

CAREL General Conditions of Sales

1. Definitions

CUSTOMER: the purchaser of the Product.

CAREL: the seller, CAREL INDUSTRIES S.p.A., or companies within the CAREL INDUSTRIES Group.

CONDITIONS: these general terms and conditions of sale (the Conditions), also available on www.carel.com.

ORDER CONFIRMATION: the written document serving to accept the Order sent by CAREL to CUSTOMER to perfect the Contract setting forth a description of the Products sold, the CAREL product codes (upon request by parties including CUSTOMER), quantity, unit price, transport terms, delivery terms, and payment terms.

CONTRACT: the set of provisions set forth with any Special Conditions of Supply, in the instant Conditions, the Order Confirmation and the Order.

SPECIAL CONDITIONS OF SUPPLY: the agreements entered into between CAREL and the CUSTOMER for the supply of Products and/or Services and containing particular conditions of supply; the wording is conventional, Special Conditions of Supply will constitute all those special conditions convened between CAREL and CUSTOMER in derogation of the instant Conditions, even if otherwise named.

TECHNICAL DOCUMENTATION: the document generated by CAREL setting forth the technical data and operating instructions, as well as the assembly, installation, maintenance, etc. for the Products, available on www.carel.com. Upon express request, and at CUSTOMER's expense, Seller may provide such documentation in hard-copy format.

EX WORKS loaded: Product delivery terms under applicable international "Incoterms" rules, that is, at the CAREL site where the Contract was perfected unless otherwise agreed upon in writing.

GOODS: the subject of the Order Confirmation.

ORDER: the document submitted by CUSTOMER for CAREL's acceptance, setting forth the purchase proposal for the Products, identifying information, and the approximate delivery date.

PARTIES or PARTY: CAREL and CUSTOMER referred to individually or jointly.

PRICE(S): the price(s) set forth in the Order Confirmation. The term shall have the same meaning whether in the singular or the plural.

PRODUCT(S): the good(s) specified in the Order Confirmation.

The term shall have the same meaning whether in the singular or the plural.

SERVICE(S): the service(s) set forth in the Order Confirmation. The term shall have the same meaning whether in the singular or the plural.

2. Contract documents

2.1 The Conditions, along with the Order, the Order Confirmation and any Special Conditions of Supply, constitute an integral and substantive part of the Sales Contract for the Products. Should any conflict arise amongst the various contract documents, the provisions of the Order Confirmation and in the Special Conditions of Supply shall prevail in those set forth in the instant Conditions and the provisions of the instant Conditions shall prevail over those set forth in the Order. None of Customer's general conditions of purchase shall apply unless expressly accepted by CAREL, even if stated in the Order and/or in the overleaf to the same.

2.2 Orders, which shall be in writing, are deemed accepted by CAREL upon submission of the Order Confirmation to CUSTOMER.

2.3 The Contract shall be perfected, as between the Parties, once CAREL, after having received the Order, has notified Customer in writing of its acceptance via the Order Confirmation. As soon as Customer has received CAREL's Order Confirmation, Customer shall review all data set forth in the same; these shall be deemed accepted by CUSTOMER unless an immediate objection is raised. Products and services not expressly described in the Order Confirmation shall be separately invoiced.

2.4 The Conditions, the most recent version of which is available on www.carel.com, shall be binding on the Parties, as CUSTOMER through the use of ordinary care would have access to the same upon Contract execution.

3. Order modifications and cancellations

No Order modification or cancellation shall be valid unless received by CAREL within five (5) days from the sending of the Order Confirmation.

4. Technical Documentation

4.1 CUSTOMER warrants the accuracy of the terms and conditions for each Order and each Order Confirmation; CUSTOMER herewith represents that CUSTOMER has carefully reviewed, prior to sending the Order, the Technical Documentation in its entirety.

4.2 CUSTOMER shall be responsible for testing and validating the Products before selling and/or using the same, vetting their technical and application compatibility in advance:

- a) using their own machinery and equipment;
- b) under the weather and operating conditions forecasted for the locations where the CUSTOMER's final products will be used
- c) with any accessories and/or connections to other components / equipment, with which the CAREL products must interact without thereby giving rise to any cognisable objection against the Product;
- d) in terms of regulatory compliance applicable to electromagnetic compatibility and safety, irrespective of any certifications and/or declarations issued by Supplier for the Products.

