurred by the Purchaser as a result of the foregoing.

7.3 If the Contract is terminated for any reason whatsoever, the Supplier shall immediately return to the Purchaser, where appropriate at its own expense, all documents, files, materials, programmes and any other information, shared by or otherwise acquired from the Purchaser in connection with the Contract.

8. THE SUPPLIER'S REQUIREMENTS

8.1 By sending the Order Confirmation to the Purchaser, the Supplier guarantees: **(i)** to possess all the competences, skills, experience, legal, technical, economic and financial requirements, as well as to have all the necessary means and resources, in order to properly execute the Contract and to duly and fully perform all the obligations assumed by the Supplier under the Contract, in compliance with any applicable legal provision. The Purchaser reserves the right to verify the requirements through periodic audits or assessments, also through third parties appointed for this purpose. In particular, the Purchaser reserves the right to request documentation on the security policies and procedures of **(ii)** that the signing of the Contract, as well as the assumption and proper execution and fulfilment by the Supplier of the obligations under the Contract, does not entail, nor will it entail, in any way, either directly or indirectly, the violation of any provision of applicable law, any measure or decision of any competent authority, any obligation or commitment assumed by the Supplier under contracts, agreements and/or understandings concluded or reached with third parties, or of any right or faculty of any nature of third parties; **(iii)** that the Supplier has, as of the signing date of the Contract, all permits, authorisations, consents and approvals required under any applicable law and/or any order of any competent authority in order to properly execute the obligations assumed by the Supplier under the Contract and that such authorisations, permits, consents and/or approvals shall remain in force, valid and effective for the entire duration of the Contract; **(iv)** that the Supplier will comply with the provisions of the REACH Regulation and the ROHS and WEEE Regulations; **(v)** that the Supplier will act in full compliance with the Conflict Minerals Rules; **(vi)** that the Supplier will operate in accordance with a Quality Management System in accordance with the latest revision of the ISO 9001 standard or an equivalent system.

8.2 In order to ensure a controlled and reliable supply chain, Supplier agrees to implement its own tracking system, which shall be shared with CAREL, and subject to audit during the inspections performed by the same. This system must be able to collect and record any elements that might create, modify, or transform a Product lot, or to re-route the same, ensuring tracking of all

Products and their itinerary in order to effectively manage any quality-related issues. Furthermore, for Products falling within the scope of the PED Directive, and for which the Purchaser requires the provision of the relevant material certificates (see EN 10204), the Supplier undertakes to provide the Purchaser with information linking the certificates to the specific lot of Products delivered.
8.3 The Supplier undertakes to correctly manage the "First-In, First-Out" (so-called FIFO procedure) for the products being shipped to CAREL.

9. CHARACTERISTICS OF THE GOODS SUPPLIED – GUARANTEE OF PROPER FUNCTIONING, SUITABILITY

9.1 With the Order Confirmation, the Supplier declares and guarantees: (i) that the Products shall conform, in all respects, to the Technical Specifications (including those indicated in the relative Documentation) and to the best qualitative and functional standards generally adopted in the reference industrial sector for products similar or comparable to the Products themselves, as well as being suitable for the communicated use for which they are intended, and shall in particular conform to the WEEE, REACH and ROHS Regulations and to the technical specifications defined by the Purchaser, with particular regard to the safety of the Products; it being understood that the Purchaser reserves the right to request the conformity of the Product to further reference regulations depending on the specific case; (ii) that the Products shall be free from any defects, including, without limitation, any defects in design, materials, workmanship, including aesthetic defects, that make them, even only in part, not compliant with the agreed Technical Specifications, or that significantly reduce their value; notwithstanding the provisions of Article 1495 of the Italian Civil Code, the Purchaser shall report any defects in the Products to the Supplier within 30 (thirty) days of their discovery; (iii) the proper functioning of the Products for a period of at least 12 (twelve) months from delivery, pursuant to and for the purposes of Article 1512 of the Italian Civil Code; (iv) that the Products will be designed, manufactured, packaged and transported in accordance with the relevant legislation in force; (v) the Products will be (i) manufactured from materials and parts of the highest quality; (ii) newly manufactured; and (iii) will not contain used, recycled and/or reassembled materials and/or parts, unless otherwise agreed between the Parties; (vi) that the Supplier will keep the parts and spare parts of the Products at the Purchaser's disposal for a period of at least 10 (ten) years from the date of placing the last unit of the Product model on the market. The parts and Spare Parts shall be supplied to the Purchaser at the Supplier's list price in force from time to time at the time of conclusion of the Contract, or, in the absence of a list, at the price agreed upon by the Parties at the time of conclusion of the Contract.
9.2 If a defect occurs on the Product under warranty, the Purchaser shall notify the Supplier in writing within the terms set out in 9.1. ii) above, and the Supplier shall, unless otherwise agreed, return the non-conforming material for credit, at no cost to the Purchaser.
Furthermore, if the Products have been used by the Purchaser in its own production processes, the Supplier shall guarantee the replacement of the defective Products, without prejudice to compensation for any damage caused.

