



# **SECTION 13:**

## **Investor Relations & Complying with Securities & Exchange Laws**

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## **A. SUMMARY**

The securities and exchange laws of the United States, U.S. states, and other jurisdictions are designed to promote informed decision-making by the investing public by requiring full and fair disclosure of information about securities and the companies that issue them. These laws also support transparent and efficient securities markets and public confidence in them by prohibiting certain deceptive and manipulative practices such as deliberately misleading, fraudulent, or selective disclosures, insider trading, and other misuses of material non-public information. As an ethical company and an issuer of securities, Carrier is fully committed to these goals. Carrier, its directors, officers, and employees shall therefore comply at all times with the letter and spirit of applicable securities and exchange laws as well as this policy and associated procedures and guidelines.

## **B. POLICY**

### **A. Safeguarding and Preventing Misuse of Material Non-Public Information**

Carrier officers and employees shall be afforded access to Material Non-Public Information solely on a strict need-to-know basis and shall safeguard such information. Disclosures of Material Non-Public Information shall be made solely by designated Carrier personnel and as authorized in accordance with this Policy. (See Procedures & Guidelines 13A – Safeguarding and Preventing Misuse of Material Non-Public Information)

### **B. Preventing Insider and Other Prohibited Securities Trading Practices**

Carrier directors, officers, and employees shall not trade securities on the basis of Material Non-Public Information (i.e., “insider trading”) or disclose (i.e., “tip”) Material Non-Public Information to others who may do so, and must refrain from other prohibited securities trading practices (e.g., short sales, pledging, put/call, hedging). Carrier directors and other Section 16 insiders must also strictly comply with the trading, preclearance, and reporting requirements of applicable securities laws and this Policy. (See Procedures & Guidelines 13B – Preventing Insider and Other Prohibited Securities Trading Practices)

### **C. Investor Relations and Preventing Selective Disclosures (Regulation FD Compliance)**

Carrier shall limit communications with securities industry professionals to authorized spokespersons, and ensure that communications are duly authorized and disclosures of Carrier Material Non-Public Information are made by way of widely disseminated public releases in compliance with Regulation FD. (See Procedures & Guidelines 13C – Investor Relations and Preventing Selective Disclosures (Regulation FD Compliance))

### **D. Ensuring Compliant Disclosure and Reporting to Investors (Disclosure Controls and Procedures)**



Carrier disclosures to the investing public shall be accurate, complete, and fairly present in all material respects Carrier's actual financial and operating condition and otherwise fully comply with applicable securities and exchange laws. Carrier shall maintain controls and procedures to provide its principal officers and senior management access and opportunity to review such information as is necessary to ensure that Carrier disclosures, reports, and related certifications required under the securities and exchange laws are based on appropriate due diligence, are timely, and meet the foregoing accuracy, completeness, and representation standard. (See Procedures & Guidelines 13D – Ensuring Compliant Disclosure and Reporting to Investors (Disclosure Controls and Procedures))

### C. KEY TERMS AND CONCEPTS

**Material Information** is information in any form, whether positive or negative, that a reasonable investor would likely consider important in deciding whether to buy, hold, or sell a Security, or that would have an effect on the market value of a Security, or that would alter the "total mix" of information available in the marketplace with regard to a Security and its issuing company. The term includes information related to and potentially impacting Carrier and Carrier Securities as well as information related to and potentially impacting another public company and Securities it issues. There is no bright-line standard for determining whether information is Material Information; rather the determination is based on an assessment of all facts and circumstances, and it is often evaluated by enforcement authorities with full benefit of hindsight. The following is an illustrative but not exhaustive or definitive list of information about a public company or its reporting segments that could be deemed "Material Information":

- Information regarding previously undisclosed past or prospective financial results at the public company-level or a financial reporting segment-level, including information communicated expressly, or indirectly or couched as "guidance" or "outlook" as to whether earnings or other financial measures are expected to be higher, lower or even the same as the amounts or range that the public company or financial analysts may have been forecasting;
- Projections of future revenues, cash flow, earnings, losses, charges, reserves or impairments at the public company-level or a financial reporting segment-level;
- Information regarding a pending or proposed tender offer, or joint venture, merger, acquisition, divestiture, or similar transaction other than in the ordinary course;
- Information regarding the proposed or contemplated disposition of a reporting segment or sale of assets or restructuring other than in the ordinary course;
- Significant costs associated with exit or divestiture activities;
- Significant borrowings, off-balance sheet obligations, or other financing transactions that are not in the ordinary course, or events that significantly accelerate or increase obligations thereunder;



- Events relating to Securities (e.g., stock splits, stock dividends, changes in dividend policies, offerings, issuances, calls, redemptions, repurchases, unregistered sale, changes to rights of security holders, defaults on senior securities, suspension in trading, including under employee benefits plans, de-listing, failure to comply with listing requirements, etc.);
- Possible changes in control of a significant entity;
- Proposed or pending changes in the board of directors, senior management or auditors;
- Determination that company financial statements or related audit reports can no longer be relied upon or must be restated;
- Significant new products or discoveries or significant events related to development, performance, or customer acceptance of new products;
- Significant transactions or negotiations with a current or potential customer or supplier or possible gain or loss of a substantial customer or supplier;
- Entry into or modification or termination of significant agreements other than in the ordinary course;
- Significant potential or contingent losses or gains, including but not limited to the existence of or anticipated impact of pending, threatened or contemplated legal proceedings, investigations or claims;
- Impending bankruptcy, receivership, or financial solvency or liquidity problems; or
- Non-Public Information obtained from government officials regarding government action or inaction (e.g., regulatory approvals or denials, changes in laws or regulations) having significant impact on a company.

**Non-Public Information** is information that has not been disclosed to the general public by means of a widely disseminated communication. Do not assume that information has effectively become “public information” merely due to issuance of a press release, its presence on Carrier’s or another website or appearance on a news service. While the amount of time that must pass for information to be considered “public information” and fully incorporated in the prevailing price for the relevant Security varies depending on the circumstances, in the case of a large public company like Carrier that is widely followed by analysts and media, it is generally reasonable to assume that information has become “public information” 24 hours after release of that information by Carrier in a widely disseminated external press release, widely accessible web cast that was announced in advance by press release, or in a report filed with the Securities and Exchange Commission (the “SEC”).

**Securities** includes equity securities such as stock (of any class, common or preferred), derivatives such as stock options, warrants, stock appreciation rights (SARs), performance stock units (PSUs), restricted stock units (RSUs), put or call options, forwards, futures, and swaps, and debt securities such as bonds, and convertible debentures.



**D. OWNERSHIP & APPROVAL**

Carrier Vice President and Chief Legal Officer, is responsible for interpreting this Policy and reviewing it biennially.

**E. REFERENCES**

Procedures & Guidelines 13A – Safeguarding and Preventing Misuse of Material Non-Public Information

Procedures & Guidelines 13B – Preventing Insider and Other Prohibited Securities Trading Practices

Procedures & Guidelines 13C – Investor Relations and Preventing Selective Disclosures (Regulation FD Compliance)

Procedures & Guidelines 13D – Ensuring Compliant Disclosure and Reporting to Investors (Disclosure Controls and Procedures)