# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, D.C. 20549**

# FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2021**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Commission file number 001-39220**

# CARRIER GLOBAL CORPORATION

(Exact name of registrant as specified in its charter)

| **Delaware** | **83-4051582** |
|---|---|
| (State or Other Jurisdiction of Incorporation or Organization) | (I.R.S. Employer Identification No.) |

**13995 Pasteur Boulevard, Palm Beach Gardens, Florida 33418**

(Address of principal executive offices, including zip code)

**(561) 365-2000**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock ($0.01 par value) | CARR | New York Stock Exchange |

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒. No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | | | |
|---|---|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ | Emerging growth company | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ | | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting Common Stock held by non-affiliates of the Registrant as of June 30, 2021, the last business day of the Registrant's most recently completed second fiscal quarter, was approximately $42.1 billion, based on the New York Stock Exchange closing price for such shares on that date. Solely for purposes of this disclosure, shares of Common Stock held by executive officers and directors of the Registrant as of such date have been excluded because such persons may be deemed to be affiliates. This determination of executive officers and directors as affiliates is not necessarily a conclusive determination for any other purpose.

As of January 31, 2022, there were 855,514,035 shares of Common Stock outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Part III hereof incorporates by reference portions of the Registrant's definitive proxy statement related to its 2022 annual meeting of shareowners.

## Index

Carrier Global Corporation and its subsidiaries' names, abbreviations thereof, logos and product and service designators are all either the registered or unregistered trademarks or trade names of Carrier Global Corporation and its subsidiaries. Names, abbreviations of names, logos and products and service designators of other companies are either the registered or unregistered trademarks or trade names of their respective owners. As used herein, the terms "we," "us," "our," "the Company" or "Carrier," unless the context otherwise requires, mean Carrier Global Corporation and its subsidiaries. References to internet websites in this Annual Report on Form 10-K are provided for convenience only. Information available through these websites is not incorporated by reference into this Annual Report on Form 10-K.

## CAUTIONARY NOTE CONCERNING FACTORS THAT MAY AFFECT FUTURE RESULTS

This Annual Report on Form 10-K contains statements which, to the extent they are not statements of historical or present fact, constitute "forward-looking statements" under the securities laws. From time to time, oral or written forward-looking statements may also be included in other information released to the public. These forward-looking statements are intended to provide management’s current expectations or plans for our future operating and financial performance, based on assumptions currently believed to be valid. Forward-looking statements can be identified by the use of words such as "believe," "expect," "expectations," "plans," "strategy," "prospects," "estimate," "project," "target," "anticipate," "will," "should," "see," "guidance," "outlook," "confident," "scenario" and other words of similar meaning in connection with a discussion of future operating or financial performance or the Separation (as defined in PART I, ITEM I, BUSINESS, Separation from United Technologies Corporation). Forward-looking statements may include, among other things, statements relating to future sales, earnings, cash flows, results of operations, uses of cash, share repurchases, tax rates and other measures of financial performance or potential future plans, strategies or transactions of Carrier, the estimated costs associated with the Separation, Carrier's plans with respect to our indebtedness and other statements that are not historical facts. All forward-looking statements involve risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995. Such risks, uncertainties and other factors include, without limitation:

- the effect of economic conditions in the industries and markets in which Carrier and our businesses operate in the U.S. and globally and any changes therein, including financial market conditions, fluctuations in commodity prices, interest rates and foreign currency exchange rates, levels of end market demand in construction, the impact of weather conditions, pandemic health issues (including COVID-19, any variants and their effects, among other things, on production and on global supply, demand, and distribution as the outbreak continues and results in a prolonged period of travel, commercial and other restrictions and limitations), natural disasters and the financial condition of our customers and suppliers;
- challenges in the development, production, delivery, support, performance and realization of the anticipated benefits of advanced technologies and new products and services;
- future levels of indebtedness, capital spending and research and development spending;
- future availability of credit and factors that may affect such availability, including credit market conditions and Carrier's capital structure and credit ratings;
- the timing and scope of future repurchases of Carrier's common stock, including market conditions and the level of other investing activities and uses of cash;
- delays and disruption in the delivery of materials and services from suppliers;
- cost reduction efforts and restructuring costs and savings and other consequences thereof;
- new business and investment opportunities;
- risks resulting from being a smaller less diversified company than prior to the Separation;
- the outcome of legal proceedings, investigations and other contingencies;
- the impact of pension plan assumptions on future cash contributions and earnings;
- the impact of the negotiation of collective bargaining agreements and labor disputes;
- the effect of changes in political conditions in the U.S. and other countries in which Carrier and our businesses operate, including the effect of changes in U.S. trade policies, on general market conditions, global trade policies and currency exchange rates in the near term and beyond;
- the effect of changes in tax, environmental, regulatory (including among other things import/export) and other laws and regulations in the U.S. and other countries in which we and our businesses operate;

- the ability of Carrier to retain and hire key personnel;
- the scope, nature, impact or timing of acquisition and divestiture activity, including among other things integration of acquired businesses into existing businesses and realization of synergies and opportunities for growth and innovation and incurrence of related costs;
- the expected benefits of the Separation;
- a determination by the U.S. Internal Revenue Service ("IRS") and other tax authorities that the Distribution or certain related transactions should be treated as taxable transactions;
- risks associated with indebtedness, including that incurred as a result of financing transactions undertaken in connection with the Separation, as well as our ability to reduce indebtedness and the timing thereof;
- the risk that dis-synergy costs, costs of restructuring transactions and other costs incurred in connection with the Separation will exceed Carrier's estimates; and
- the impact of the Separation on Carrier's business and Carrier's resources, systems, procedures and controls, diversion of management's attention and the impact on relationships with customers, suppliers, employees and other business counterparties.

