



STANDARD WORK 13B:

Preventing Insider & Other Prohibited Securities Trade Practices

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A. INTRODUCTION

It is illegal for any person, either personally or on behalf of others, to trade Securities on the basis of Material Non-Public Information. It is also illegal for a person (“tipper”) who is aware of Material Non-Public Information to communicate (or “tip”) such Information to others (“tippee”) who may trade in Securities on the basis of such Information. These illegal activities are commonly referred to as “insider trading” and their prohibition reflects the need, as determined by the U.S. Congress, the SEC, and U.S. courts, to ensure equality of information between such “insiders” and members of the investing public. Potential individual penalties for insider trading violations include imprisonment for up to 10 years, civil fines of up to three times the profit gained or loss avoided by the trading, and criminal fines of up to \$1 million. In addition, a company may be liable for a civil fine of up to the greater of \$1 million or three times the profit gained or loss avoided for insider trading by its directors, officers, and employees.

Accordingly, Carrier strictly prohibits any form of insider trading or tipping, as well as certain types of trading practices described below, that are prohibited by the securities and exchange laws or that might expose Carrier and its directors, officers, and employees to significant liability and reputational damage, or erode investor confidence. Further, to prevent insider and these prohibited trading practices and to ensure compliance with mandatory reporting requirements under the securities laws, Carrier directors and certain officers and employees must strictly comply with the No Trade Periods (as defined below), transaction pre-clearance and reporting requirements, and other controls described below. These procedures and guidelines, which form part of this Policy, are designed to protect both you and Carrier from even the appearance of securities law violations. You are encouraged to ask questions of Carrier’s Corporate Secretary’s office and to seek any follow-up information that you may need to understand your obligations under the law and this Policy.

B. INSIDER TRADING AND TIPPING PROHIBITED

Carrier directors, officers, and employees are prohibited from engaging in any of the following, directly or indirectly through others, when having access (whether or not authorized) to Material Non-Public Information relating to Carrier or another public company (e.g., a Carrier customer or supplier):

- Trading the Securities of Carrier or the other public company on the basis of such Information; and
- Disclosing such Information to others who may trade the Securities of Carrier or the other public company on the basis of such Information (the discloser, recipient, and act of disclosure also known as “tipper”, “tippee”, and “tipping”, respectively). Disclosure of such Information could be considered illegal “tipping” if any “tippee” could be expected to engage in trading on the basis of that Information. Disclosure



includes any form of verbal or written communication, electronic message, posting of comments or information on the internet, social media/chat-rooms, or investor discussion forums (e.g., *Yahoo! Finance*, *Google Finance*, *Motley Fool*, etc.).

You are cautioned that “on the basis of” means while aware of Material Non-Public Information, regardless of whether such Information did in fact affect your or any other person’s decision to trade. The fact that you or another person may have had in mind other factors or good intentions in trading securities while aware of Material Non-Public Information may not absolve you or them of liability.

Further, transactions that may seem necessary or justifiable for independent or personal reasons (such as the need to raise money for an emergency expenditure) are not exempt from this Policy - the securities laws do not recognize such mitigating circumstances and, in any event, you must avoid even the appearance of impropriety to protect your and Carrier’s reputation in the marketplace.

In addition, be advised that the foregoing prohibitions also apply to your family members who reside with you, anyone else who lives in your household, and any family members who do not live in your household but whose transactions in Securities of Carrier or other public companies are directed by you or are subject to your influence or control (such as parents or children who consult with you before they trade) (collectively referred to herein as “Family Members”). You are responsible for the transactions of your Family Members and therefore should make them aware of the need to confer with you before they trade in the Securities of Carrier or other companies with whom Carrier has business relationships. Finally, please understand that the foregoing prohibitions may continue to apply even after you have terminated employment - if you remain in possession of Material Non-Public Information about Carrier after your termination, you may not trade in Carrier Securities until that Information ceases to be Non-Public or Material.