10. INTELLECTUAL PROPERTY RIGHTS

10.1 With the Order Confirmation, the Supplier represents and warrants that it is the sole and exclusive rightful owner and/or, in any event, that it may legitimately and freely dispose of all Intellectual Property Rights relating to the Products (including the relevant Documentation) to the extent necessary to fully perform all obligations assumed under the Contract; in particular, the Supplier represents and warrants that under no circumstances shall the use of the Products by the Purchaser imply or result, even indirectly, in the infringement of any Intellectual Property Rights of any third party.

10.2 Notwithstanding the foregoing and without prejudice to any further rights and/or remedies that the Purchaser may have under the Contract or applicable law, if any claim is made by any third party relating to the alleged infringement of any Intellectual Property Rights resulting from the Purchaser's use of the Products, the Supplier shall, from time to time, at the sole discretion of the Purchaser: **(i)** obtain for the Purchaser the right to lawfully continue the use, promotion and/or marketing of such Products; or **(ii)** replace the Products with similar products that do not infringe any Intellectual Property Rights of third parties; or **(iii)** modify and/or update the Products in a manner that maintains their essential properties, but no longer infringes the Intellectual Property Rights of any third party.
10.3 If none of the options set out in (i), (ii) and (iii) above is commercially reasonably practicable, the Purchaser shall cease all use, promotion and/or marketing of the Products allegedly infringing the Intellectual Property Rights of third parties and shall, at the Purchaser's sole and exclusive discretion, destroy or return to the Supplier each such Product purchased by the Purchaser and not yet used, and the Purchaser shall be entitled to a full refund of all Fees already paid to the Supplier for such Products and without prejudice to any further right or remedy the Purchaser may have in respect thereof under the Contract or applicable law.
10.4 The Intellectual Property Rights relating to the Products, including the relevant Documentation, shall remain the Supplier's property or, as the case may be, of the legitimate third party owner of the Products who has licensed them to the Supplier. By entering into the relevant Contract, the Supplier shall license to the Purchaser free of charge all Intellectual Property Rights relating to the Products necessary and/or appropriate for the use of the Products under this Contract, including the right to freely use the relevant Documentation also for the purpose of including or reproducing it, in whole or in part, in user manuals and technical documents relating to the products manufactured and marketed by the Purchaser.
10.5 The Parties' rights and obligations provided for in this article 10 shall subsist even if the relevant Contract is terminated, cancelled, expired and/or discontinued for any reason whatsoever.

11. THE SUPPLIER'S DUTIES

11.1 The Supplier shall indemnify and keep the Purchaser fully indemnified and held harmless against any: **i)** direct and indirect damage, loss, charge, cost or expense (including reasonable legal fees) incurred or sustained by the Purchaser as a result of any breach or default by the Supplier of any obligation, warranty or representation made or assumed by the Supplier under the Contract and/or breach of any applicable legislation in force; **ii)** direct or indirect loss, damage, burden, cost or expense incurred by the Purchaser in connection with any claim made against the Purchaser by any end-customer, competent authority and/or any other third party in consequence of: (i) the Supplier's failure to supply the Products in accordance with the provisions of the Contract; (ii) the Supplier's breach of the obligations, representations and warranties assumed or given by the Supplier pursuant to article 9 above; (iii) the infringement of any Intellectual Property Rights arising out of the use, promotion and/or marketing of the Products in breach of the obligations, representations and warranties assumed or given by the Supplier pursuant to article 10 above; (iv) the breach by the Supplier of any applicable statutory provisions, including but not limited to the provisions of the WEEE and ROHS Regulations, the provisions of the REACH Regulation, the provisions of the Consumer Code, the provisions of the Conflict Minerals Rules and the provisions on the manufacturer's liability, packaging and wrapping of products and circulation of special and/or dangerous goods as well as the provisions on taxation and duties and shall fulfil all obligations arising therefrom; (v) any other non-conformity or defect.

