

## HONEYWELL ARTIFICIAL INTELLIGENCE (AI) SUPPLIER HIGH RISK USE TERMS AND CONDITIONS EXHIBIT

This Honeywell Artificial Intelligence (AI) Supplier Terms and Conditions Exhibit (this, “**Exhibit**”) (a) governs the provision and use of an AI System (as defined below) by Supplier in products, platforms and services (“**Supplier AI Products and Services**”) provided by Supplier to or for the benefit of Honeywell and (b) supplements the Agreement. Capitalized terms used but not defined herein will have the meaning given them in the Agreement.

### 1. DEFINITIONS

“**AI Components**” means components or parts of the Supplier AI Products and Services that use or incorporate an AI System.

“**AI Provider**” means an entity or person (other than Supplier) that supplies, licenses, or otherwise provides or makes available an AI System, regardless of delivery model.

“**AI System**” means a machine-based system designed to operate with varying levels of autonomy (including solving problems and performing tasks), that may exhibit adaptiveness after deployment and that, for explicit or implicit objectives, infers, from the Input it receives, how to generate Outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments.

To the extent that the Agreement has a definition of “**Applicable Law(s)**”, such definition will be deemed to include applicable laws or regulations regarding the use of AI Systems, including but not limited to the European Union Artificial Intelligence Regulation (“**EU AI Act**”).

“**High Risk Result**” means a result that may: (a) make predictions, recommendations, decisions, or other Outputs that could or actually have an impact in setting Honeywell’s commercial conditions, like pricing or price architecture; (b) operate, facilitate, perform, or engage in an activity, process, business, or function that is regulated by Applicable Laws; or (c) process Personal Data.

“**Honeywell Automated Property**” means: (a) Honeywell Data, Inputs, Outputs, and Trained Honeywell Models; and (b) an AI System that is introduced into systems or networks owned or controlled by or on behalf of Honeywell.

“**Honeywell Data**” means the data owned, licensed or otherwise sourced by or on behalf of Honeywell and used with the AI System. Honeywell Data may include Confidential Information received from a client, partner, or non-Honeywell entity.

“**Input**” means a query, prompt, request or other information, content or material submitted to an AI System for the purpose of generating an Output.

“**Output**” means any data, text, content, sound, videos, software or firmware code, image, material, information, communication, and other outcome, action or result generated from the use of an AI System.

“**Trained Honeywell Model**” means an AI System created, developed, fine-tuned, trained, validated, tested, or improved using, processing or based on Honeywell Data, Inputs or Outputs and includes any retrieval or contextual mechanism, model, engine, or process to augment the generation process of an AI System.

“**Training Content**” means data, content, documents, software, text, images, audio, video, photographs, software or firmware code, or any other information or material to create, develop, train, validate, test, or otherwise develop or improve, provide, or use any AI System.

**“High Risk Use”** means any uses of an AI System that: (i) significantly and negatively impacts Honeywell’s operations, finances, or reputation; (ii) significantly and negatively impacts intellectual property protections or data security or privacy; (iii) materially and negatively impacts the work and lives of Honeywell’s employees, users, partners, clients, and members of the public; or (iv) present novel or significant legal, compliance, or enterprise risks. This would include high risk AI Systems, which pose significant risk of harm to people’s health, safety, or fundamental rights as defined under the EU AI Act.

**“Unacceptable Risk Use”** or **“Prohibited Use”** means any use of an AI System that: (i) could have or actually has an effect on an individual’s access to employment or in a manner that could affect an individual’s rights under Applicable Laws; (ii) could lead to or cause bias or discrimination; or (iii) lead to errors, omissions or other risks that have the potential to impact safety, fundamental rights of natural persons or affect the safety of tangible or physical property. This includes prohibited uses as defined under the EU AI Act.