C. OTHER PROHIBITED SECURITIES TRANSACTIONS

Carrier considers it improper and inappropriate for directors, officers, and employees (including temporary employees) to engage in short-term or speculative transactions in Carrier Securities, whether legal or illegal, and therefore prohibits the following transactions:

Short Sales

Sales of Carrier Securities which you do not own or which you do own but fail to deliver within 20 days or deposit in the mail for delivery within five days of the sale (collectively, “Short Sales”) may be interpreted as an expectation on your part that such Securities will decline in value and signal to the market that you lack confidence in Carrier’s prospects. Short Sales may also reduce your incentive to improve Carrier’s performance and thereby present a prohibited conflict of interest



(see Carrier Code of Ethics and Carrier Policy Manual 7: Conflict of Interests). Short Sales by Carrier directors and Carrier officers designated as “Executive Officers” or “Section 16 Officers” (collectively “Section 16 Insiders”) are, for the same reasons, prohibited by Section 16(c) of the Exchange Act;

Publicly Traded Options.

Transactions in options (put or call) or other derivatives based on Carrier Securities on an exchange, any other organized market, or private transaction (other than receiving and exercising rights granted under Carrier equity awards) are, in effect, a bet on the short-term movement of Carrier Securities. Such transactions create the appearance that you are trading based on Carrier Material Non-Public Information and may also focus your attention on short-term performance at the expense of Carrier’s long-term objectives;

Hedging Transactions.

Certain forms of hedging or monetization transactions, such as prepaid variable forward contracts, equity swaps, zero-cost collars, and exchange funds lock in the value of Carrier Securities, often in exchange for all or part of the potential for upside appreciation in the stock, and allow you to continue to own Carrier Securities without the full risks and rewards of ownership. This creates misalignment between your objectives and those of Carrier’s other shareholders; and

Margin Accounts and Pledges.

Carrier Securities held in a margin account may be sold by the broker without your consent if you fail to meet a margin call. Similarly, Carrier Securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if you default on the loan. Margin and foreclosure sales may therefore occur at a time when you, as a pledger, are aware of Carrier Material Non-Public Information or are otherwise not permitted to trade Carrier Securities (e.g., during a No Trade Period – see below).

D. PROHIBITED SHORT-SWING SECURITIES TRADING BY SECTION 16 INSIDERS

Section 16(b) of the Exchange Act imposes liability on Carrier Section 16 Insiders for any profit derived from a purchase and then sale, or a sale and then purchase, in either case, of Carrier Securities within a period of less than 6 months of one another (“Short-Swing Trade”). Although Section 16(b) rests on the premise that individuals undertaking Short-Swing Trading are likely to have been aware of Material Non-Public Information and seeks to prevent the potential erosion of investor confidence arising from such Trades,



actual possession of Material Non-Public Information is not a precondition to the imposition of liability, which can be severe (e.g., disgorgement of any “profit” realized through short-swing trades). For this reason, Carrier prohibits Short-Swing Trading by Carrier Section 16 Insiders.

E. MANDATORY REPORTING UNDER SECTION 16(A)

To monitor compliance with Section 16(b) (Prohibited Short-Swing Sales) and (c) (Prohibited Short Sales), Section 16(a) of the Exchange Act and this Policy require Carrier Section 16 Insiders to report transactions in Carrier Securities. Exhibit A – Memorandum on Section 16 Compliance, which forms part of this Policy, provides additional guidance for Carrier Section 16 Insiders about this mandatory requirement, other Section 16 obligations for Section 16 insiders, and related assistance provided by Carrier.

F. MANDATORY PRE-CLEARANCE OF TRADING BY SECTION 16 INSIDERS AND OTHER EXECUTIVES

To ensure strict compliance with Section 16(a), and to avoid even the appearance of insider and other trading practices prohibited by Sections 16(b) and (c) and this Policy, the following Carrier personnel (collectively, the “Pre-Clearance Insiders”) must obtain pre-clearance from the Corporate Secretary’s office before engaging in any transaction involving Carrier Securities (including a stock plan transaction such as an option or stock appreciation right exercise, gift, loan or pledge or hedge, contribution to a trust, or any other transfer):

- Carrier Section 16 Insiders;
- each other member of the Carrier Executive Leadership Team (“ELT”);
- the Carrier Corporate Secretary, Vice Presidents of Financial Planning & Analysis, Internal Audit, Investor Relations, and Treasury, the Executive Assistant of the Chairman & Chief Executive Officer, and the chief financial officers of each Carrier reporting unit;
- any other personnel designated by the Carrier Senior Vice President & Chief Legal Officer (“CLO”) as being subject to Carrier’s pre-clearance procedures; and
- Family Members of the foregoing personnel.