11.2 The Purchaser shall be entitled to set off, in whole or in part, any amounts owed by the Supplier to the Purchaser under this article 11 against any amounts owed by the Purchaser to the Supplier under this Contract, including by way of the Fee for the Products.

12. SECURE USE OF DIGITAL ASSETS OWNED BY THE PURCHASER

12.1 If, in carrying out the services under the Contract, the Supplier uses information systems provided by the Purchaser, it is required to adopt and respect suitable technical and organizational security measures.

12.2 With reference to personal computers (fixed and portable), virtual machines and related programmes and/or applications owned by the Purchaser:

a) they must be kept properly, with the utmost care in order to avoid breakage and/or failure;

b) they may only be used for professional purposes (in connection with the assigned activities) and not for personal or unlawful purposes;

c) in the event of theft, damage or loss of such instruments, the event shall be reported to the Buyer promptly;

d) the use of such software and/or hardware tools to intercept, falsify, alter or suppress the content of computer communications and/or documents shall not be permitted;

e) it shall be prohibited to install and/or remove software without authorisation from the Buyer;

f) the Supplier undertakes not to install software without a regular licence in the Purchaser's name. For this purpose, the Purchaser reserves the right to actively monitor the software licences used on its devices. In the event of a claim for damages by third parties, the Buyer may take action against the Supplier.

g) The Supplier shall only connect devices to the Purchaser's network that comply with all safety requirements specified by the Purchaser itself, and any use must be authorised by the latter. Unless agreed exceptions are in place, activities within the Buyer's systems and networks are prohibited if the requirements are not fulfilled.

13. OBLIGATIONS FOR INCIDENT REPORTING

13.1 During its operations, should the Supplier detect or deem it likely that an information security incident and/or a personal data breach (commonly referred to as a “data breach”) has occurred, the Supplier shall immediately inform the Purchaser (without undue delay and, in any case, within 24 hours of becoming aware of the incident). The Supplier shall activate the necessary management procedures in coordination with the Purchaser and ensure proper handling of the event in compliance with applicable regulations and the provisions of the Contract (where applicable). The Supplier shall ensure maximum cooperation in the execution of any obligations required under applicable regulations (e.g., GDPR, NIS2, etc.).

14. CONFIDENTIALITY OF INFORMATION

14.1 Confidential Information, howsoever made available by the Purchaser, shall not be used by the Supplier for any purpose other than that covered by this Contract, nor shall it be disclosed or communicated to third parties without the Purchaser’s prior written consent, under penalty of compensation for all direct and indirect damages, except, however, in the following cases: (i) the Supplier has to comply with regulatory or legal obligations or with requests from Italian or foreign Authorities to which it cannot refuse; (ii) or such information is already in the public domain or has become public for reasons other than breach of the confidentiality obligations established in this Contract.

14.2 No data belonging to the Purchaser may be copied outside the latter's systems without the latter's specific consent. In the event that the transfer is authorised, it must be carried out

securely, and the data must also be securely stored, retained only for the time strictly necessary to fulfil the purposes for which the transfer was authorised.
At the end of the retention period agreed with the Purchaser, the data shall be deleted using a secure deletion procedure agreed upon. The final deletion must then be communicated to the Purchaser. Prior to proceeding with deletion, upon request, the Supplier shall return any data in its possession where stipulated in the Contract.
During the period in which the Purchaser's data is stored within the Supplier's systems, the Supplier is responsible for ensuring the availability, confidentiality, and integrity of the data.
Any data or information transferred remains the exclusive property of the Purchaser unless otherwise agreed in writing.
At the end of the retention period agreed with the Purchaser, the Supplier shall delete the data using a secure deletion procedure agreed upon with the Purchaser. The Supplier undertakes to ensure the proper and safe disposal of data on paper also by means of a shredder.
14.3 The confidentiality obligations referred to in this article shall also not apply to information that has been acquired by the Supplier independently and not as a result of (or in connection with) the performance of the relevant Contract and, in any event, not in breach of the obligations provided for herein.
14.4 The confidentiality obligations referred to in this article shall remain in force throughout the duration of each Contract and for a period of 5 years after termination of the Contract for any reason whatsoever.
14.5 Infringement of the confidentiality obligation referred to above shall result in the Supplier having to pay a penalty, which shall be quantified and communicated by the Purchaser, taking into account the gravity of the infringement.

15. INSURANCE
The Supplier shall, at its own expense, take out with leading insurance companies, and keep in force, for the entire duration of each Contract, any and all appropriate insurance policies necessary to cover the risks connected with the performance of the Contract, including – without limitation – insurance policies for adequate coverage of risks deriving from civil liability and product liability (including so-called "*product insurance*"), product recall and supply guarantee.