This Annual Report on Form 10-K includes important information as to risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. See the Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K under the heading "Note 23 – Commitments and Contingent Liabilities," the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the headings "Business Overview," "Results of Operations," "Liquidity and Financial Condition," and "Critical Accounting Estimates," and the section entitled "Risk Factors." This Annual Report on Form 10-K also includes important information as to these factors in the "Business" section under the headings "General," "Other Matters Relating to Our Business as a Whole," and in the "Legal Proceedings" section. The forward-looking statements speak only as of the date of this report or, in the case of any document incorporated by reference, the date of that document. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. Additional information as to factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements is disclosed from time to time in our other filings with the SEC.

This Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports are available free of charge through the Investors section of our Internet website (*http://www.corporate.carrier.com*) under the heading "SEC Filings" as soon as reasonably practicable after these reports are electronically filed with, or furnished to, the United States Securities and Exchange Commission ("SEC"). In addition, the SEC maintains an Internet website (*http://www.sec.gov*) containing reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

**PART I**

**ITEM 1. BUSINESS**

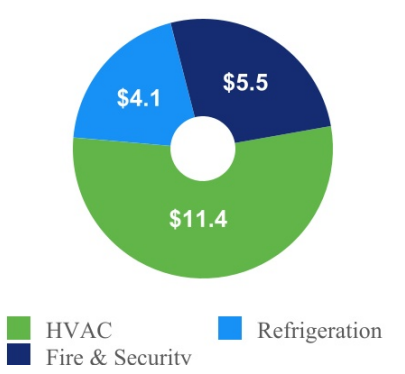
**General**

Carrier Global Corporation is a leading global provider of healthy, safe, sustainable and intelligent building and cold chain solutions. Our portfolio includes industry-leading brands such as Carrier, Kidde, Edwards, LenelS2, Carrier Transicold and Automated Logic that offer innovative heating, ventilating and air conditioning ("HVAC"), refrigeration, fire, security and building automation technologies to help make the world safer and more comfortable. We also provide a broad array of related building services, including audit, design, installation, system integration, repair, maintenance and monitoring.

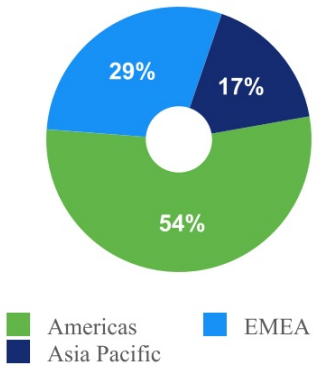
Our worldwide operations are affected by global and regional industrial, economic and political factors and trends. These include the mega-trends of urbanization, climate change and increasing requirements for food safety driven by the food needs of a growing global population and the rising standards of living in emerging markets. We believe that our business segments are well positioned to benefit from favorable secular trends, including these mega-trends and from the strength of our industry-leading brands and track record of innovation. In addition, we regularly review our markets to proactively identify trends and adapt our strategies accordingly.

Our operations are classified into three segments: HVAC, Refrigeration and Fire & Security. For the year ended December 31, 2021, our net sales were $20.6 billion and our operating profit was $2.6 billion. Our net sales for 2021 were derived from the Americas (54%), Europe, Middle East and Africa ("EMEA") (29%) and Asia-Pacific (17%). Our international operations, including U.S. export sales, represented approximately 52% of our net sales for 2021. During the same period, new equipment comprised 73% and aftermarket comprised 27% of our net sales.

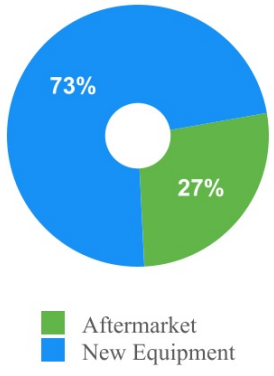
**Sales by Segment ***




**Net Sales by Region**




**Sales by Type**




* Segment sales include inter-company sales.

**Separation from United Technologies Corporation**

On April 3, 2020 (the "Distribution Date"), United Technologies Corporation, since renamed Raytheon Technologies Corporation ("UTC") completed the spin-off of Carrier into an independent publicly traded company (the "Separation") through a pro rata distribution (the "Distribution") of all of the outstanding shares of common stock of the Company to UTC shareowners. Our common stock is listed under the symbol "CARR" on the New York Stock Exchange ("NYSE"). In connection with the Separation, we issued an aggregate principal balance of $11.0 billion of debt and transferred approximately $10.9 billion of cash to UTC on February 27, 2020 and March 27, 2020. In addition, we entered into several agreements with UTC and Otis Worldwide Corporation ("Otis") that govern various aspects of the relationship among us, UTC and Otis following the Separation and the Distribution including the Transition Services Agreement ("TSA"), which expired on March 31, 2021, the Tax Matters Agreement ("TMA"), an employee matters agreement and an intellectual property agreement. Income and expense under these agreements are not material. On April 1, 2020 and April 2, 2020, we received cash contributions totaling $590 million from UTC related to the Separation.

**Sale of Chubb Fire and Security Business**

On January 3, 2022, we completed the sale of our Chubb Fire and Security business ("Chubb") to APi Group Corporation ("APi") pursuant to a stock purchase agreement for an enterprise value of $3.1 billion (the "Chubb Sale Agreement"). Chubb, reported within our Fire & Security segment, delivers essential fire safety and security solutions from design and installation to monitoring, service and maintenance across more than 17 countries around the globe. The purchase price is subject to working capital and other adjustments as provided in the Chubb Sale Agreement. Consistent with our capital allocation strategy, the net proceeds of approximately $2.6 billion will be used to fund investments in organic and inorganic growth initiatives and capital returns to our shareowners as well as for general corporate purposes.

