



# RELATED PERSON TRANSACTIONS POLICY

Effective JUNE 9, 2021

---

The rules and regulations of the New York Stock Exchange (“NYSE”) and Securities and Exchange Commission (“SEC”) require review and public disclosure of certain transactions involving Carrier Global Corporation and its subsidiaries (“Carrier”) and certain related parties. To this end, the Carrier Board of Directors (“Board”) has adopted the following standards for the identification, review, approval, and disclosure of Related Person Transactions (as defined below).

A “Related Person Transaction” is any transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) involving Carrier in which a Related Person (as defined below) had, has, or will have a direct or indirect material interest.

## A. Definitions.

1. A “Related Person” means any person who is, or was at any time since the beginning of Carrier’s last fiscal year:
  - a. A director of Carrier, a nominee for director, or an executive officer of Carrier;
  - b. Any person known to be the beneficial owner of more than 5% of Carrier’s common stock; or
  - c. An Immediate Family Member (as defined below) of a Carrier director, a nominee for director, an executive officer of Carrier, or of a more than 5% beneficial owner of Carrier’s common stock.
2. An “Immediate Family Member” means a child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such Carrier director,



nominee for director, executive officer of Carrier, or more than 5% beneficial owner, and any person (other than a tenant or employee) sharing the household of such director, nominee, executive officer or beneficial owner.

- B.** Each director, nominee, and executive officer shall promptly notify the Corporate Secretary of any proposed transaction, arrangement, or relationship involving Carrier in which such person or such person's Immediate Family Member will have an interest, whether or not such interest is material. Each notice shall state:
1. The Related Person's relationship to Carrier and interest in the transaction;
  2. The benefit to Carrier of the proposed transaction;
  3. The identities of the other participants in the proposed transaction;
  4. The material terms of the proposed transaction;
  5. The approximate dollar value of the proposed transaction and the approximate dollar value of the Related Person's interest in the proposed transaction; and
  6. Any other information regarding the proposed transaction or the Related Person in the context of the transaction that is relevant to the evaluation thereof or which may be material to a reasonable investor.
- C.** Once the Corporate Secretary is notified or learns about a proposed transaction, the following shall occur before the transaction is consummated:
1. Corporate Secretary, in consultation with the chief compliance officer (collectively, "Reviewing Officers"), will assess whether the proposed transaction may be a Related Person Transaction;
  2. If the Reviewing Officers conclude that the proposed transaction may be a Related Person Transaction (indicating that it is material to the Related Person and not of a de minimis nature), the proposed transaction shall be submitted to the Governance Committee ("Committee") of the Board for consideration at the next Committee meeting or, when it is not practicable to wait until the next Committee meeting, to the Chair of the Committee. If the Chair of the Committee or his or her Immediate Family Member is the subject Related Person, such transaction may be reviewed and approved by the Lead Independent Director or another disinterested member of the



Committee if the Lead Independent Director is also the Chair of the Committee (the Chair of the Committee and each such director, a "Reviewing Director"). The Reviewing Director is hereby delegated authority to act between Committee meetings for Related Person Transactions involving less than \$1 million;

3. The Committee or Reviewing Director, as applicable, shall consider all of the relevant facts and circumstances, determine whether the transaction is a Related Person Transaction, and approve only those Related Person Transactions that are not inconsistent with the best interests of Carrier and its shareowners, as determined in good faith. The Committee or Reviewing Director, as applicable, shall take into account, among other factors it deems appropriate, whether the Related Person Transaction is on terms no less favorable to Carrier than terms generally available in transactions with unaffiliated third-parties under the same or similar circumstances, and the extent of the Related Person's interest in the transaction. No member of the Committee or management shall participate in any review, consideration, or approval of any potential Related Person Transaction with respect to which such member or management or any of his or her Immediate Family Members is the Related Person.