CUSTOMER shall further verify the compatibility of the working conditions contemplated for the manufacturing data for the CAREL products as used; BIOS and Firmware versions (and/or any evolution to the same), as may have been installed in any CAREL products; of other software components developed by the customer with respect to any CAREL-produced Environments or Tools.

4.3 CAREL reserves the right to make changes to the Product Order as needed to comply with applicable domestic or EU law, or to avoid infringing on the quality or operation of the same, or should the Product Order have become obsolete, whereupon replacement with the new series of product (having a comparable form and/or function) becomes necessary.

4.4 All activities following the sale of the Product including but not limited to the installation, assembly and set-up of the Product, according to the CUSTOMER's demands, shall be at the exclusive cost, risk and liability of the latter. CUSTOMER must comply in full with all technical-operative instructions set out in the Technical Documentation.

5. Price

5.1 Unless otherwise agreed in writing, the Price refers to the Goods delivered Ex Works loaded to the CAREL office where the Contract was executed, and shall include the cost of packaging

pursuant to CAREL standards, whereas it shall not include the sales taxes and fees, import duties, and any additional charges or VAT, if applicable. The costs of any special packaging requested by CUSTOMER and approved by CAREL shall be borne by CUSTOMER.

5.2 CAREL reserves the right, at any time before delivery and upon notice to CUSTOMER, to increase the Product price by up to 5% over the applicable price list to cover any greater expenses caused by factors outside CAREL's control including but not limited to: fluctuations in the currency market, currency regulations, customs duties variances, significant increases in the cost of labour, materials, or any other processing line item, changes to the delivery date, Product quantity, or any other delay caused by any CUSTOMER request or by any failure by the latter to provide sufficient instructions.

6. Invoicing and Payments

6.1 CAREL shall issue an invoice to CUSTOMER at the time of delivery, or after having notified CUSTOMER that the Product is available for retrieval, the terms and conditions for which shall appear in the Order Confirmation, and without prejudice to the provisions of Art. 7.3, supra.

6.2 Unless otherwise agreed upon, CUSTOMER shall pay the Product price through a wire transfer into the account identified by CAREL by the deadline set forth in the Order Confirmation or invoice. Payment must be made even in the event that CUSTOMER fail to collect the Products under the terms and conditions specified on the Confirmation of Order.

6.3 Should CUSTOMER make a payment after the deadline stated in the Order Confirmation or invoice, CAREL shall have the right to late-payment interests under Legislative Decree no. 231/02, without prejudice to any greater damages available at law.

6.4 CAREL shall, in any case, have the right to suspend delivery of Products in the event of default by CUSTOMER.

6.5 For payments received from abroad, fund-transfer costs from the foreign bank to the Italian bank will be paid for in full by CUSTOMER.

7. Product delivery and retrieval; transfer of risk

7.1 Unless otherwise agreed, merchandise delivery, and the transfer of the risk of Product loss and/or destruction to CUSTOMER, shall be understood as Ex Works loaded to the CAREL location where the Contract was perfected, pursuant to applicable "Incoterms" rules.

7.2 Delivery terms are set by CAREL in the Order Confirmation.

7.3 Should CUSTOMER fail to retrieve the Product by the delivery deadline set in the Order Confirmation, or fail to provide adequate instructions to CAREL for Product delivery, CAREL shall have the right to demand CUSTOMER to reimburse CAREL for any expenses incurred to stow or store the product. Warehousing shall be at CUSTOMER's expense.

7.4 CUSTOMER shall be required to inspect the Products and/or Systems, and to report any shortages prior to accepting delivery from the carrier, and thus prior to signing the transport document in receipt thereof.

7.5 Should the packaging be visibly damaged after transportation, CUSTOMER shall immediately file a claim with the courier – that is, upon delivery of the same – or accept the merchandise under a reservation of rights. CAREL shall only be liable for restoring the damaged material to its original conditions where the damage occurred during transport provided by the courier engaged by CAREL.

