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POLICIES & STANDARD WORK INSTRUCTIONS

TRADE ASSOCIATIONS

1. PREAMBLE

Trade and professional associations (“Associations”) and trade shows (“Shows”) connected with the HVAC/R business often perform useful, legitimate and pro-competitive functions and Shows. Because competitors may also be present at Association meetings and other functions, it is important to ensure that proper and lawful activities are not given the appearance of antitrust violations. Many companies have found themselves in antitrust difficulty because of a poor choice of words used to describe perfectly legitimate transactions or because a meeting was poorly structured or supervised and therefore invited antitrust scrutiny. The failure to give adequate consideration to the antitrust aspects of Association and Show participation has often resulted in costly and embarrassing investigations or lawsuits that could have been avoided.

2. POLICY

2.1. This policy establishes review and approval requirements and conditions for membership and participation in Associations.

3. APPLICABILITY

This policy applies to all of Carrier Corporation and its worldwide subsidiaries, divisions and other business entities it controls or for which it has operational responsibility.

4. OWNERSHIP AND APPROVAL

The Carrier General Counsel is the owner of this policy, with input from the Vice President, Government and International Relations. All interpretations and changes require prior approval of the owner. Contact the owner for all questions regarding this policy.

5. DEFINITIONS

None

6. METHOD OF APPLICATION / STANDARD WORK INSTRUCTIONS

6.1. Approval Process: Membership

6.1.1. Each Business Unit, that wishes to join or retain its membership in an Association, is required to submit a request for approval, in the form attached, to the General Counsel. The request must contain an explanation of the necessity, purpose and business justifications for participating in the Association, and must include a copy of the Association’s bylaws (or similar governing documents), the name and



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contact information of the Association's lawyer, a list of its members, and a copy of the Agenda and Minutes for the Association's last three meetings (or an explanation of why the Agenda or Minutes are not available).

6.1.2. The approval package must be reviewed and approved by the President of the Business Unit prior to submission to the General Counsel.

6.1.3. No Association membership dues or fees may be paid by the Corporation absent approval of the membership by the President of the Business Unit and the General Counsel.

6.2. Approval Process: Meeting Participation

6.2.1. The following rules govern Carrier employee's participation in any Association meetings, conventions or other events:

6.2.1.1. No meetings of an Association may be attended by any Carrier employees unless the Association membership has been approved by the Business Unit's President and the General Counsel.

6.2.1.2. A written agenda must be provided by the Association in advance of any meeting, and the agenda must be submitted to the Business Unit's Legal Counsel in advance of the meeting. Accurate, written minutes of the meeting must be provided to the Carrier attendee as soon as possible after the meeting, and the Carrier attendee shall promptly provide them to the Business Unit's Legal Counsel for review.

6.2.1.3. The Carrier employee attending the Association meeting must not participate in any formal or informal meeting of any sub-group or sub-committee that does not have an advance written agenda and written minutes following the meeting.

6.2.1.4. No Carrier employee shall attend any Association meeting unless he or she has successfully completed the "Antitrust Overview" and "Antitrust, Talking with Your Competitors" online training modules or has received in-person training regarding Trade Association participation from the Legal Department within the previous 12 months.

6.2.1.5. Carrier employees shall not attend any Association function that is strictly social or recreational in nature and has no business meeting associated with it (i.e., a golf tournament or a trip that is not incidental to a business meeting). Carrier employees may attend an Association



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sponsored function that is social or recreational in nature that is incidental to legitimate Association business meetings (i.e., Association sponsored dinner following the Association’s annual meeting or an Association sponsored golf outing in the afternoon following a morning meeting). A Carrier employee, however, may not attend an incidental social or recreational event if the only attendees at the social or recreational event are competitors (i.e., no golf foursomes or dinner tables comprised solely of competitors). Only the General Counsel or Deputy General Counsel may grant an exception to this prohibition.