The Corporate Secretary’s office is under no obligation to approve a trade submitted for pre-clearance, and may determine not to permit the trade. Pre-clearance of any trade does not constitute legal advice and does not relieve you of your personal legal obligation to avoid insider trading. The foregoing preclearance requirement is mandatory and in addition to the Section 16(a) reporting requirement for Section 16 Insiders described above.



G. NO TRADE PERIODS

To provide a degree of certainty about the permissibility of trading in Carrier Securities, the following persons (collectively, "Designated Insiders") are prohibited from trading in Carrier Securities during a No Trade Period (as defined below):

- the Pre-Clearance Insiders;
- anyone in the Corporate Finance Department (including the accounting, treasury, tax, business planning and internal audit organizations) or any of Carrier's reporting units having access to consolidated financial results or projections;
- anyone in the Corporate Secretary's office;
- any other employee having access to Carrier's consolidated financial results and projections before they become public, including employees having access to drafts of Carrier's consolidated quarterly and annual reports and employees having access to weekly, monthly or other interim consolidated financial reports;
- any other personnel designated by the CLO as being Designated Insiders; and
- Family Members of any of the foregoing persons;

A "No Trade Period" refers to: (a) the period commencing on the 16th calendar day of the 3rd month of each fiscal quarter and ending at the close of business on the 2nd business day after quarterly or annual earnings are released; and (b) any other period designated at any time as a No Trade Period by the Corporate Secretary's office. The Corporate Secretary's office may open a No Trade Period early at any time.

The Corporate Secretary's office will be responsible for: (a) keeping a list of Designated Insiders; (b) notifying Designated Insiders of the beginning and end of each No Trade Period; and (c) overseeing periodic training and/or certification of Designated Insiders with respect to this Policy. Carrier's CLO may from time to time remove any person from being a Designated Insider.

In the event of exceptional personal hardship, a Designated Insider may request a hardship exemption from Carrier's CLO for permission to trade during a No Trade Period, if the person does not possess any Carrier Material Non-Public Information and is not otherwise prohibited from trading pursuant to this Policy, which request the CLO may approve or reject in his or her sole discretion.

Additionally, Carrier may impose additional No Trade Periods relating to material events during which trading will not be allowed by certain personnel. The existence of an event-specific No Trade Period will not be announced, other than to those who are so advised. Any person made aware of the existence of an event-specific No Trade Period should not disclose its existence to any other person. The failure of the Corporate Secretary's office to advise a person as being subject to an event-specific No Trade Period will not relieve that person of the obligation not to trade while aware of Material Non-Public Information.



H. RULE 10B5-1 PLANS

A Pre-Clearance Insider may trade in Carrier Securities during No Trade Periods if the Pre-Clearance Insider has entered into a so-called Rule 10b5-1 plan approved pursuant to this Policy and Exhibit B - Rule 10b5-1 Stock Trading Plan Guidelines. Rule 10b5-1 plans allow corporate insiders to establish a defense to insider trading allegations by effecting transactions pursuant to a pre-established, written plan that specifies (by formula, actual dates, etc.) when trades are to be made. Basically, this plan can be designed to allow purchases and sales even when the Pre-Clearance Insider would otherwise be blocked by a No Trade Period or in the possession of Carrier Material Non-Public Information. In all cases, a Rule 10b5-1 plan must: (1) be in writing and in a form acceptable to Carrier; (2) be acknowledged in writing by the Corporate Secretary's office prior to the plan becoming effective; (3) contain certain terms and conditions as may be required by Rule 10b5-1; (4) not be entered into during a No Trade Period or when the Pre-Clearance Insider is in possession of Carrier Material Non-Public Information; and (5) otherwise comply with Exhibit B – Rule 10b5-1 Stock Trading Plan Guidelines. Please contact the Corporate Secretary's office should you wish to establish a Rule 10b5-1 plan.