7.6 Should CUSTOMER, after receiving the merchandise, discover that the Product fails to conform to order specifications, either with respect to the code or quantity, size and/or aesthetic characteristics, CUSTOMER shall duly send CAREL notice of intent to make a return, setting forth all necessary references (order and/or transportation document references) and the description of the non-conformity, no later than five (5) days from the date of material receipt. Any complaints received after the aforementioned deadline may, at CAREL's discretion, be rejected.

8. *CUSTOMER Duties*

8.1 CUSTOMER shall be the sole party responsible for the choice of Products purchased and for all activities subsequent to sale, namely the installation, handling, assembly, set-up and maintenance of the Product at CUSTOMER's premises. These activities must be carried out in full compliance with the instructions supplied in the Technical Documentation.

8.2 CUSTOMER shall also be in possession of those facilities, departments, and skills (including technological skills) necessary for the correct use of the Product.

8.3 In order to ensure correct installation and subsequent proper function of the Product, CUSTOMER must comply in full and diligently with all obligations listed in the Technical Documentation.

8.4 CUSTOMER shall abide by regulations and local rules applicable in the country in which the Product is to be used. These include all those concerning the protection of public health and safety and good commercial practise. Any costs relating to the compliance of the Product with that set out by the legislation of the country in which it is to be used, will be paid for exclusively by CUSTOMER.

9. *Warranties and liability*

9.1 Without prejudice to any other provision hereunder, and to the extent permitted by applicable law, CAREL's liability for any demands predicated on defects or non-conformities in the goods or services ("Products") supplied pursuant to the instant General Terms and Conditions shall be limited as follows:

- a) CAREL guarantees the Products to be free of manufacturing defects for twenty-four (24) months from their production. During the warranty period, CAREL agrees to repair or, at its discretion, replace, at its own expense, any returned Products determined to be non-conforming;
- b) CAREL shall not be liable for any costs to locate the defects or to remove the same, nor for transporting or repositioning the Products deemed to be defective;
- c) CAREL shall not be liable for any Product defects unless timely reported, no later than the end of the warranty period (24 - twenty-four months - from manufacture) and for which CAREL has not been able to view the disputed components - ex works.

9.2 CUSTOMER shall, regardless, bear the liability for verifying and certifying that the units incorporating CAREL programmable controllers and hardware subsystems conform to the rules applicable in the country of installation. CUSTOMER shall be responsible for verifying and

properly certifying that the software and firmware subsystems provided and/or developed by CAREL, and installed in its own units and/or applications fully satisfy the conditions for the performance required thereof.

9.3 CAREL shall not be liable for any malfunction due to any hardware or software/firmware non-conformity, supplied and/or developed by the same, as arising from Customer's specific application thereof.

9.4 CAREL shall not assume any liability for Product defects arising from: failure to comply with the instructions given in the Technical Documentation, tampering, improper use, incorrect installation, incorrect use, negligent maintenance, repairs, changes or alterations made or caused by CUSTOMER or by unauthorised third parties, extraordinary events such as accidents, abnormal wear of the Product or its components caused, by way of example, by the physical, electrical or electromagnetic environment. More specifically, it is specified that CUSTOMER shall be the sole party liable for the use of the Products in machines and for activities and applications that differ from those specified in CAREL's Technical Documentation and for any related consequences thereto.

9.5 Except in instances of fraud and serious misconduct, CAREL shall not be held liable for any further direct or indirect contractual or non-contractual damages arising from the Product. This would include but not be limited to compensation, allowances, reimbursements, and any other damages, including losses (including lost profits), costs, expenses, including those for recalling the Product, lost earnings, or interruption in Product function. CAREL's liability shall be limited to the compensation of the Product price.

9.6 Should CUSTOMER find, within any package, missing or incorrect components compared to those contemplated in the product specifications, CUSTOMER shall send CAREL sufficient documentation, with a notation of all proper references (order and/or transport document references) within thirty (30) days. Any complaints received after the aforementioned deadline may, at CAREL's discretion, be rejected.

10. Returns for repairs

10.1 CAREL agrees, at its sole discretion, to repair and/or replace the Product found to be defective during the warranty period, pursuant to the rules appearing infra.