6.2.1.6. If at any time during the meeting, convention or other event, any issue that may affect competition is discussed (as defined by the training reference materials in Section 7 below), the Carrier employee attending the meeting shall immediately announce his/her objection, and then leave the meeting and refrain from participating in any future meeting of that Association. The Carrier employee shall report any such incident immediately to the Legal Department. Any further participation with that Association must be approved by the General Counsel.

6.2.2. All Carrier employees attending an Association meeting, convention or other event shall submit a certification, in the form attached, to their Business Unit’s Legal Counsel within 14 days following the meeting, convention or other event.

6.2.3. Expense reports from Association meetings, conventions or events shall not be approved absent the submission of the certification referenced in Section 6.2.2.

6.3. Approval Process: Show Attendance

6.3.1. The following rules govern Carrier employee’s participation at any Show:



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6.3.1.1. No Carrier employee shall attend any Show unless he or she has successfully completed the “Antitrust Overview” and “Antitrust, Talking with Your Competitors” LRN modules or has received in-person training regarding Trade Association participation from the Legal Department within the previous 12 months.

6.3.1.2. If at any time during the Show, any issue that may affect competition is discussed (as defined by the training reference materials in Section 7 below), the Carrier employee involved in the discussion shall immediately announce his or her objection, and then leave the discussion. The Carrier employee shall report any such incident immediately to the Legal Department.

6.3.2. All Carrier employees attending a Show shall submit a certification, in the form attached, to the Business Unit’s Legal Counsel within 14 days following the Show.

6.3.3. Expense reports from Shows shall not be approved absent the submission of the certification referenced in Section 6.3.2.

7. REFERENCES

- 7.1. UTC Corporate Policies Manual Section 3
- 7.2. UTC Policy Clarification Circular on Conflicts of Interest: Gathering Competitive Information Dos and Don’ts
- 7.3. Carrier Policy Clarification on Antitrust Compliance: Dos and Don’ts
- 7.4. Carrier Policy Clarification on Gathering Competitive Information: Dos and Don’ts
- 7.5. Carrier Policy Clarification on Trade Associations: Dos and Don’ts



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TRADE ASSOCIATION MEMBERSHIP APPROVAL FORM

1. Name of Association:
2. Business justification for joining Association:
3. Name and contact information of Association's lawyer:
4. Names of current Association members:
5. Attach Bylaws (or other similar governing documents):
6. Attach Agenda and Minutes from last three Association meetings:

[Requestor]
[Title and Business Unit]

[Name]
President [Business Unit]

[Name]
Vice President [Business Unit], Legal



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CERTIFICATION REGARDING TRADE ASSOCIATION MEETING ANTITRUST COMPLIANCE

1. I am aware of, and have fully complied with, UTC's and Carrier's Policies regarding Antitrust Compliance, and have not participated in any Trade Association meetings and have not had any other contacts with Carrier's competitors, except as approved in advance by my Business Unit's President and Vice President, Legal.
 - a. I do not understand, or have questions about, the following parts of the Policies: _____
2. I attended a meeting, convention or event of the (Name and business address of the Association and/or meeting place), on (Day, Month Year) at (Location).
3. I hereby further certify to the following:
 - a. The business purpose of the meeting/event was _____.
 - b. The Carrier attendees at the meeting/event were _____.
 - c. My membership in this Association and my attendance at this particular meeting/event was approved in advance by my Business Unit's President and Legal Counsel.
 - d. I have received antitrust training in the last 12 months (either live training or successful completion of the "Antitrust Overview" and "Antitrust, Talking with Your Competitors" online training modules).
 - e. There was a written agenda for this meeting that was submitted to my Business Unit's Legal Counsel before I attended this meeting.
 - f. I have already or will submit the official minutes of this meeting to my Business Unit's Legal Counsel as soon as they are available.
 - g. There were no improper discussions concerning competitive topics at or in conjunction with this meeting/event or any of its activities (i.e., no discussions of pricing, margins, customers, bids, markets, volumes, forecasts, terms and conditions, credit, costs, suppliers, or production capacity).
 - h. I have not engaged in any social or recreational activities in relation to this meeting/event other than as listed directly below:
 - i. Type of social or recreational activity _____.
 - ii. List the names and business affiliations of those persons who participated in the social or recreational activity with you, and specifically note if a person is a competitor _____.
 - iii. What, if anything, was discussed with any competitors during this activity _____.