**Business Strategy**

Our business strategy is to be the world leader in healthy, safe, sustainable and intelligent building and cold chain solutions which we believe is supported by a variety of favorable secular trends. We are focused on three pillars of growth to execute our business strategy:

***Strengthen and Grow our Core.*** Our strategy involves driving organic growth in part by maintaining our proven track record of innovation, which is focused on designing smarter, more connected and more sustainable systems and solutions. Our strategy also relies on our iconic, industry-leading brands and on strengthening our long-term relationships with channel partners and customers by offering solutions that anticipate customer needs related to healthy, safe, sustainable and intelligent building and cold chain solutions with a focus on technologies related to environmentally-friendly refrigerants, energy efficiency, low emissions, air quality, electrification, noise reduction and safety.

***Increase Product Extensions and Geographic Coverage.*** Our strategy involves leveraging our global operations, the strength of our iconic, industry-leading brands and our success in creating valuable partnerships to focus on targeted expansion into new locations and channels where we believe that we can drive profitable growth. We are also focused on emerging trends in our segments; namely, healthy, safe, sustainable and intelligent buildings and cold chain solutions. We believe that we are well-positioned to meet the demand expected to result from these trends through products such as our Infinity whole home air purifier and the OptiClean Dual-Mode Air Scrubber & Negative Air Machine for commercial building and home applications, and through products such as Carrier Pods monitored by Sensitech that can help ensure the safe storage and transport of food and medicines.

***Grow Aftermarket and Digital.*** Our strategy is focused on bringing differentiated parts and service solutions to our customers across the entire product lifecycle. Our BluEdge service platform builds on our history of innovation and our expertise as an original equipment manufacturer. The platform offers a tiered suite of services across our HVAC, Refrigeration and Fire & Security segments. Through our understanding of customer needs and investments in connected equipment and digital service solutions, BluEdge helps us achieve enhanced equipment efficiency and performance – key components of our Healthy Buildings, Healthy Homes and Connected Cold Chain Programs.

In order to differentiate our products and services, drive productivity and support operating efficiency for our customers and our channels, we leverage innovative digital capabilities across our business segments. Abound is a cloud-based building platform that unlocks and unites building data to create more healthy, safe, sustainable and intelligent solutions for indoor spaces. It gathers data from disparate systems, sensors and sources; identifies opportunities to optimize performance; and works with healthy building solutions to improve occupant experiences. In addition, our product teams are deriving insights from data by employing Amazon Web Services (“AWS”) for connectivity, artificial intelligence and machine learning. Carrier's Lynx digital platform was recognized among Fast Company’s 2021 World Changing Ideas. Our Lynx digital platform, developed in collaboration with AWS, allows customers to leverage data to enhance visibility, resiliency, agility and efficiency in the cold chain to reduce loss and support real-time decisions.

Our industry-leading global brands and track record of innovation form the foundation of our business strategy. This strategy is fueled by our position at the epicenter of important secular trends—including an emphasis on health and wellness, a growing focus on sustainability and increasing digitalization. Coupled with our focus on growth, innovation and operational efficiency, we expect to drive long-term growth and increased value for our shareowners.

**Business Segments**

We globally manage our business operations through three segments: HVAC, Refrigeration and Fire & Security. Financial information related to our segments is included in Note 21 – Segment Financial Data in the accompanying Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K. Each respective segment's major products, services and distribution methods are as follows:

***HVAC.*** The HVAC segment provides products, controls, services and solutions to meet the heating, cooling and ventilation needs of residential and commercial customers while enhancing building performance, health, energy efficiency and sustainability. Our established brands include Automated Logic, Bryant, Carrier, CIAT, Day & Night, Heil, NORESCO and Riello which offer an innovative and complete portfolio of products that provide numerous solutions for our customers. Products include air conditioners, heating systems, controls and aftermarket components as well as aftermarket repair and maintenance services and building automation systems. Some of these products are part of Carrier's Healthy Buildings Program, which offers a suite of targeted solutions that are focused on improving and optimizing indoor air quality in buildings and homes to enhance human health, safety and productivity. Products and solutions are sold directly to building contractors and owners and indirectly through joint ventures, independent sales representatives, distributors, wholesalers, dealers and retail outlets.

***Refrigeration.*** The Refrigeration segment provides a healthier, safer, more sustainable and more intelligent cold chain through the reliable transport and preservation of food, medicine and other perishable cargo. Products and services are sold under established brand names, including Carrier Commercial Refrigeration, Carrier Transicold and Sensitech. Our refrigeration and monitoring products, services and digital solutions, which form Carrier's Healthy, Safe, Sustainable and Intelligent Cold Chain offering, strengthen the connected cold chain and are designed for trucks, trailers, shipping containers, intermodal applications, food retail and warehouse cooling. Commercial refrigeration solutions include refrigerated cabinets, freezers, systems and controls which incorporate next-generation technologies to preserve freshness, ensure safety and enhance the appearance of food and beverages sold by retailers. Products and services are sold directly to transportation companies and retail stores and indirectly through joint ventures, independent sales representatives, distributors, wholesalers and dealers.

***Fire & Security.*** The Fire & Security segment provides a wide range of residential, commercial and industrial technologies designed to help protect people and property. Our established brands include Kidde, Edwards, GST, LenelS2, Marioff, Autronica, Aritech, Det-Tronics, Onity, Supra and Fireye which provide product and technology innovations that are supported by installation, maintenance and monitoring through a network of channel partners and our own field service business, along with web-based and mobile applications and cloud-based services. Products include fire, flame, gas, smoke and carbon monoxide detection, portable fire extinguishers, fire suppression systems, intruder alarms, access control systems and video management systems and electronic controls. Other fire and security service offerings include audit, design, installation and system integration as well as aftermarket maintenance and repair and monitoring services. Our fire and security products and solutions, also part of Carrier's Healthy Homes and Healthy Buildings Program, are sold directly to end customers as well as through manufacturers' representatives, distributors, dealers, value-added resellers and retail distribution.