10.2 Should the Product under warranty appear to be repairable based on CAREL's initial testing, the Product shall be regenerated at CAREL's plant, and will be repackaged. Should the repair not be economically feasible, or should CAREL not be able to guarantee the reliability of the Product thereafter, CAREL shall have the option to replace the Product free of charge, with a new or equivalent Product.

10.3 Should CUSTOMER request a Product repair outside the warranty period, the charge will be inclusive of labour and parts replaced, and borne by CUSTOMER. The repair shall consist in the refurbishment of the Product to the extent possible or convenient. Otherwise, following a reasonable analysis, CAREL may return CUSTOMER the Product or junk it, as agreed upon inter partes. In either case, the costs shall be charged to CUSTOMER. In addition to the labour costs, parts, and an analysis of the defects, CAREL may, at its discretion, charge CUSTOMER costs relating to the logistical and administrative management of each RMA.

10.4 CAREL shall ship or deliver the repaired Product as soon as possible, and no later than two (2) months from receipt of the return, unless specific, additional inspections are required, which CAREL must report to CUSTOMER.

10.5 For any Products subject to repair and/or replacement, the original warranty period offered by CAREL on any products/systems shall not be tolled, or under any circumstances exceed twenty-four (24) months from the date the repaired product/system is returned.

10.6 CAREL shall not be held liable for any damaged file/programme/configuration/data contained in the Products sent in for repairs by Customers.

10.7 To request a Product repair, CUSTOMER shall request the return through a 'Return Material Authorization' (RMA), which must be duly filled out using the designated form available on CAREL's website (<https://rma.carel.com/CarelRmaWebPortal>). CUSTOMER shall receive a response within two (2) business days, bearing the RMA number for every accepted return, the shipment method, and justification for any rejection of the same.

10.8 CUSTOMER must send the faulty Product to CAREL's office at his own expense, in its original packaging and/or other reasonable packaging. The item must be sent complete with its original label bearing the relevant identification code, serial number, date of manufacture, with the provided RMA number printed on the delivery documents, making sure the number is clearly visible on the outside of the packaging. Returns failing to meet this criteria will not be accepted at the CAREL warehouse.

11. Returns for customer credit

11.1 Material returns for customer credit are only permitted for new, never-used material in its original packaging.

11.2 All new material returned for customer credit, except under warranty, must be authorised by CAREL in advanced.

To wit, CUSTOMER shall request authorisation from CAREL to return the material using the RMA procedure (Return Material Authorization), duly completing the designated form available on CAREL's website, as described in the General Conditions of Return, available on the website.

11.3 The document accompanying returned goods must mention, along with the RMA number sent by the Seller, the exact details of the sales invoice, which must also be dated no more than 12 (twelve) months earlier.

11.4 Products returned within 20 days of delivery will be discounted by 20% as compared with purchase price, for administrative, handling and inspection fees. For any products returned more than twenty (20) days after delivery, CAREL may accept or discount the item at its discretion, in light of the manufacture date and any intervening product updates. Transport costs will be paid for by the Buyer. The returned Product must not show signs of tampering. If not, in addition to the above-stated write-down, the cost for restoration to new conditions will also be charged.

11.5 Any failure to abide by the aforementioned conditions shall lead to the returned Product being rejected.

12. Software

Should the Product include a software to use the same, the use of this software may, as applicable, be governed by specific, separate terms and conditions of a license for use.

13. Product intellectual property and the related technical documentation

13.1 The Technical Documentation, all drawings, documents and technical specifications, illustrations and information concerning the Product/s delivered and made available by CUSTOMER to CAREL, may not be used for any purpose other than that for which they have been sent, unless specifically authorised by CAREL. Intended purposes include, for example, installation, use, maintenance and sale.

13.2 All information (supplied in any form and format), technical standards, specifications supplied by CAREL described by art. 13.1, are the exclusive property of the same.

13.3 No trademark license or license to use patents or other industrial or intellectual property rights relating to the above-stated technical information, know-how, etc., shall be construed as conveyed or granted to CUSTOMER under this Contract.