[Name]
[Title and Business Unit]

If you are uncertain about any of your answers to any of the above, contact the Legal Department.

[Certifications to be sent to your Business Unit's Vice President, Legal within 14 days after returning from a Trade Association meeting, convention or event]



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[Expense reports from Trade Association meetings, conventions or events will not be approved absent submission of this certification]

April 6, 2004

Antitrust Compliance

DOs & DON'Ts

It is the policy of Carrier to comply with all applicable antitrust laws. Penalties for violation of law can be severe for Carrier and its employees—including civil and criminal fines and jail sentences. The attached **DOs and DON'Ts** (guidelines) are not a restatement of the law; rather they identify proper and improper conduct under UTC policies and guidelines.¹ Any deviations from these guidelines require prior approval of the Carrier Law Department.

¹ UTC Corporate Policy Manual, Section 3, *Antitrust Compliance* and UTC Antitrust Guide for Employees.

Antitrust Compliance

RELATIONS WITH COMPETITORS

DO	DON'T
<p>Do compete effectively and vigorously in the marketplace on the basis of the merits of Carrier's products and services. Do make business decisions independently and without communicating in any way or consulting with competitors.</p>	<p>Don't discuss, communicate directly or indirectly with or agree (whether or not in writing) with competitors about prices, pricing or methods of calculating prices, timing or announcement of price changes, costs, supplier arrangements, terms and conditions of sale, decisions to bid or not to bid, customers, sales territories, product or service offerings, production capacity or volumes, sales volumes, or other competitors.</p>
<p>Do engage only in competitive conduct that is justified by sound business considerations that benefit Carrier's present and potential customers and not by its effect on competitors.</p>	<p>Don't engage in predatory practices that can be mischaracterized as anti-competitive, unreasonably exclusionary, predatory or intended or designed to drive out, exclude, or eliminate competitors or potential competitors from the market.</p>
<p>Do participate only in those trade and professional associations that perform useful, legitimate and pro-competitive functions. Do review association meeting agendas, minutes, policies, actions and correspondence carefully to ensure that only legitimate matters are being discussed and acted upon. Do review any concerns you may have with any association activities with the Law Department immediately.</p>	<p>Don't participate in trade or professional associations where the purpose, intent or effect may be construed to limit competition. Don't engage in any discussions or direct or indirect communications or conduct that might lead to charges or allegations of an improper attempt to restrain trade.</p>
<p>Do object if a prohibited subject is raised at a trade and professional association meeting or elsewhere and, if the subject continues to be discussed, leave immediately, state your reasons for leaving, and contact the Law Department immediately.</p>	<p>Don't let others assume by your silence that you might agree with what is being discussed.</p>
<p>Do place primary sales emphasis on the merits of Carrier's products and services and not on the negative aspects of competitive offerings. It is permissible to comment on a competitive offering only within the boundaries of objective facts and tests that can be fully demonstrated on the basis of publicly available information.</p>	<p>Don't solicit, provide, discuss, or exchange information with competitors or their agents, misappropriate trade secrets of another, or tamper with competitors' products.</p>

Antitrust Compliance

RELATIONS WITH CUSTOMERS

DO	DON'T
Do select customers independently without communicating in any way or consulting with competitors or other customers.	Don't directly or indirectly discuss or communicate with competitors or other customers about whether or not to do business with any customer.
Do offer identical products to competing customers on a fair and equitable basis without discrimination in price or other terms of sale unless lawfully justified (e.g., where necessary to meet, but not beat, a competitor's price or where lower prices reflect demonstrable cost savings to Carrier). Do consult with the Law Department with regard to such legal justifications.	Don't provide different prices to different customers for the sale of identical equipment offered for the same project during the same time period without legal justification (e.g. where necessary to meet, but not beat, a competitor's price).
Do allow customers to independently choose from whom products and services are purchased.	Don't condition the sale of a product or service to a customer on that customer's purchase of another product or service. Don't limit the right of a distributor to resell its products and services.
	Don't disparage the products or services of a competitor, orally or in writing, or place undue emphasis on the failures of a competitive offering.