16. USE OF TRADEMARKS AND DISTINCTIVE SIGNS
Unless otherwise agreed in writing between the Parties, the Supplier undertakes not to use the name or trademarks and distinctive signs used by the Purchaser, or by any Company belonging to the CAREL Group, or under its ownership, and in any case any other verbal, figurative, mixed or form trademarks, derived or derivable from the above distinctive signs and, should it breach the obligation described above, it will be required to remove or immediately cancel any of the aforementioned names, trademarks or distinctive signs from any and all materials, commercial documents or letterheads used in its business activities, as well as to indemnify and hold the Purchaser harmless from any damages, costs and/or expenses that the Purchaser may incur as a result of the above.

17. CHANGES TO PRODUCTS AT SUPPLIER'S REQUEST
Any request by the Supplier for modifications to the Products covered by the Contract, be it of a purely aesthetic, technical or production nature, must be notified in advance to the Purchaser in writing, and accepted in the case of 'custom' products; however, any such costs shall be borne entirely by the Supplier. If this requirement is not complied with, the Purchaser shall have the right to have recourse against the Supplier and terminate the Contract pursuant to article 7.

18. MAJOR FORCE

18.1 "Force Majeure" refers to the occurrence of an event or circumstance ("Force Majeure Event") that prevents a party from fulfilling one or more contractual obligations if, and to the extent that, the party affected by the event ("the Affected Party") demonstrates: a) that such impediment is beyond its reasonable control; b) that the event could not reasonably have been foreseen at the time of the conclusion of the contract; and c) that the effects of the impediment could not reasonably have been avoided or overcome by the Affected Party.

18.2 For the purposes of this clause, the following are considered Force Majeure events: a) War (whether declared or not), hostilities, invasion, acts of a foreign enemy, large-scale military mobilization; b) Civil war, unrest, rebellion, revolution, military force or usurpation of power, insurrection, acts of terrorism, sabotage, or piracy; c) Currency or trade restrictions, embargoes, sanctions; d) Acts of authority, whether lawful or unlawful, compliance with laws or governmental orders, regulations, expropriation, confiscation of assets, requisition, or nationalization; e) Plague, epidemics, natural disasters, or extreme natural events; f) Explosion, fire, destruction of equipment, prolonged suspension of transportation, telecommunications, or energy supply; g) Widespread social conflicts, including but not limited to boycotts, strikes, lockouts, work slowdowns, and occupation of factories or buildings.

18.3 The Affected Party is required to notify the other party in writing and without delay of the occurrence of the event.

18.4 The Affected Party is required to take all reasonable measures to mitigate the effects of the invoked event on the performance of its contractual obligations.

19. PRIVACY AND GDPR

19.1 For the purposes of this Contract, the terms “processing”, “data controller” and “Personal Data” as defined in Regulation (EU) 679/2016 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (also “Regulation”) are hereby incorporated.

19.2 The Supplier shall act as Data Controller for the purposes of the purchase of the Products covered by this Contract and shall be fully responsible for the processing of the Purchaser’s Personal Data covered by this Contract.

19.3 The Supplier guarantees that it will process the Purchaser’s Data in compliance with the obligations arising from applicable data protection legislation, including the Regulation, and that it will implement appropriate technical and organisational measures to protect the Purchaser’s Data from any unlawful or unauthorised processing as well as from accidental loss, destruction, damage, alteration or disclosure.

19.4 If, during the execution of the Contract, the Supplier processes personal data for which the Purchaser is the Data Controller, the Supplier shall be appointed as Data Processor pursuant to Article 28 of Regulation (EU) 2016/679 by means of a separate appointment document. This document shall form an integral and substantial part of the Contract.

19.5 With regard to the processing of the Supplier’s Personal Data, the Supplier undertakes to read the Suppliers’ Privacy Policy, available online on the Company’s website at www.carel.com.

20. CODE OF ETHICS PURSUANT TO LEGISLATIVE DECREE NO. 231/2001 AND ANTI-BIRBERY PROCEDURES

20.1 The Supplier undertakes to review the Purchaser's Code of Ethics as an integral part of the Organizational, Management and Control Model pursuant to Legislative Decree no. 231/2001, accepting its full content, and its Anti- Bribery Procedure, both available online on Purchaser's website, www.carel.com.