## 2. GENERAL TERMS APPLICABLE TO USE OF AI SYSTEM

2.1 Use Restrictions. Without Honeywell’s prior written approval (which Honeywell has the right to withhold in Honeywell’s sole discretion), Supplier will not:

- 2.1.1 introduce any AI System into any systems, networks, software, equipment or other environments owned or controlled by Honeywell, any of its Affiliates or any suppliers or service providers providing services, products, deliverables or goods to or for the benefit of Honeywell or any of its Affiliates; or
- 2.1.2 use any AI System in connection with (i) the processing of, access to, or use of any Honeywell Data (including the use of Honeywell Data for the purposes of the Trained Honeywell Model), or (ii) the services or the provision of any deliverables, products or results to be provided to Honeywell under the Agreement.

Any such prior written approval must be obtained in accordance with the requirements of this Exhibit for each new AI Component, each new Trained Honeywell Model and/or new feature within the Trained Honeywell Model, and any AI Provider not previously and specifically approved by Honeywell. Supplier will also comply with Section 3 (Additional Terms and Conditions of Use) below.

2.2 Revocation; Suspension. Notwithstanding Section 2.1 (Use Restrictions) above or any approval granted thereunder, at any time and for any reason, Honeywell reserves the right to require that Supplier revoke and/or suspend the use of any AI System that Supplier may have otherwise been providing to Honeywell and Supplier will comply promptly with any such revocation or suspension.

2.3 Honeywell Data. Supplier will only use and process Honeywell Data, Outputs and Trained Honeywell Models for the sole benefit of Honeywell and will not use any of the foregoing (a) for the benefit of Supplier or any third party or (b) as Training Content.

2.4 Security; Hosting. When using any AI System, Supplier represents and warrants that it and each AI Provider is compliant with all of the provisions of the Honeywell Security Terms and Conditions for Supplier and that it will require each AI Provider to implement security measures to prevent unauthorized access to Honeywell Data and Outputs by unauthorized parties. Neither Supplier nor any AI Provider (or any of its representatives) have any right or ability to monitor Honeywell’s use of the AI Components or any Trained Honeywell Model, Honeywell Data, Outputs or Input.

- 2.5 Information Sharing; Cooperation. Honeywell has the right to share information regarding the AI Components and their use with any regulatory authorities to the extent requested by any of them. Supplier will cooperate with any audits, inspections, assessments, or other steps to be performed by Honeywell or regulatory authorities to confirm that Supplier provides the AI Components consistent with this Exhibit and all Applicable Laws. Unless specifically authorized by Honeywell in writing, Supplier will not share, and will ensure that no AI Provider will share, any Inputs, Outputs, Honeywell Data or the Trained Honeywell Model with any entity or person other than as specifically authorized by Honeywell in writing.
- 2.6 Storage and Purging. If Honeywell provides Supplier written notice that it no longer desires to use Supplier AI Products and Services or the AI Components, or earlier upon Honeywell's request, Supplier will (and will ensure that any AI Provider) permanently delete the Trained Honeywell Model, Input and any Honeywell Data and Outputs used or otherwise processed in connection with the Supplier AI Products and Services and the AI Components.
- 2.7 Additional Representations and Warranties. In addition to other representations and warranties in this Exhibit and the Agreement, Supplier represents and warrants as follows:
- 2.7.1 All information that Supplier has provided to Honeywell regarding the Supplier AI Products and Services, AI Providers and AI Components and Supplier's practices regarding the development and use of the AI System ("**Diligence Information**") is accurate and complete;
  - 2.7.2 the Supplier AI Products and Services operate and perform in accordance with (i) the associated specifications and (ii) the requirements set by Honeywell;
  - 2.7.3 there are no restrictions on Honeywell's use of any Outputs;
  - 2.7.4 Supplier and any applicable AI Provider has obtained and will maintain any and all required consents, authorizations, and licenses to use any Training Content (other than Honeywell Data);
  - 2.7.5 there are no actions, suits, proceedings, or investigations, pending or, to the best of its knowledge, threatened, against Supplier, its representatives, or its customers, and, to the extent of Supplier's knowledge (and due inquiry) that may affect Honeywell's use of the Supplier AI Products and Services, there is no reasonable basis for any such actions, suits, proceedings or investigations;
  - 2.7.6 the Supplier AI Products and Services, AI Components and the Training Content do not, nor result from any activity(ies) that, (i) infringe, misappropriate, or otherwise violate intellectual property rights or any other proprietary (including rights of privacy and publicity) or contractual rights of any person or entity, or (ii) violate Applicable Laws;
  - 2.7.7 Training Content and Output do not tamper with or remove any information that accompanies a copyrighted work and that is used to identify the copyright owner or the terms and conditions of use of a copyrighted work (i.e., rights associated with that work);
  - 2.7.8 in connection with use of any AI System from an AI Provider, Supplier will (i) ensure that the terms and conditions with respect to such AI System are consistent with, do not conflict with, and do not cause Supplier to violate, this Exhibit or any other part of the Agreement; (ii) only use the version of such technology made available for use by commercial