Antitrust Compliance

RELATIONS WITH SUPPLIERS

DO	DON'T
Do select suppliers independently without communicating in any way or consulting with other purchasers.	Don't communicate in any way or discuss with other purchasers the prices or other terms of purchased goods or services, or agree with others to not purchase from a supplier.
Do purchase goods and services on the basis of their merit without any agreement or implication that the supplier must purchase products or services from Carrier or not sell to others. Do ensure that Carrier's intellectual property rights are protected in agreements with suppliers.	Don't condition purchases from suppliers on their agreement to purchase other products or services from Carrier.
Do obtain the best available lawful price and terms for all goods and services purchased.	Don't induce suppliers into selling goods or services to Carrier at prices that are below or more favorable than those available to competing purchasers—except where justified by cost savings to the supplier.
	Don't share the proprietary information of one supplier with another supplier.

April 6, 2004

Gathering Competitive Information

DOs & DON'Ts

The United Technologies Corporation (UTC) *Code of Ethics* provides in §5.2 as follows:

In the highly competitive global marketplace, information about our competitors is a necessary element of business. Such information will be accepted only when there is a reasonable belief that both receipt and use of the information is lawful.

Some competitive information is 'proprietary' ('also called 'confidential' or 'trade secret') which a business would not want disseminated outside its organization. Gathering competitive information, while important, must be undertaken with prudence and care so as to avoid (i) wrongfully obtaining confidential information and (ii) inappropriate information exchanges between competitors which may lead to antitrust enforcement actions.

DOs and **DON'Ts** are attached as guidelines.

**Gathering Competitive Information
DOs & DON'Ts**

DO	DON'T
Do send all competitor's non-public information, written or oral, to the Legal Department for advice on whether the information may be used by Carrier; and do not keep any copies.	Don't invade or intrude on another's reasonable expectations of privacy or confidentiality.
Do obtain information from publicly available sources, e.g., newspapers, trade journals, published patents and patent applications, annual reports, stock exchange and regulatory filings, the Internet.	Don't induce a person to betray a trust or an obligation (e.g., by giving a gift or by offering or suggesting prospective employment or a business opportunity).
Do discuss proposed plans to obtain information and methodologies with the Legal Department in advance.	Don't trespass on another's property or property rights without permission to obtain information.
Do consult with the Legal Department and the Business Practices Officer when questions arise.	Don't misrepresent your position, your planned use of information requested, or otherwise mislead anyone to obtain information.
Do consider how you would feel if your planned methods of gathering information were used by another to get Carrier information.	Don't threaten or coerce another (e.g., a supplier) to share information.
	Don't use consultants or other intermediaries to obtain information without a written contract approved by the Carrier Legal Department.
	Don't exchange Carrier competitive information for competitive information of another.
	Don't communicate with competitors, directly or indirectly (whether at trade association meetings or elsewhere), on the following: about customers, other competitors, prices, pricing or methods of pricing; costs; supplier arrangements; terms & conditions of sale; decisions to bid or no-bid; sales territories; timing and announcement of price changes; production capacity; sales volume.
	Don't solicit or accept from employees proprietary information of their previous employers.

TRADE ASSOCIATIONS

These *DOs & DON'Ts*, prepared by the Carrier Legal Department, are intended to assist Carrier Corporation officers and employees worldwide to comply with the Carrier and UTC Antitrust Compliance Policy. Any deviation from these guidelines should be approved in advance by the Carrier Legal Department. Any questions should be directed to your assigned lawyer at your Carrier operating company, area HQ or WHQ.