20.2 The Supplier expressly declares to know and accept the Code of Ethics and the Bribery Procedure and undertakes to conduct in accordance with the indications contained therein.
20.3 The Supplier also undertakes to inform the Purchaser of the possible opening, against itself, of criminal proceedings for significant crimes pursuant to Legislative Decree. 231/2001.
20.4 Without any prejudice to the right to compensation for any damages suffered, the Purchaser shall have the right to unilaterally terminate this Contract pursuant to art. 1456 of the Italian Civil Code, in the following cases:
a) violation by the Supplier of the principles contained in the Code of Ethics;
b) opening criminal proceedings against the Supplier for relevant crimes pursuant to Legislative Decree. 231/2001;
c) commission by the Supplier of certain of the crimes provided for by Legislative Decree 231/2001, even if not in relation to relationships with the Purchaser itself, established by a final judgment recognizing the Supplier's responsibility or following the application of the penalty at the request of the parties pursuant to art. 444 of the Code of Criminal Procedure as well as in the event of imposition, even in a precautionary measure, of sanctions prohibiting the prohibition of contracting with the Public Administration or the prohibition of the exercise of the activity.

21. FINAL PROVISIONS
21.1 Each Contract shall be the integral manifestation of the understandings reached by the Parties with respect to the subject matter thereof and shall supersede all prior contracts, agreements and/or understandings, whether written or oral (if any), previously concluded and/or reached by the Parties on the same subject matter. If there is a contract of supply between the Parties, the latter takes precedence over these General Purchasing Conditions.
21.2 No agreement or arrangement modifying or extending the Contract shall be binding on either Party unless it is in writing, expressly refers to the Contract and is signed by the Parties or their respective duly authorised representatives.
21.3 The nullity, invalidity or ineffectiveness, even partial, of any provision of the Contract shall not affect the remaining provisions, while releasing the Parties from compliance with the provisions affected by nullity, ineffectiveness or invalidity. The Parties shall then negotiate in good faith to replace the invalid or void provisions with valid and effective provisions that reflect, as far as possible, the original intention of the Parties.
21.4 For the avoidance of doubt, the Parties expressly and mutually acknowledge that, by entering into the Contract, they do not intend to create any association, *joint venture*, joint enterprise or the like between the Purchaser and the Supplier, nor to confer on the Supplier any authority to represent the Purchaser. During the performance of the Contract, the Parties shall act as independent contractors and neither Party shall have any right, power and/or authority under the Contract to act for and/or on behalf of the other Party or, in general, to impose any obligations on the other Party towards any third party.
21.5 Any notice or communication between the Parties in connection with the Contract shall be in writing and may be sent by e-mail, registered letter or other means capable of evidencing receipt, to the registered office or other address notified by the Parties.
21.6 The official language of the Contract shall be Italian, which shall prevail for all purposes, including the interpretation of the Contract itself. If there is a conflict between the Italian version and any translations in different languages, the Italian document will prevail.
21.7 The Supplier shall not assign part or all of the Contract without the Purchaser’s prior written consent. The Supplier may not entrust to third parties all or part of the services covered by the Contract without the Purchaser’s prior written consent and without prejudice, in any event, to the Supplier’s full responsibility for the proper and punctual performance of all obligations under the

Contract. The Purchaser shall have the right, at any time and at its sole discretion, to assign all or part of the Contract to any company belonging to the CAREL Group.
21.8 Pursuant to Article 1260, paragraph 2 of the Italian Civil Code, the Supplier shall not assign to any third party, either in whole or in part, any claim against the Purchaser under each Contract without the Purchaser's prior written consent.

22. GOVERNING LAW AND JURISDICTION
22.1 The Contract shall be governed by and interpreted in accordance with Italian law. The relevant statutory regulations shall apply to all matters not expressly provided for in these General Conditions.
22.2 The Parties agree to expressly exclude the application of the 1980 Vienna Convention on the International Sale of Goods.
22.3 All disputes arising out of or in connection with this Contract, whether concerning its validity, interpretation, performance, termination or cancellation, shall be subject to the exclusive jurisdiction of the Courts of the Purchaser.

GENERAL CONTRACTUAL CONDITIONS
Pursuant to and for the purposes of Article 1341, paragraph 2 of the Italian Civil Code, the Supplier declares to have read the General Contractual Conditions and to expressly accept the following points: article 5. delivery terms and transfer of ownership and risk; article 6. contract term and withdrawal; article 7. termination of contract and express termination clause; article 11. the supplier's duties; article 18. code of ethics, organisational model pursuant to legislative decree no. 231/01 and anti-corruption procedure; 21. Jurisdiction

November 2025, rel 1.2
General Purchasing Conditions valid as of 14 November 2025