- D. The Reviewing Director shall report to the Committee at the next Committee meeting any approval under this policy pursuant to the delegated authority.
- E. The Committee on at least an annual basis, shall review and assess Related Person Transactions previously approved to determine whether the Related Person Transaction remains appropriate.
- F. Each director, nominee, and executive officer shall promptly notify the Corporate Secretary of any on-going or completed transaction, arrangement, or relationship involving Carrier in which such person or such person's Immediate Family Member had or already has an interest, whether or not such interest is material, that was not previously approved by the Committee or Reviewing Director, as applicable. Each notice shall provide the information described in Section B above for the on-going or completed transaction, arrangement, or relationship



and the following shall occur if a Related Person Transaction was not previously approved by the Committee or Reviewing Director, as applicable:

1. If the transaction is ongoing, it shall be promptly submitted to the Committee or Reviewing Director, as applicable, for review. The Committee or Reviewing Director, as applicable, shall consider all of the relevant facts and circumstances available, shall evaluate all options, including but not limited to ratification, amendment, or termination of the Related Person Transaction, and shall take such course of action as appropriate under the circumstances;
2. If the transaction was completed, the Committee or Reviewing Director, as applicable, shall evaluate the transaction to determine if rescission of the transaction or other action is appropriate; and
3. The Committee or Reviewing Director, as applicable, shall also examine the facts and circumstances pertaining to the failure of such transaction to have been presented for review and approval and shall take such actions deemed appropriate under the circumstances.

**G.** Material amendments and/or modifications to any Related Person Transaction previously approved or ratified by the Committee or Reviewing Director, as applicable, shall require the approval or ratification of the Committee or Reviewing Director, as applicable.

**H.** Carrier may employ a Related Person who possesses the requisite skills and qualifications consistent with Carrier's policies and practices for employing a non-Related Person in similar positions, provided that such employment arrangement has been approved by the Chief Human Resources Officer, chief compliance officer, and the Committee or Reviewing Director, as applicable, pursuant to the requirements of this policy.

**I.** The procedures set forth in this policy are supplemental to, and are not intended to replace or supersede any other policies or procedures of Carrier.



- J. The Committee has reviewed the following transactions and determined that such transactions shall be deemed to be pre-approved or ratified (as applicable) by the Committee under the terms of this policy:
1. Any compensation or benefits paid to an executive officer solely with respect to his or her employment with Carrier if Carrier's Compensation Committee approved (or recommended that the Board approve) such compensation or benefits, and the executive officer is not an Immediate Family Member of another executive officer, director, or nominee for director of Carrier;
  2. Any compensation or benefits paid to a director solely with respect to his or her service as a director of Carrier if Carrier's Governance Committee approved (or recommended that the Board approve) such compensation or benefits;
  3. Any transaction with another company at which a Related Person's only relationship is as an employee or an Immediate Family Member is an executive officer, if the aggregate amount involved does not exceed the greater of \$1 million or 2% of such other company's annual consolidated gross revenues;
  4. Any charitable contribution, grant or endowment to or transaction with a charitable organization, foundation or university at which a Related Person's only relationship is as an employee, officer, director, or trustee if the aggregate amount involved does not exceed the greater of \$1 million or 2% of the charitable organization's annual consolidated gross revenues;
  5. Any transaction with another firm, corporation or entity at which a Related Person's only relationship is as a director, or as the owner together with any other Carrier Related Person(s) of less than a ten percent equity, or limited partnership interest in the entity (and none of such Related Persons serves as a general partner);
  6. Any transaction where the Related Person's interest arises solely from the ownership of Carrier's common stock and all holders of Carrier's common stock receive the same benefit on a pro rata basis (e.g., dividends); and Any transaction involving a Related Person where the rates or charges involved are determined by competitive bids.



A summary of each new transaction deemed pre-approved pursuant to paragraphs (3) and (4) above shall be provided to the Committee annually for its review.

- K.** If required by the rules and regulations of the SEC, Carrier shall disclose Related Person Transactions in its filings with the SEC.