**Other Matters Relating to Our Business as a Whole**

***Competitive Conditions***

Each of our businesses is subject to significant competition from a number of companies throughout the world. Due to the nature of our products and services and the markets we serve, our competition can vary from regional or specialized companies to larger public or private companies. Some of our key competitors include Daikin Industries, Trane Technologies, Johnson Controls, Lennox International, Honeywell, Siemens, Bosch, Assa Abloy, MSA Safety, Stanley Black & Decker, Newell Brands, Midea Group, Mitsubishi Electric and China International Marine Containers.

The most significant competitive factors we face are technology differentiation, product performance, service, delivery schedule and price. Brand reputation, service to customers and quality are also important competitive factors for our products and services. While our competitive position varies among our products and services, we are a significant competitor with respect to each of our major product and service offerings. We believe that the loss of any individual contract or customer would not have a material adverse effect on our results.

***Raw Materials and Supplies***

We rely on suppliers and commodity markets to secure components and raw materials such as copper, aluminum and steel. In addition, we also use semi-conductors and other electronic components in the manufacture of our products. To maximize our buying effectiveness in the marketplace, we have a central strategic sourcing group that consolidates purchases of certain materials and components across our business segments.

The ongoing global economic recovery from the COVID-19 pandemic has caused significant challenges for global supply chains resulting in inflationary cost pressures, component shortages and transportation delays. As a result, we have incurred incremental costs for commodities and components used in our products as well as component shortages and higher freight costs that have negatively impacted our sales and results of operations. We expect that these challenges will continue to have an impact on our businesses for the foreseeable future.

We continue to take proactive steps to limit the impact of these challenges and are working closely with our suppliers to ensure availability of products and implement other cost savings initiatives. In addition, we continue to invest in our operations and supply chain to improve its resilience with a focus on automation, dual sourcing of critical components and localized manufacturing when feasible. To date, there has been moderate disruption to the availability of our products, though it is possible that more significant disruptions could occur if these supply chain challenges continue.

***Intellectual Property***

We maintain a broad portfolio of patents, trademarks, copyrights, trade secrets, licenses and franchises related to our business to protect our research and development investments and to maintain our competitive advantages. We hold approximately 9,000 active patents and pending patent applications worldwide. From time to time, we take actions to protect our business by asserting our intellectual property rights against third-party infringers. We believe that we have taken reasonable measures to build and protect this portfolio of intellectual property rights, but we cannot be assured that these rights will not be challenged, found invalid or unenforceable.

***Operating System***

We plan to continue to foster operational, financial and commercial excellence to drive sales and earnings growth. With roots in our legacy manufacturing and business processes, the Carrier operating system — Carrier Excellence — is our continuous improvement framework that is expected to drive operational excellence across our businesses. Our Supplier Excellence program is intended to apply these same operating principles to our supply base. We also implemented a strategic cost reduction initiative in 2020 that targeted eliminating $700 million in costs over three years through operational efficiency, digitalization, automation and supply chain productivity ("Carrier 700"). This initiative has helped reduce the impact of inflationary pressures experienced during 2021.

***Joint Ventures and Strategic Relationships***

Our joint ventures and strategic relationships are an important part of our business. We hold direct ownership interests in approximately 34 joint ventures, the financial results of which are accounted for by the equity method of accounting or the cost basis of accounting, of which 99% of such investments are in our HVAC segment. These relationships engage in distribution, manufacturing and product development activities and are integral to our business operations and growth strategy.

***Seasonality***

Demand for certain of our products and services is seasonal and can be impacted by weather conditions. For instance, sales and services of our HVAC products to residential customers have historically been higher in the second and third quarters of the calendar year, which represent the peak seasons for air conditioning-related sales in North America markets. A change in building and remodeling activity also can affect our financial performance. In addition, our financial performance may be influenced by the production and utilization of transport equipment, including truck production cycles in North America and Europe.

***Compliance with the Regulation of our Business and Operations***

We operate our business and sell our products all over the world. As a result, rapid changes in legislation, regulations and government policies, including with respect to regulations intended to combat climate change, affect our operations and business in the countries, regions and localities in which we operate and sell our products. International accords such as the Paris Agreement and the subsequent U.S. climate policies to meet its nationally determined contributions as well as local regulations in the U.S. reducing the use of fossil fuels in buildings all have the potential to impact our products and service offerings. Such changes, which can render our products and technologies non-compliant, involve refrigerants, noise levels, product and fire safety, hydrofluorocarbon emissions, fluorinated gases, hazardous substances and electric and electronic equipment waste. Increased fragmentation of regulatory requirements changes the manner in which we conduct our business and increases our costs because it necessitates the development of country or regional specific variants, monitoring of and compliance with those regulations and additional testing and certifications. In addition, our operations are subject to and affected by environmental regulations promulgated by federal, state and local authorities in the U.S. and by authorities with jurisdiction over our foreign operations. We have made, and will be required to continue to make, capital expenditures to design and upgrade our products to comply with or exceed environmental and other regulations and energy efficiency standards. However, it is our opinion that the costs related to compliance requirements for environmental or other government regulations will not have a material adverse effect on our capital expenditures, financial results or competitive position.