EXHIBIT A

MEMORANDUM ON SECTION 16 COMPLIANCE

This Memorandum summarizes certain requirements for Carrier Section 16 Insiders under Section 16 of the Securities Exchange Act of 1934 ("Exchange Act"). It also describes the procedures established by Carrier to assist you, as a Carrier Section 16 Insider, in complying with these requirements. Carrier Policy Manual 13: Investor Relations and Complying with Securities and Exchange Laws incorporates these and other requirements regarding handling of Material Non-Public Information, ownership and transacting in Securities, and interaction with the investor community. Capitalized terms not otherwise defined in this Memorandum are defined in Carrier Policy Manual 13 (attached) of which this Memorandum is part.

INTRODUCTION

Section 16(a) of the Exchange Act requires that you file reports with the Securities and Exchange Commission ("SEC") concerning your beneficial ownership of Carrier Securities as well as any changes in such ownership. Section 16(b) of the Exchange Act provides for the recovery from you by Carrier of any profits deemed to be realized by you on any matched purchase and sale, or sale and purchase, of Carrier Securities within any period of less than six months (known as "Short-Swing Trades"), unless an exemption applies to one or both of the transactions giving rise to the match. Section 16(c) also prohibits you from selling shares of Carrier Securities which you do not own and from selling shares which are owned if they are not delivered within 20 days or deposited in the mail for delivery within five days of the sale (collectively "Short Sales"). Carrier Policy Manual 13 also prohibits you from engaging in Short-Swing Trades and Short Sales.

PERSONS COVERED BY SECTION 16

The provisions of Section 16 apply to all Carrier directors and to certain Carrier officers who are deemed to be corporate insiders for the purpose of the Exchange Act or that are designated by Carrier as "Executive Officers" or "Section 16 Officers" (collectively "Section 16 Insiders"). Every Section 16 Insider who becomes subject to the requirements of Section 16 will be notified in writing by the Corporate Secretary's office, who will also advise of any significant changes in the interpretation of these provisions as they occur.



MANDATORY REPORTING UNDER SECTION 16(A) AND TRANSACTION PRECLEARANCE

Section 16(a) requires that you file reports of your ownership of Carrier Securities. Initially, a statement of beneficial ownership on Form 3 must be filed within 10 calendar days of the date when you first become subject to the requirements of Section 16. Thereafter, statements of changes in beneficial ownership on Form 4 must be filed within two business days after any such change has occurred. SEC reporting is mandatory and remains your responsibility as a Carrier Section 16 Insider, but Carrier will assist you in complying with this requirement as described below. All grants of stock options, stock appreciation rights, restricted stock, and restricted share units must be reported on Form 4 within two business days after the grant date. This is in addition to the obligation to report exercises in any of the foregoing Carrier Securities on a Form 4 within two business days after the date of exercise.

Pursuant to Carrier Policy Manual 13, you must consult with and obtain preclearance from the Corporate Secretary's office to determine whether a reportable change in beneficial ownership of Carrier Securities (including stock options, stock appreciation rights, restricted stock units, performance share units, warrants, and other convertible securities) will occur, and if so, how and when it must be reported. A transaction may need to be reported even though the transaction is not a purchase or sale (e.g., a grant of securities or a gift), involves only a change in the form of ownership (e.g., a distribution to a beneficiary from a trust), or results in no net change in ownership from the last report. This preclearance policy is designed to protect you from violating the very technical and complex Section 16 reporting rules and otherwise incurring liability for profits arising from Short-Swing Trades, and also serves to ensure that the transactions otherwise comply with the securities and exchange laws and Carrier Policy Manual 13.

