



# **SECTION 20:**

## **Commercial and U.S. Government Sales Contracts**

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## A. SUMMARY

The purpose of this Policy is to ensure that Carrier enters into Commercial and U.S. Government sales contracts on terms and conditions with which it can comply, and which appropriately mitigate legal and commercial risk.

## B. POLICY

Carrier provides a wide range of products and services including HVAC, transport and commercial refrigeration and fire & security products which support critical infrastructure and which, if not appropriately mitigated, can pose a significant liability risk. For example, Carrier's failure to adhere to specific U.S. Government contracting requirements can result in significant fines and penalties including potential civil or criminal liability of Carrier and its employees and debarment from future U.S. Government contracting. This policy and its related procedures establish the criteria the Carrier Legal Department will consider when evaluating and negotiating sales contracts and identify, along with the Carrier Approval Matrix, those contractual obligations, thresholds, and deviations requiring approval.

## C. RESPONSIBILITIES

Each Reporting Unit must have a standard sales contract for each of its businesses (these need not be the same standard contract for all businesses within the Reporting Unit) that has been approved by the relevant Reporting Unit Counsel (or his/her delegate) and which addresses the issues identified in this policy. Businesses should seek to contract with customers on standard contracts to the extent market circumstances permit.

Each Reporting Unit must have a robust process for review and approval of customer sales contracts to ensure compliance with this policy, its related procedures (CPSW-20A: Commercial and U.S. Government Contract Procedure), and the Sales Contract Approval Matrix section of the Carrier Approval Matrix.

## D. DEFINITIONS

All capitalized terms not defined in this policy are defined in [CPM 1: Governance and Definitions](#) including [Exhibit 1: Compliance Glossary](#)



## **E. OWNERSHIP AND APPROVAL**

The CLO is the owner of this policy. All waivers and changes require prior approval of the owner. Contact your Carrier Legal Counsel with questions regarding this policy.

## **F. REFERENCES**

All referenced CPM and CPSW can be retrieved from [ePolicy](#)

CPSW-20A: Carrier Commercial and U.S. Government Sales Contracts Procedure

Carrier Financial Manual, Corporate Guarantees and Comfort Letters

Carrier Approval Matrix

CPM 8: Anti-Corruption Program

CPM 10: Intellectual Property

CPM 24: Privacy Compliance Program