***Environmental Goals***

As a leading global provider of healthy, safe, sustainable and intelligent buildings and cold chain solutions, we are committed to making the world safer, sustainable and more comfortable. We have set ambitious environmental, social and governance goals to be reached by 2030, which include the following:

- Invest over $2 billion to develop healthy, safe, sustainable and intelligent buildings and cold chain solutions that incorporate sustainable design principles and reduce lifecycle impacts,
- Reduce our customers' carbon footprint by more than 1 gigaton,
- Achieve carbon neutral operations,
- Reduce energy intensity by 10% across our operations,
- Achieve water neutrality in our operations, prioritizing water-scarce locations, and
- Promote sustainability through education, partnerships and climate resiliency programs.

***Human Capital Management***

As of December 31, 2021, Carrier had approximately 58,000 employees worldwide, of which 34% are located in the Americas, 37% are located in EMEA and 29% are located in Asia. As of December 31, 2021, in the U.S., approximately 70% of Carrier's approximately 4,700 production and maintenance employees were covered under six collective bargaining agreements that have expiration dates ranging from 2022 to 2025. In the European Union, approximately 19,000 employees are represented by two European Works Councils and, at national and local levels, we inform and consult with 58 local works councils and with unions representing employees at approximately 40 sites. We believe that our relations with our labor unions and works councils are generally good.

We believe that our employees are our most important asset and that, in turn, our success and growth depend in large part on our ability to attract, retain and develop a diverse population of talented and high-performing employees at all levels of our organization. We continuously evaluate, modify and enhance our recruitment and retention strategies, objectives and measures as part of the overall management of our business. These strategies, objectives and measures form the pillars of our human capital management framework and are advanced through the following programs, policies and initiatives.

***Health & Safety.*** Our Environmental, Health and Safety program is focused on eliminating the risk of serious injuries, illness and fatalities to employees, contractors and customers during manufacturing, installation, servicing and other business activities by applying rigorous standards, controls, inspections and audits to help ensure that our operations and premises comply with national and local regulations and Carrier incident reporting requirements. For 2021, our total recordable incident rate ("TRIR") based upon the number of injuries per 200,000 hours worked for our employees in the U.S. was 0.35 and our lost time incident rate ("LTIR") was 0.11.

In response to COVID-19, we implemented various measures to protect the health and safety of our employees and customers including work-from-home requirements (where practical), social distancing and deep cleaning protocols at all of our facilities as well as travel restrictions, among other measures, which comply with applicable governmental regulations and guidance.

***Competitive Pay, Benefits and Total Rewards and Practices.*** Carrier's total rewards philosophy is designed to align the compensation of our employees with individual and Company performance, and to provide the appropriate market-competitive incentives to attract, retain and motivate employees to achieve superior results. In addition, we offer a company-paid assistance program to help employees and their families with mental health and other life challenges. In coordination with each country's social welfare system, and in addition to any required local health care participation, we may provide additional health and welfare benefits depending on, among other things, the market competitiveness in that country. We also offer a tuition assistance program that is discussed in more detail below (see Talent Development and Employee Engagement*).*

***Inclusion & Diversity.*** As of December 31, 2021, approximately 27% of our employees and 32% of our executives globally were women. As of December 31, 2021, people of color represented approximately 27% of our U.S. executive and 24% of our professional employees in the U.S.

Our greatest strength is the diversity of our people and their ideas and experiences; inclusion and diversity are the cornerstones of our values and we believe that it is a source of innovation. To this end, we continue to promote *_belong*, our inclusion and diversity philosophy and brand as well as an inclusion and diversity strategy that consists of four tenets – Reduce the Gap, Develop & Sponsor, Drive Inclusion and Lean Forward – which include a focus on recruitment, development and mentoring activities. We also sponsor multiple Employee Resource Groups ("ERGs"), such as Pride, Carrier Black Alliance, WE (Women's Empowerment at Carrier), CHEER (Carrier Hispanic & Latino Employee Engagement Resource group), UCAN (United Carrier Asian Network) and Military and Veterans. These ERGs operate with a formal leadership structure, a steering committee, senior leadership sponsorship and a defined mission statement that is aligned with supporting Carrier's business strategy. We also have established multi-year relationships with two historically Black colleges and universities to create programs to help students develop skills for the future and provide career and recruitment initiatives.

We continue to take steps to expand our role as an employer that champions inclusion, diversity and equality of opportunity. Carrier has pledged to achieve gender parity in senior leadership roles by 2030. Our Chairman and Chief Executive Officer ("CEO") has signed the CEO Action for Diversity & Inclusion ™ pledge joining more than 2,000 CEO's to underscore our commitment to ensure inclusion is core to our business culture. Our senior management has also signed the Hispanic Promise, joining other Fortune 500 companies in the pledge to hire, retain and develop Hispanics in the workplace. Additionally, we continue to provide our global workforce with inclusion and diversity training with a focus on unconscious bias, micro-aggression and allyship.

While we recognize more work needs to be done, we are proud of the strides we have made and the recognition we have received in furthering our inclusion and diversity strategy. In 2021, Carrier participated for the first time in the Human Rights Campaign Foundation's 2021 Corporate Equality Index and achieved a perfect score being recognized Best Place to Work for LGBTQ Equality.

***Talent Development and Employee Engagement.*** We are committed to the continued development and engagement of our people. We promote continuous learning by offering a company-sponsored Employee Scholar Program, which covers the cost of an employee's tuition, academic fees and books at approved universities. We conduct annual leadership development reviews, a process through which senior leaders identify future leaders and discuss strengths and development opportunities, fostering succession planning for key leadership positions. We also have developed various talent development programs, such as internships, early career rotational programs and a suite of development programs for current and future leaders during the three critical stages of their careers – early career, mid-career and senior leadership.

Three-times per year we conduct an anonymous online survey in local languages to solicit feedback from our employees. The results are reviewed by our senior leadership and shared with our managers and other employees who collaborate to act on identified areas of improvement.