14. Export control and international economic sanction compliance

14.1 The sale of the Products and basic technology may be subject to export controls, according to various local regulations and laws. Such controls may be performed by the various authorities of each country in which the Products are to be sold. CUSTOMER is also responsible for paying duties in the country of destination through to the end customer.

14.2 CAREL is committed to supplying CUSTOMER with all information and assistance that can reasonably be requested by the other Party in obtaining authorisations and licenses required by local laws for the products to be exported. CUSTOMER must also take all measures necessary to obtaining the required supporting documents, in a timely manner.

14.3 The export, sale or transfer of the PRODUCTS to certain persons and/or entities or to certain destinations/end uses may be subject to restrictive measures or prohibitions under United Nations (UN), European Union (EU), Italian, United States of America (USA) or United Kingdom (UK) export control and/or any other applicable law in all jurisdictions where CAREL acts with or through the companies belonging to its group of companies.

14.4 CUSTOMER shall not export, resell or transfer, directly or indirectly, the PRODUCTS to any natural or legal person, entity or body subject to restrictive measures, included in the United Nations Security Council Sanctions Consolidated List, the European Union List of Persons, Groups and Entities subject to EU Financial Sanctions, the Office of Foreign Assets Control (OFAC) Specially Designated Nationals and Blocked Persons List and/or the UK Consolidated List of Financial Sanctions Targets in the UK and/or to entities owned or controlled by persons or entities on those lists, or for uses prohibited by EU/Italian, UN, US or UK export control legislation and/or any other applicable law in all jurisdictions where CAREL acts with or through the companies belonging to its group of companies.

14.5 CUSTOMER shall hold harmless CAREL from any and all liabilities deriving therefrom and agrees to indemnify CAREL against any and all damages, direct and indirect, which may result from any breach of United Nations, European Union, Italian, United States or United Kingdom export control regulations and international economic sanctions in connection with the PRODUCTS and any sale or transfer thereof to sub-purchasers or end-users.

14.6 CUSTOMER also undertakes to reproduce the provisions of this clause in the business relations established with its customers, if any, and to require them to observe all relevant export control and international economic sanctions obligations above.

14.7 If performance of CAREL's obligations is prevented, made commercially uneconomic or unreasonably onerous due to one or more of the following events (hereinafter, the "Exemption Events"):

- i. any change in the UN, EU, Italian, US, UK norms or any other applicable norms in all jurisdictions where CAREL acts with or through the companies belonging to its group of companies, including, but not limited to, the adoption of restrictive measures or international economic sanctions having an impact on the CAREL's obligations;
 - ii. any amendment, extension or revision, or any change in the interpretation, by any court or competent regulatory authority, of any laws existing at the time of execution of these General Terms;
 - iii. failure by any competent authority to issue authorisations for the sale, transfer or export of PRODUCTS, where required by the applicable UN, EU, Italian, US, UK regulations or any other applicable regulations with respect to all jurisdictions where CAREL acts with or through the companies belonging to its group of companies;
 - iv. any other event, whether or not similar to those specified above, being outside the control of the party against whom the claim would be otherwise made
- then CAREL shall notify the CUSTOMER in writing of the event and shall consult with the CUSTOMER to agree on any necessary arrangements for the proper and timely performance of the obligations during a consultation period of 180 (one hundred eighty) days (the "Consultation Period").

14.8 The performance of the Parties' respective obligations will be suspended during the Consultation Period. In case the Exemption Event lasts for more than 180 (one hundred eighty) days, CAREL shall have the right to immediately terminate the supply, with prior written notice to the CUSTOMER.

15. Force majeure

Force Majeure shall include any event or circumstance that prevents or impedes a party from performing one or more of its contractual obligations under the contract, if and to the extent that the party affected by the impediment ("the Affected Party") proves that said event or circumstance:

- (i) is beyond its control;
- (ii) the Affected Party could not reasonably foresee at the time of signing the contract;
- (iii) the Affected Party could not avoid or somehow overcome;
- (iv) is not attributable to the Affected Party's responsibility and prohibiting, preventing or rendering unreasonably difficult, or commercially uneconomic to fulfill in whole or in part any obligations under a contract, such as, but not limited to fire, landslides, earthquakes, cyclones, typhoon, tornado, flood, washouts and other natural disasters; war, military operations of any character, blockades, trade prohibitions or restrictions, export/import control measures, financial sanctions, freezing of assets, embargoes and/or any other kind of international economic sanctions or restrictive measures adopted by any country, international organizations or group of countries, such as the United Nations, the European Union, the United States of America, the United Kingdom of Great Britain and Northern Ireland ("Force Majeure Event").

