

Trade Association Procedures/ Contacts With Competitors
(June 2005)

1. Operation Presidents (or relevant senior business person) and Operation Legal Directors (or WHQ General Counsel) shall determine whether participation is necessary or beneficial for business reasons, and does not pose undue antitrust risk.
2. Operation, after consultation with the WHQ General Counsel, will withdraw from those associations and activities that are not business-justified or pose undue antitrust risk.
3. Operation Legal Director, in conjunction with Operation President will develop policies and procedures to govern participation in trade association activities and other meetings with competitors (excepting legitimate supplier-buyer negotiations and contracting). Such procedures include the following which are effective immediately:
 - A. There must be a written agenda provided at least five (5) days in advance of the meeting to the Legal Department. The relevant Legal officer should review the agenda before the meeting.
 - B. The association must keep minutes and provide them to the UTC Fire & Security representative in a timely manner.
 - C. Participation should generally involve employees in charge of health, safety, environmental, code or regulatory matters.
 - D. All other employees must receive approval from the Operation President or Business Unit General Manager and Operation Legal Director before attending. Normally, sales and marketing personnel should not attend meetings with competitors. When they do so, the Legal Director may determine that participation by an attorney is advisable.
 - E. Participants in meetings with competitors must abide by Trade Association DOs & DON'Ts policy which is attached as Exhibit 1. If attendees begin to discuss matters that would not normally be shared with competitors and that might adversely affect robust competition, the UTC Fire & Security employee should immediately leave the meeting. The employee should report promptly to the Operation Legal Director.
4. These measure are continuous and ongoing. Appropriate follow up may be imposed, including the possible use of certification procedures.
5. Legal will gather a list of associations and employees who attend. After the list is submitted, no other persons can attend nor can any employee join any other association without first seeking approval by Operation President/Business Unit General Manager and Operation Legal Director.

Exhibit 1

**Trade Association
DOs & DON'Ts**

These *DOs & DON'Ts*, prepared by the UTC Fire & Security Law Department, are intended to assist UTC Fire & Security officers and employees worldwide to comply with UTC policies and procedures, when participating in trade associations as representatives of UTC Fire & Security. Any deviation from these guidelines should be approved in advance by the UTC Fire & Security Law Department. For the purposes of these *DOs & DON'Ts*, trade associations include chambers of commerce, building owners associations, industry associations, professional associations, safety codes and standards committees, and other associations and organizations in which UTC Fire & Security and its competitors participate.

Questions should be directed to your assigned lawyer at your UTC Fire & Security operating company, or WHQ.

<i>DO</i>	<i>DON'T</i>
<p>DO participate in trade associations connected with your business that perform useful, legitimate and pro-competitive functions if your participation has been approved in advance by your UTC Fire & Security company's managing director or equivalent.</p>	<p>DON'T participate in any trade association without the prior approval of your operating company's managing director or equivalent.</p>
<p>DO remember that UTC Fire & Security must make its own decisions on, and not discuss with competitors, offering and selling its products and services, at what prices and on what other terms and conditions.</p>	<p>DON'T discuss or agree (in writing, orally, or through non-verbal actions) with competitors about:</p> <ul style="list-style-type: none"> Customers, suppliers, or other competitors; Prices, pricing or methods of calculating prices, or the timing of price changes; Costs of products or services, margins or discounts; any terms and conditions of sale or purchase (e.g., credit terms, payment terms, promotion programs, discounts, service charges, delivery terms); decisions to quote or not to quote on products, components, spare parts, or services; sales territories; product or service offerings; sales volumes, production capacity or volume; market shares; and non-public investment decisions, research and development spending, or technology.

<p>DO participate in trade associations which have a written charter that clearly states the mission and purpose of the association. DO review the association's charter with the UTC Fire & Security Law Department.</p>	<p>DON'T participate in a trade association without written charter that clearly states a legitimate (pro-competitive) mission and purpose for the association and prohibits any anti-competitive activities and discussions. DON'T participate in an association that does not carefully follow the legitimate purposes established in a written charter.</p>
<p>DO participate in trade associations that focus on legitimate and proper subjects, such as discussing safety improvements, efforts to support pro-consumer government regulations, and code adoption and modifications.</p>	<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 be certain at all times that any meetings or discussions focus only on pro-competitive activities, such as improving safety, the adoption of codes, changes to existing codes, and adopting national or local laws which have pro-consumer impact (e.g., tort reform).</p>	<p>DON'T participate in trade associations or any other meeting with competitors where the purpose, intent or effect is anti-consumer or to limit competition.</p>
<p>DO obtain an agenda before each trade association or committee meeting and DO attend only if the agenda items cover proper subjects for discussion among competitors.</p>	
<p>DO object immediately if a prohibited subject is raised at trade association meetings or elsewhere and, if the prohibited conduct continues, DO state your reasons for leaving emphatically, DO take some action which others will remember (e.g., spill your coffee, knock over your chair), DO depart immediately, and DO contact your UTC Fire & Security lawyer promptly.</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. DON'T let others infer or assume your assent or agreement to any anti-competitive statements from your conduct or by your silence.</p>
<p>DO obtain information within the trade association only when such information promotes the legitimate purposes of the association as noted above.</p>	<p>DON'T provide any information within the trade association on a prohibited subject (outlined above). DON'T provide any marketing information without prior review and approval by your UTC Fire & Security lawyer.</p>
<p>DO recommend that the association provide training once a year to its members on the limitations of competitive discussions and activities. DO request the trade association to issue antitrust compliance guidelines.</p>	<p>DON'T participate in any trade association that does not provide antitrust compliance guidelines unless your UTC Fire & Security lawyer has reviewed your participation.</p>

<p>DO send copies of agendas, minutes of meetings, and trade association correspondence to the UTC Fire & Security Law Department.</p>	
<p>DO make notes at each meeting for yourself and DO make the notes available to the UTC Fire & Security Law 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 (e.g., consultants).</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>