**Corporate Information**

Carrier was incorporated in Delaware in connection with the Separation. Prior to the Distribution, Carrier had no operations other than those incidental to the Separation. Our principal executive offices are located at 13995 Pasteur Boulevard, Palm

Beach Gardens, Florida 33418, and our telephone number is (561) 365-2000. We maintain an Internet website at *www.corporate.carrier.com*.

## ITEM 1A. RISK FACTORS

### RISK FACTOR SUMMARY

### Risks Related to Our Business

- Our business, financial condition and results of operations have been and may continue to be adversely affected by COVID-19.
- Mandatory COVID-19 vaccination of employees could impact our workforce and suppliers and have a material adverse effect on our business and results of operations.
- Risks associated with our international operations could adversely affect our competitive position, results of operations, cash flows or financial condition.
- We are party to joint ventures and other strategic relationships, which may not be successful and may expose us to unique risks and restrictions.
- Climate change, regulations associated with climate change and mitigation efforts could adversely affect our business.
- Demand for our HVAC products and services is influenced by weather conditions and seasonality.
- Our business and financial performance depend on continued and substantial investments in our information technology infrastructure, which may not yield anticipated benefits and which may be vulnerable to cyber-attacks.
- Cybersecurity incidents could disrupt business operations, result in the loss of critical and confidential information, and adversely impact our reputation and results of operations.
- We depend on our intellectual property and have access to certain intellectual property and information of our customers and suppliers. Infringement of or the failure to protect that intellectual property could adversely affect our future growth and success.
- We use a variety of raw materials, supplier-provided parts and third-party service providers in our business. Significant shortages, supplier capacity constraints or production disruptions, price increases or tariffs could increase our operating costs and adversely impact the competitive positions of our products.
- The ability of suppliers to deliver parts, components and manufacturing equipment to our manufacturing facilities, and our ability to manufacture without disruption, could affect our global business performance.
- We design, manufacture and service products that incorporate advanced technologies. The introduction of new products and technologies involves risks, and we may not realize the degree or timing of benefits initially anticipated.
- We operate in a competitive environment and our profitability and competitive position depend on our ability to accurately estimate the costs and timing of providing our products and services.
- Customers and others may take disruptive actions.
- Labor matters may impact our business.
- Our defined benefit pension plans are subject to financial market risks that could adversely affect our results.
- We may not realize expected benefits from our cost reduction and restructuring efforts, and our profitability or our business otherwise might be adversely affected.
- Failure to achieve and maintain a high level of product and service quality could damage our reputation with customers and negatively impact our results.
- We are subject to litigation, environmental and other legal and compliance risks.
- We are subject to risks arising from doing business with the U.S. government.
- We engage in acquisitions and divestitures and may encounter difficulties integrating acquired businesses with, or disposing of businesses from, our current operations; therefore, we may not realize the anticipated benefits of these acquisitions and divestitures.
- We may recognize impairment charges for our goodwill and certain other intangible assets.
- Failure to maintain a satisfactory credit rating could adversely affect our liquidity, capital position, borrowing costs and access to the capital markets.
- We incurred debt obligations, and we may incur additional debt obligations in the future, which could adversely affect our business and profitability and our ability to meet other obligations.

**Risks Related to the Separation from UTC**

- We have operated as an independent company since April 3, 2020, the effective date of the Distribution, and our historical financial information is not necessarily indicative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results. Additionally, we are a smaller, less diversified company than UTC prior to the Separation and the Distribution.
- After the Separation and the Distribution, certain members of management, directors and shareowners own stock in UTC, Carrier and Otis and as a result may face actual or potential conflicts of interest.
- We may not be able to engage in desirable capital-raising or strategic transactions following the Separation and Distribution.
- In connection with the Separation into three independent public companies, each of UTC, Carrier and Otis has agreed to indemnify the other parties for certain liabilities. If we are required to pay UTC and/or Otis under these indemnities, our financial results could be negatively impacted. Also, the UTC or Otis indemnities may not be sufficient to hold us harmless from the full amount of liabilities for which UTC and Otis have been allocated responsibility, and UTC and/or Otis may not be able to satisfy their respective indemnification obligations in the future.
- If the Distribution, together with certain related transactions, were to fail to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes, including as a result of subsequent acquisitions of our stock or the stock of UTC, we, as well as UTC, Otis and UTC's shareowners, could be subject to significant tax liabilities. In addition, if certain internal restructuring transactions were to fail to qualify as transactions that are generally tax-free for U.S. federal or non-U.S. income tax purposes, we, as well as UTC and Otis could be subject to significant tax liabilities. In certain circumstances, we could be required to indemnify UTC for material taxes and other related amounts pursuant to indemnification obligations under the TMA.
- Potential liabilities may arise due to fraudulent transfer considerations, which would adversely affect our financial condition and results of operations.

**Risks Related to Our Common Stock**

- The market price and trading volume of our common stock may fluctuate significantly.
- Shareowner's percentage of ownership in Carrier's common stock may be diluted in the future.
- Quarterly cash dividends may be discontinued or modified, are subject to a number of uncertainties and may affect the price of our common stock.
- Our amended and restated bylaws designate the courts within the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our shareowners, which could discourage lawsuits against Carrier and our directors and officers.
- Anti-takeover provisions could enable our Board of Directors to resist a takeover attempt by a third party and limit the power of our shareowners.

**General Risks**

- Natural disasters, epidemics or other unexpected events may disrupt our operations, adversely affect our results of operations, cash flows or financial condition, and may not be fully covered by insurance.
- We may be affected by global economic, capital market and political conditions, and conditions in the construction, transportation and infrastructure industries in particular.
- Our business success depends on attracting and retaining qualified personnel.
- Additional tax expense or additional tax exposures could affect our future profitability.
- Failure to maintain effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could materially and adversely affect us.