If a Force Majeure Event occurs, the Affected Party shall notify in writing the other Party within a reasonable time; the Affected Party having given such notice shall be excused performance of its obligations for so long as the Force Majeure prevents it from performing them.

Each of the Parties shall use all reasonable endeavours to minimise any delay in the performance of the General Terms due to the Force Majeure Event. The Affected Party shall promptly give notice to the other Party when it ceases to be affected by the Force Majeure Event.

If the Force Majeure Event lasts longer than 6 (six) calendar months, either Party is entitled to immediately terminate the supply relationship by notifying the other Party in writing.

16. Product Quality; Quality Processes/Certifications

CAREL's quality-management system is ISO 9001, ISO 14001 and ISO 45001 certified pursuant to the certificate for the same (see "Design, manufacture, and sale of electronic monitoring and measuring tools, inverters, humidifiers, electronic-expansion valves, electrical control panels, local monitoring systems, edges, and clouds, digital IOT services, and remote customer support.

Assembly, manufacturing, and testing of circuit boards and products with third-party components". CAREL's Products are designed and built in accordance with current European standards.

Every Product is designed and tested to fall within the limits established by the international and European standards of reference as concerns electromagnetic compatibility and safety.

Furthermore, many of CAREL's Products are tested and certified by international certification bodies (applicable certification trademarks appear on the product identification label).

17. Language

These Conditions have been generated in Italian and translated into English. Should there be any disagreement or differences between the Italian text and the English translation, the Italian text shall prevail.

18. Privacy e GDPR

With regard to the processing of the Personal Data of CAREL, the CUSTOMER will act as Data Controller for the purpose of carrying out the services agreed in these CONDITIONS and will be entirely responsible with reference to the processing of Personal Data subject of the same.

The terms "processing", "controller" and "Personal Data" shall have the meaning given in the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "Regulation").

The CUSTOMER guarantees that it will treat the CAREL Data in compliance with the obligations deriving from the applicable data protection legislation, including the Regulations and that it will implement appropriate technical and organizational measures to protect CAREL Data from any processing unlawful or unauthorized as well as accidental loss, destruction, damage, alteration or disclosure.

With regard to the processing of Personal Data of CUSTOMER, the same undertakes to read the Supplier/Customer Privacy Information, available online on the Company's website at www.carel.com.

19. Code of Ethics and Organizational Model pursuant to Legislative Decree 231/01

CUSTOMER undertakes to examine CAREL's Code of Ethics, Organizational Model pursuant to Legislative Decree 231/01 and the Anti-corruption Procedure, all available online on CAREL's website at www.carel.com

Pursuant to and for the purposes of art. 1381 of the Italian Civil Code, CUSTOMER undertakes to ensure that its top management and its subordinate employees respect the principles and values contained in CAREL's Code of Ethics and to act in line with CAREL's Organizational Model

pursuant to Legislative Decree 231/01 and its Anti-corruption Procedure. CUSTOMER undertakes to ensure that any other behavior will be in any case such as not to expose CAREL to the risk of the application of sanctions provided for by the Legislative Decree n. 231/2001.

Any violation of the rules provided by the aforementioned rules and procedures will represent a serious breach of these conditions and CAREL will have the right to be indemnified from CUSTOMER for any sanctions or damages that may derive from the latter as a consequence of the violation thereof by CUSTOMER, its top management or subordinate employees.

20. Applicable Law

For any sales in Italy, the instant General Conditions shall be subject to Italian law.

Where the sale of the Product is made in countries other than Italy, provisions of international private commercial law shall apply; the parties herewith expressly exclude the application to this Contract of the United Nations Convention on international goods sales agreements adopted in Vienna on 11th April 1980.

July 2022, Rel. 3.0

Sales Conditions valid as of 01.07.2022