<p>DO participate in trade and professional associations (“Associations”) connected with the HVAC/R business that perform useful, legitimate and pro-competitive functions.</p>	<p>DON’T discuss or in any way agree (in writing, verbally or through non-verbal actions) with competitors about:</p> <ul style="list-style-type: none"> - prices, pricing or methods of calculating prices or the timing of price changes; - costs of products or services, margins or discounts; - terms and conditions of sale (i.e. credit terms, promotion programs, discounts, service charges, delivery terms); - customers, decisions to quote or not to quote, sales territories, product or service offerings; - sales volumes, production capacity or volume; - investment decisions, research and development spending; - factory capacity or inventory levels; and - supplier arrangements. <p>DON’T have any formal or informal communication, whether during or after business hours, with any competitor about the prohibited subjects outlined above.</p>
<p>DO participate in Associations which have a written charter that clearly states the mission and purpose of the Association. Review the Association’s charter with the Carrier Legal Department.</p> <p>DO obtain Carrier Legal Department review before participating in Associations that have not retained legal counsel to attend meetings and assure antitrust compliance.</p>	<p>DON’T participate in Associations without a written charter that clearly states a legitimate mission and purpose for the Association.</p> <p>DON’T participate in Associations without a written policy that specifically prohibits any anti-competitive activities and discussions.</p> <p>DON’T participate in Associations or any other meeting with competitors where the purpose, intent or effect is anti-consumer or to limit competition. Avoid any discussions or conduct that might result in allegations of an improper agreement.</p>

TRADE ASSOCIATIONS

<p>DO participate in Associations which focus on legitimate and proper subjects, such as product safety standards, efforts to support pro-consumer government regulations and code adoption and modifications.</p>	<p>DON'T participate in a conversation or communication with any competitor if that competitor starts to discuss any of the topics prohibited above.</p> <p>DON'T let others infer assent or agreement to any anti-competitive solicitations or conduct by your silence.</p>
<p>DO obtain information within the context of the Association only when such information promotes the legitimate purposes of the Association noted above.</p>	
<p>DO be certain at all times that any meetings or discussions focus only on pro-competitive activities, such as, safety improvements, the adoption or revision of HVAC/R codes, the adoption of pro-consumer industry technical standards and adopting national or local laws which have pro-consumer impact (i.e. environmental laws).</p> <p>DO participate in meetings with distributors and other customers for the purpose of promoting Carrier products.</p> <p>DO coordinate with your Carrier lawyer in advance of any meeting or anticipated contact with a government official or employee.</p> <p>DO obtain an agenda before each Association meeting and DO attend only if the agenda items cover proper subjects for discussion among competitors.</p>	<p>DON'T exchange any information about suppliers you use, including prices paid by Carrier or terms received from any supplier.</p> <p>DON'T discuss with one customer Carrier's relationship with another customer.</p> <p>DON'T solicit the assistance of government officials or employees regarding improving safety, adopting or modifying codes or any other change in national or local laws without first seeking the advice of your Carrier lawyer.</p> <p>DON'T offer anything of value (nominal or otherwise) to any official or employee of any national or local government without first seeking the advice of your Carrier lawyer.</p>
<p>DO object immediately if a prohibited subject is raised at Association meetings or elsewhere and if the prohibited conduct continues, state your reasons for leaving, depart immediately and contact your Carrier lawyer.</p> <p>DO inform any competitor who raises a prohibited topic that our policy does not permit a discussion of anti-competitive topics and if the discussion continues, depart immediately and contact your Carrier lawyer to describe the circumstances of the discussion, what was said and who said it.</p>	

TRADE ASSOCIATIONS

<p>DO recommend that Associations provide training once a year to its members on the limitations of competitive discussions and activities.</p>	<p>DON'T participate in Associations that do not provide legal training unless your participation has been reviewed by your Carrier lawyer.</p>
<p>DO send copies of agendas, minutes of meetings and Association correspondence to the Carrier Legal Department.</p>	
<p>DO make notes for yourself at each meeting and DO make the notes available to the Carrier Legal Department for future reference.</p> <p>DO apply these same principles to discussions with competitors outside formal Association meetings or activities and discussions with third parties (i.e. consultants), so that competitively sensitive information does not become available to your competitors.</p>	<p>DON'T indirectly use third parties, including consultants and suppliers, to convey information to a competitor, which would be improper if said directly to the competitor.</p>