## RISK FACTORS

Our business, financial condition, operating results and cash flows can be impacted by the factors set forth subsequently, any one of which could cause our actual results to vary materially from recent results or from our anticipated future results.

### Risks Related to Our Business

***Our business, financial condition and results of operations have been and may continue to be adversely affected by COVID-19.***

The global outbreak of COVID-19 has severely constrained economic activity and, as a result, has caused a significant contraction in the global economy. In response to this outbreak, governments have taken preventive or protective actions, including imposing restrictions on business operations and travel. Governments have also implemented economic stabilization efforts and other measures to mitigate the economic effects of the outbreak; however, the effectiveness and continuation of those measures remains uncertain.

The COVID-19 pandemic has had, and could continue to have, an adverse effect on our business, financial condition and results of operations. The pandemic continues to result in widespread and extended or partial shutdowns and other restrictions on the operations of non-essential businesses, specifically due to resurgence in cases and the spread of variants, including construction, hospitality venues, offices and travel. The nature and extent of the continuing impact of COVID-19 on our business, financial condition and results of operations is uncertain and will depend on future developments, including the emergence, severity and spread of COVID-19 variants, recent and pending approvals of vaccines and boosters, the wide-spread distribution of vaccines and the effectiveness of such vaccines in preventing and decreasing the length and severity of illness from COVID-19 and its variants, and the time it takes to vaccinate a sufficient percentage of the U.S. and global populations. Nonetheless, further prolonged closures and restrictions throughout the world or the rollback of reopening measures due to a resurgence of COVID-19 cases and continued decreases in the general level of economic activity may again disrupt our operations and the operations of our suppliers, distributors and customers.

As a result of the foregoing, the pandemic and its impact have also affected and could continue to affect our ability to obtain necessary raw materials and parts, ship finished products to customers, the ability of our customers to pay for our products and services and to obtain financing for significant purchases and operations, which could result in a decrease and/or cancellation of orders and/or payment delays or defaults. The COVID-19 pandemic has impacted our supply chain as we experienced disruptions or delays in shipments of certain materials or components of our products. Facility closures or other restrictions, including employee vaccine mandates, could materially adversely affect our ability to adequately staff, supply or otherwise maintain our operations. Further, such conditions may also adversely affect our supply base and increase the potential for one or more of our suppliers to experience financial distress or bankruptcy, which could impact our ability to fulfill orders on time or at the anticipated cost. We also may be required to raise additional capital in the future and our access to and cost of financing will depend on, among other things, global economic conditions, conditions in the global financing markets, the availability of sufficient amounts of financing, our results of operations and our credit ratings. There is no guarantee that financing will be available in the future to fund our obligations, or that it will be available on terms consistent with our expectations. Any of these factors could have a material adverse effect on our business, results of operations, cash flows and financial condition. In addition, labor shortages due to prolonged illness or quarantine or an increase in the cost of labor could adversely affect our profit margins and results of operations.

Any recovery from the COVID-19 pandemic and related economic impact may be slowed or reversed by a variety of factors, such as, in the United States, the current widespread increase in COVID-19 infections. In addition, even after the COVID-19 pandemic has subsided, we may continue to experience adverse impacts to our business as a result of its global economic impact. Further, many of the factors discussed under Risk Factors in this Form 10-K are, and we anticipate will continue to be further, heightened or exacerbated by the impact of the COVID-19 pandemic.

***Mandatory COVID-19 vaccination of employees could impact our workforce and suppliers and have a material adverse effect on our business and results of operations.***

On September 9, 2021, President Biden announced a proposed new rule requiring all employers with at least 100 employees to require that their employees be fully vaccinated or tested weekly. On November 4, 2021, the U.S. Department of Labor’s Occupational Safety and Health Administration (“OSHA”) released its COVID-19 Vaccination and Testing Emergency Temporary Standard (“ETS”) to carry out this mandate. However, on January 13, 2022, the U.S. Supreme Court issued a stay

on implementation of the ETS pending the conclusion of litigation at the Sixth Circuit Court of Appeals and in subsequent appeals, if applicable. On January 25, 2022, OSHA withdrew the ETS and asked the Sixth Circuit to dismiss the case against the ETS as moot. If OSHA seeks to implement similar, industry-specific rules that apply to Carrier businesses, the vaccination or weekly testing mandate might present logistical and cost challenges for a large portion of our U.S. operations.

In addition, on September 9, 2021, President Biden issued an executive order ("Executive Order") requiring all employers with U.S. Government contracts to ensure that their U.S.-based employees, contractors, and subcontractors, that work on or in support of U.S. Government contracts, are fully vaccinated, with no testing alternative. On December 17, 2021, a federal appeals court confirmed a nationwide injunction against the Executive Order pending a full case review. If the Executive Order survives judicial review, its vaccination mandate may pose staffing issues for our businesses performing work in connection with federal contracts.

Our suppliers may also be subject to the Executive Order or possible new OSHA rules on vaccinations and testing. At this time, it is not possible to predict with certainty the nature and extent to which the company or our suppliers will be impacted. Also, additional vaccine mandates may be announced in other jurisdictions in which our businesses or our suppliers operate. Implementation of these requirements by the company and our suppliers may result in employee attrition, including attrition of critically skilled labor, and difficulty in fulfilling future labor requirements or obtaining parts, components and manufacturing equipment, which could have a material adverse effect on our business, financial condition and results of operations.

***Risks associated with our international operations could adversely affect our competitive position, results of operations, cash flows or financial condition.***

Approximately 52% of our net sales for the year ended December 31, 2021 are derived from international operations, including U.S. export sales. As a result, changes in local and regional economic conditions, including fluctuating exchange rates, may adversely affect demand for our products and the profits generated by our non-U.S. operations because a significant portion of our sales and expenses are denominated in currencies other than U.S. dollars. While we attempt to manage our exchange rate risks, we are not completely insulated from that exposure. Exchange rates can be volatile and a substantial weakening of foreign currencies against the U.S. dollar could reduce our operating margins in various locations outside of the U.S., which would adversely impact the comparability of our results from period to period.