THE CONCEPT OF BENEFICIAL OWNERSHIP

A Section 16 Insider must report ownership of and transactions in any Securities that he or she "beneficially owns." A Section 16 Insider is deemed to beneficially own any Security from which the Insider can derive a direct or indirect pecuniary benefit, other than in certain limited contexts (e.g., where the Insider is a beneficiary of a trust and has no influence over the trustee's investment decisions). A Section 16 Insider is considered the direct beneficial owner of all Securities held in the insider's own name or held jointly with others. A Section 16 Insider is considered the indirect beneficial owner of any Securities from which the Insider obtains benefits substantially equivalent to those of ownership. Thus, equity Securities of Carrier beneficially owned through partnerships, corporations, trusts, estates, and Family Members may be beneficially owned by the Insider and therefore subject to reporting. A Section 16 Insider is presumed to be the beneficial owner of Securities held by the Insider's spouse and Family Members sharing the Insider's



home. A Section 16 Insider may, however, disclaim beneficial ownership of these or any other securities being reported if there is a reasonable basis for a disclaimer.

CONSEQUENCES OF FAILING TO FILE AND UNTIMELY SECTION 16 REPORTS

As described below, you may incur significant liability to Carrier for any profits you realize from Short-Swing Trades. However, the failure to file Forms 3, 4, and 5 on time, or at all, can also result in substantial negative consequences to both you and Carrier, even if there is no matching transaction. Consequently, pursuant to Carrier Policy Manual 13, Carrier requires you to comply with all pre-clearance requirements and to promptly report all transactions in Carrier Securities, and to fully cooperate with Carrier to ensure timely Section 16 reporting. Carrier is obligated to disclose in its proxy statements the names of any Section 16 Insider who fails to file Forms 3 or 4 during the past year or filed by them after they were due. This disclosure must be made even if the deficiency was subsequently corrected. Such a disclosure may result in significant embarrassment to you and damage Carrier's reputation. Further, the SEC is empowered to impose civil fines for violations of the securities and exchange laws. These fines can be quite substantial, even for inadvertent violations such as deficient or late filings of Forms 3 or 4. Individuals are potentially subject to fines of up to \$5,000 per inadvertent violation (or \$50,000 for knowing violations or \$100,000 for knowing violations that result in or create a significant risk of substantial losses to other persons). This could conceivably result in fines of \$5,000 (or greater) for each day that a Form 3, 4, or 5 is late. There are also criminal penalties and fines for willful violations of the securities and exchange laws. As a result of amendments effected by the Sarbanes-Oxley Act of 2002, each willful violation of any provision of the Exchange Act, including Section 16, can be punishable by up to 20 years in jail and a \$5 million fine. While the SEC historically has not sought to pursue enforcement actions or recommend criminal sanctions for Section 16 violations except in the most egregious cases, these penalties underscore the personal nature of your obligations under Section 16.

LIABILITY FOR PROFITS ARISING FROM SHORT-SWING TRADES

To deter you from engaging in Short-Swing Trades, Section 16(b) requires Carrier to recover from any Section 16 Insider the "statutory profit" realized by him or her when a purchase and sale, or a sale and a purchase, take place within a period of less than six months. The amount of the recoverable profit is not based purely on economic gain, and there have been cases where an individual actually lost heavily but was held accountable for "profits" as described below. Further, the actual possession or use of inside or undisclosed information is not a precondition to the recovery of these profits. If Carrier fails or refuses to seek to collect such profits, any shareholder may bring suit in Carrier's name for recovery. Courts in these actions often award attorney's fees to the plaintiff's



counsel based upon the amount of the profit recovered. As a result, there are a small cadre of attorney's who review Section 16 reports for violations of Section 16(b) with the intention of bringing suit (and collecting attorney's fees) if an issuer fails to do so after demand. Unpaid Section 16(b) liability must also be shown as indebtedness of the Section 16 Insider to the issuer in its proxy statement.

LIABILITY FOR SHORT-SWING TRADES BEFORE AND AFTER SECTION 16 STATUS

Section 16 may apply to transactions undertaken by you before the time that you became subject to Section 16 or after such status ends (e.g., your resignation as a director or separation of employment with Carrier). A transaction undertaken by you in the six months before your becoming a Section 16 Insider will itself be subject to Section 16 and reported on the first required Form 4 if the transaction occurred within six months of the transaction requiring the Form 4 filing and the Section 16 Insider became subject to Section 16 solely as a result of the issuer registering a class of Securities pursuant to Section 12 of the Exchange Act. A transaction effected by you in the six months after the cessation of your Section 16 Insider status is subject to Section 16 if such transaction is not exempt from Section 16(b) and is executed within the six months of an "opposite way" transaction subject to Section 16(b) that occurred while you were a Section 16 Insider. Accordingly, you should not make an opposite trade within six months after the last transaction while a Section 16 Insider. Such as trade, if it were to occur, and the sales price is higher than the purchase price against which it is matched, would subject you to Section 16(b) liability.