enterprise customers and ensure that use of such version otherwise complies with provisions of this Exhibit and the Agreement; and (iii) prohibit any such AI Provider from using any Output generated or created in connection with the AI System; and

- 2.7.9 Supplier will not, and will ensure that each AI Provider will not, use any Honeywell Data or Outputs to train Supplier's, any AI Provider's, or any third party's own models that will compete with Honeywell's products, services, offerings, or business.
- 2.8 Notice of Non-Compliance. Supplier will promptly notify Honeywell in writing of any noncompliance by Supplier with this Exhibit. Without limiting the generality of the foregoing, if at any time Supplier becomes aware that any Diligence Information is incorrect, inaccurate or outdated, Supplier will promptly notify Honeywell.
- 2.9 Source Identification. Honeywell has the right to identify the AI System and/or the AI Provider as the source of any Outputs and disclose the use of the AI System to third parties.
- 2.10 Proprietary Rights. Supplier retains and owns all Supplier AI Products and Services. Honeywell retains and owns all Honeywell Automated Property. Supplier hereby irrevocably assigns, transfers and conveys (and will ensure that all AI Providers and their respective personnel hereby irrevocably assign, transfer and convey) to Honeywell, without any additional consideration to Supplier, any AI Providers or their respective personnel, all right, title and interest any of them have or may have to any Honeywell Automated Property, including all intellectual property rights therein and thereto. Any copyrightable aspects of Honeywell Automated Property that qualify as a "Work Made For Hire" under the copyright laws of the United States (and comparable laws in other jurisdictions) are considered "Work Made For Hire" as defined therein. Supplier will render reasonable assistance as needed to give effect to such transfer. Honeywell hereby grants Supplier, during the term of the Agreement to which the Honeywell Automated Property relates, a non-exclusive, non-transferable license to use the Honeywell Automated Property solely to provide Supplier AI Products and Services to and for Honeywell and for no other purpose. For any Honeywell Automated Property, Supplier will implement all necessary transparency measures and disclosures that may be required by Applicable Laws and to properly vest any rights in Honeywell as well as assist with any disclosures required to identify automated-generated Outputs.

### 3. HIGH RISK USE TERMS AND CONDITIONS

- 3.1 Compliance. Supplier will comply with (a) all relevant Honeywell policies provided or made available by Honeywell to Supplier from time to time, (b) the requirements and provisions of this Exhibit, (c) all mandatory transparency measures as detailed in Applicable Laws, and (d) all mandatory technical and operational controls and procedures as detailed in Applicable Laws.
- 3.2 Use of Third-Party AI System. If Supplier uses any AI System provided by an AI Provider, the AI Provider of such AI System is considered a subcontractor for which Honeywell's approval is required. Any approval granted by Honeywell is limited to the specific AI System that the AI Provider provides to Supplier. Supplier must inform Honeywell if the AI System is subject or becomes subject to any abuse monitoring review by the AI Provider and provide details of the data flow to and from the AI Component.
- 3.3 Additional Terms. Without limiting any other terms of this Exhibit, in relation to provision and use of Supplier AI Products and Services for a High Risk Use, Supplier represents, warrants and covenants on an ongoing basis as follows:

- 3.3.1 Identification of AI Resource. Supplier will provide Honeywell with (a) the identity of each AI Provider (if any), (b) a full description of the AI Components and their intended purpose and benefits, (c) the identity of each model within the AI Components, (d) the categories of Training Content and formats used to train (and continue training) the applicable AI Component, (e) whether the AI Component is fine-tuned by or on behalf of Supplier or the AI Provider, and (f) full details of any Honeywell Data to be utilized in relation to the training or configuration of such AI Components;
- 3.3.2 Responsible and Ethical Use. Supplier and each AI Provider (a) maintain and adhere to standards and regulations in the industry relating to the ethical and/or responsible design, development, testing, evaluation, validation, verification, and deployment of automated technologies and the mitigation of High Risk Results, and (b) have adopted policies, protocols, and procedures for identifying and mitigating Unacceptable Risk Use;
- 3.3.3 Training Content. All Training Content is and will be appropriate, relevant, representative, accurate and complete for the purposes of the AI Components and the Supplier AI Products and Services to be provided, and Supplier has the requisite rights to provide and utilize such Training Content as contemplated under this Exhibit and any Applicable Laws;
- 3.3.4 Traceability and Transparency. Supplier will maintain and document full traceability and transparency as to the training and configuration of the AI Components and so as to be able to explain the decision-making process of the AI Components and to establish the rationale for the AI Components arriving at any given Output (including the key factors and parameters that would be applied to produce such Outputs);
- 3.3.5 Human-in-the-Loop. Appropriate human oversight of the AI Components, their use and all Outputs has been implemented and will be maintained by Supplier and each AI Provider to mitigate Unacceptable Risk Use;
- 3.3.6 Testing, Evaluation, Validation and Verification. The AI Components, their use and all Outputs are continuously monitored, tested, evaluated, validated and verified using automated and human oversight processes and procedures to mitigate Unacceptable Risk Use, including through use of (a) open, transparent, testable, and verifiable specifications; (b) testing methods and metrics that enable the evaluation of system trustworthiness, including robustness and resilience; (c) data quality standards for training and testing data sets; (d) requirements for system validation and integration into production environments and automated testing; (e) methods and tools for monitoring system behavior, tracking and management of incidents and errors; and (f) processes for redress, response and mitigation;
- 3.3.7 Record-keeping. Supplier will keep a record of all Honeywell Data used as Input to train the AI Components, which must adequately describe (i) how Honeywell Data is used to create, develop, train, validate, test, or improve or otherwise develop, provide or use any AI Component, and (ii) compliance with Honeywell's security requirements;
- 3.3.8 Reporting Variances. Supplier will promptly advise Honeywell in writing of any variances and corrections to the intended operating parameters of the AI Components that may have an adverse impact on the intended use of the AI Components or reliance on the Outputs generated from use of the AI Components;

3.3.9 Ongoing Assessments. Supplier will conduct periodic (but not less than annual) testing, evaluations, verifications, and validations of the AI Components, including audit, risk and impact assessments conducted by an independent third party, to ensure that the AI Components (a) operate within their intended service levels (if any) and parameters while minimizing Unacceptable Risk Use, and (b) comply with Honeywell's security requirements;

3.3.10 Remediation. Supplier will, at Supplier's sole cost and expense, promptly correct and remediate the effects of any variances or errors in the operating parameters from the specifications or that otherwise generate or produce Unacceptable Risk Use, regardless of whether identified by reviews, feedback, assessments, audits, or evaluations conducted by or on behalf of Supplier, Honeywell, regulatory authorities or agencies, independent third parties or other customers of Supplier; and

3.3.11 Compliance. To the best of its knowledge, no instances of actual or alleged non-compliance with any of the provisions of this Section 3 has occurred and to the extent any non-compliance occurs Supplier will notify Honeywell immediately in writing.