COMPLIANCE PROGRAM

In order to facilitate compliance by Carrier Section 16 Insiders with the foregoing legal requirements, Carrier requires that you strictly comply with Section 16, Carrier Policy Manual 13, this Memorandum (which forms part of Carrier Policy Manual 13), and the following procedures:

- 1. Section 16 Insiders shall contact and obtain pre-clearance from the Corporate Secretary's office before transacting Carrier Securities. This will enable the Corporate Secretary's office to assist you in complying with the applicable requirements of Section 16, as well as other requirements of the securities and exchange laws and Carrier Policy Manual 13, and will ensure that the records of the Corporate Secretary's office with respect to your ownership of Carrier Securities are accurate and current; and**



2. Carrier will complete and file Forms 3 and 4 on your behalf subject to preclearance of the transaction and receipt by the Corporate Secretary's office of a signed power of attorney authorizing the Corporate Secretary's office to file on your behalf. Carrier will also notify reporting persons monthly of the number of Carrier Securities reflected on company records as being beneficially owned by them at month's end.

Be advised, the foregoing reporting requirements are ultimately your personal obligation and you must promptly reconcile any information provided by Carrier or your representatives regarding your beneficial ownership if incorrect. In addition, because Section 16(a) is concerned with the beneficial ownership, which entails voting and pecuniary interest rather than simply ownership of record, you must be aware of and report transaction in Carrier Securities undertaken by any relatives and entities whose stock ownership is attributable to you (e.g., Family Members living in the same household, trusts, partnerships, and corporations).



EXHIBIT B

RULE 10B5-1 STOCK TRADING PLAN GUIDELINES

Each individual (“eligible person”) subject to the mandatory preclearance of trading under the Procedures & Guidelines 13B – Preventing Insider and Other Prohibited Securities Trading Practices (the “Insider Trading Policy”) of Carrier Global Corporation (the “Company”) may elect to trade in Company securities pursuant to a written plan (a “trading plan”), which complies with Rule 10b5-1 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 10b5-1”), and which meets the other conditions set forth below. The Company reserves the right (but assumes no duty), in its sole discretion, to deny any proposed trading plan and to bar all trades in its securities from time to time, even pursuant to existing trading plans.

These guidelines are in addition to, and not in lieu of, the requirements and conditions of Rule 10b5-1 and the Insider Trading Policy. All restrictions under the Insider Trading Policy that apply when purchasing or selling the Company’s securities also apply when establishing a trading plan. All trading plans must comply with Rule 10b5-1 and be approved by the Company’s Chief Legal Officer or a designee of the Chief Legal Officer (the “Authorizing Person”) prior to the eligible person adopting the trading plan. Eligible persons should be cautioned that no personal legal or financial advice is being provided regarding the draft trading plan or proposed trades. Each eligible person remains ultimately responsible for ensuring that his or her trading plan and contemplated transactions fully comply with applicable securities laws. It is recommended that eligible persons consult with their own attorneys, financial advisors, or other advisors about their draft trading plans.

(A) ADOPTING A TRADING PLAN

Prior to adopting a trading plan, an eligible person shall deliver a draft of the trading plan with UBS (substantially in the form attached hereto as Appendix A - Rule 10b5 1 Trading Plan (Sales) or Appendix B - Rule 10b5 1 Trading Plan (Purchases)) to the Authorizing Person for approval, including a determination that upon its execution such trading plan will meet the following minimum conditions:

- The trading plan will be with UBS for Carrier securities held by UBS - trading plans are not permitted with brokers other than UBS/Carrier securities held by UBS.
- The trading plan is in writing, signed by the person adopting the trading plan.
- The trading plan can be adopted only during an open trading window at a time when the adopter is (i) not aware of any material non-public information and (ii) not subject to an event-driven no-trade period.



- The trading plan must be entered into in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1.
- The trading plan must have a fixed duration of not less than twelve (12) months and no more than twenty-four (24) months.
- The first trade made pursuant to the trading plan may take place no earlier than four (4) months after adoption of the trading plan.
- After giving effect to all potential trades contemplated by the trading plan, the eligible person would remain in compliance with the Company's Share Ownership Requirements.
- The transactions contemplated by the trading plan would not result in a violation of the Insider Trading Policy.

(B) AMENDING A TRADING PLAN

Amendments of trading plans are strongly discouraged due to legal risks, including the risk that previously executed transactions that occurred under the trading plan may be viewed as improper insider trades.

Amendments:

1. must be approved in advance and in writing by the Authorizing Person;
2. will be treated as a termination of the current trading plan and creation of a new trading plan; and
3. will be subject to all requirements regarding establishment of new trading plans, including that (i) the amendment shall be permitted only during open trading windows when the individual is not in possession of any material non-public information and (ii) the first trade under an amended trading plan may not occur until at least four (4) months after the date of amendment of the trading plan.

(C) TERMINATING A TRADING PLAN

Voluntary terminations of trading plans prior to their stated duration are also strongly discouraged due to legal risks. However, terminations may be appropriate to avoid the appearance of impropriety arising from impending trades that will be made pursuant to the trading plan when the eligible person is in possession of material non-public information (e.g., an executive wants to avoid sales occurring pursuant to a trading plan in advance of bad news in order to eliminate the appearance of a well-timed trade or that there was an intentional delay in announcing the information). If an eligible person wishes to terminate their trading plan early, they must notify the Authorizing Person in advance, and it is recommended that they terminate at a time when they are not aware of material non-public information. The Authorizing Person may warn the individual that early



termination could be used as evidence that his or her trading plan had been entered into in bad faith.

Following termination of a trading plan, a new trading plan may be adopted only with an effective date that complies with these guidelines, and the creation of the new trading plan will be subject to all requirements regarding establishment of trading plans contained herein. A new trading plan may not be established until four (4) months have passed since the termination of the prior trading plan. The Authorizing Person may deny approval of a new plan after the early termination of an existing trading plan if the eligible person has exhibited a pattern of early termination or has adopted a series of short-term trading plans.

(D) GENERAL INFORMATION

The adoption, amendment and termination of trading plans are subject to the prior review and approval of the Authorizing Person and approval may be withheld in the sole discretion of the Company. In addition, trading plans must be non-discretionary, provide for delivery by the applicable broker of written notice to the Authorizing Person of each trade under the trading plan on the day such trade is made, be in the form of a written, binding contract and specify objective criteria regarding (i) a fixed number of shares to be traded or a formula for the amount of stock to be traded, (ii) the dates or a range of dates on which the stock is to be traded, and (iii) the prices at which the stock is to be traded (including such price being determined by a formula).

Once a trading plan has been approved by the Authorizing Person, transactions executed pursuant to that trading plan do not require approval. However, directors and executive officers are required to, and shall cause the broker of their trading plans to, immediately report all transactions executed under a trading plan to the Authorizing Person so that a Form 4 for such transaction may be timely filed by the Company. The eligible person shall also promptly advise the Chief Executive Officer of all transactions made pursuant to the trading plan.

An eligible person who has entered into a trading plan may only conduct trades of Company stock outside of the trading plan during the plan period if those trades have been precleared according to the Insider Trading Policy.

In accordance with the Insider Trading Policy, hedging or corresponding transactions in Company stock are prohibited.

Eligible persons must ensure they continue to meet or exceed the Company's Share Ownership Requirements.

The Authorizing Person may contact the eligible person's broker to suspend active plans in the event of potential legal restrictions on trades, including a tender offer for Company



stock and other SEC trading compliance issues. The Authorizing Person will not disclose any material non-public information when notifying a broker of a suspension.

APPENDICES:

- [CPSW-13B: Preventing Insider & Other Prohibited Securities Trade Practices - Appendix A](#)
- [CPSW-13B: Preventing Insider & Other Prohibited Securities Trade Practices - Appendix B](#)