Our international sales and operations are also subject to the risks associated with changes in local government regulations and policies regarding investments, employment, taxation, foreign exchange and capital controls and the repatriation of earnings. Moreover, government regulations and policies regarding international trade, such as import quotas, punitive taxes or tariffs or similar trade barriers, whether imposed by individual governments or regional trade blocs, can affect demand for our products and services, impact the competitive position of our products or services or encumber our ability to manufacture or sell or procure products in certain countries. The implementation of more restrictive trade policies by the U.S. or by other countries, such as China and Mexico, where we sell or produce our products and services or procure materials, including as a result of the ongoing trade conflict between the U.S. and China, could negatively impact our business, results of operations and financial condition. Our international sales and operations are also sensitive to political and economic instability, changes in foreign national priorities and government budgets, and the risks associated with differing legal systems and customs in foreign countries.

We expect that sales to emerging markets will continue to account for a significant portion of our sales as developing nations around the world increase their demand for our products. In addition, as part of our globalization strategy, we have invested in certain countries, including Mexico, Brazil, China, India and countries in the Middle East. Emerging markets can present many risks, including cultural differences (such as employment and business practices), compliance risks, economic and government instability, exchange rate fluctuations and the imposition of foreign exchange and capital controls. While these factors and their impact are difficult to predict, any one or more of them could have a material adverse effect on our competitive position, results of operations, cash flows or financial condition.

***We are party to joint ventures and other strategic relationships, which may not be successful and may expose us to unique risks and restrictions.***

Our business operations, particularly in our HVAC segment, depend on various strategic relationships, namely, joint ventures and non-wholly owned subsidiaries. We sell our products and services through certain key distributor, joint venture and similar relationships, including the Carrier Enterprise joint ventures with Watsco, Inc., the Toshiba Carrier joint venture with Toshiba

Corporation, AHI-Carrier FZC, a United Arab Emirates-based joint venture and various joint ventures with members of the Midea Group.

Some of our strategic relationships engage in manufacturing and/or product development. Loss of a key channel partner, or a significant downturn or deterioration in the business or financial condition of a key channel partner, joint venture or similar relationship, whether related to, among other things, a labor strike, diminished liquidity or credit unavailability, weak demand for products or delays in the launch of new products, could adversely affect our results of operations in a particular period or the value of our equity investment. If we are not successful in maintaining our strategic distribution relationships, our financial condition, results of operations and cash flows may be adversely affected.

In addition, our ability to apply our internal controls and compliance policies to our minority-held joint ventures is limited and can expose us to additional financial and reputational risks. We seek to take proactive steps to mitigate these concerns, including through audits and similar reviews.

Joint ventures and strategic relationships inherently involve certain other risks. Whether or not we hold a majority interest or maintain operational control in such arrangements, our partners and similar business associates may, for example: (1) have economic or business interests or objectives that are inconsistent with or contrary to our own; (2) exercise veto or other rights, to the extent available, to block actions that we believe are in our or the joint venture's best interests; (3) act contrary to our policies or objectives; or (4) be unable or unwilling to fulfill their obligations.

In addition, there can be no assurance that any particular joint venture or strategic relationship will continue to be beneficial to us in the long term. For example, some of our joint ventures or other strategic agreements prohibit us from competing in certain geographic markets or product and services channels, and these restrictions may apply to other products and services we develop or businesses we acquire in the future.

***Climate change, regulations associated with climate change and mitigation efforts could adversely affect our business.***

The effects of climate change, including increased frequency and intensity of weather conditions and water scarcity, create financial risks to our business. The potential impacts of climate change on our operations are highly uncertain and depend upon the unique geographic and environmental factors present; for example rising sea levels at certain of our facilities, changing storm patterns and intensities and changing temperature levels. The effects of climate change could disrupt our operations by impacting the availability and cost of materials and by increasing insurance and other operating costs. The effects of climate change also may impact our decisions to construct new facilities or maintain existing facilities in the areas most prone to physical risks, which could similarly increase our operating and material costs. We could also face indirect financial risks passed through the supply chain that could result in higher prices for our products and the resources needed to produce them. Potential adverse impacts from climate change may create health and safety issues for employees operating at our facilities and may lead to an inability to maintain standard operating hours.

There is a general consensus that greenhouse gas emissions are linked to climate change, and that these emissions must be reduced dramatically to avert its worst effects. Increased public awareness and concern about climate change will likely continue to: (1) generate more international, regional and/or national requirements to curtail the use of high global warming potential refrigerants (e.g. the Kigali Amendment to the Montreal Protocol and the American Innovation and Manufacturing ("AIM") Act of 2020, which are essential to many of our products); (2) increase building energy and cold chain efficiency; and (3) cause a shift away from the use of fossil fuels as an energy source, including natural gas prohibitions. In some instances, these requirements may render our existing technology, particularly some of our HVAC and refrigeration products, non-compliant or obsolete and we may be required to make increased capital expenditures to meet new regulations and standards, changing interpretations and stricter enforcement of current laws and regulations. Furthermore, our customers and the markets we serve may impose emissions or other environmental standards through regulation, market-based emissions policies or consumer preferences that we may not be able to timely meet due to our required level of capital investment and technology advancement. While we are committed to pursuing sustainable solutions for our products, there can be no assurance that our development efforts will be successful, that our products will be accepted by the market, that proposed regulations or deregulation will not have an adverse effect on our competitive position, or that economic returns will justify our investments in new product development.

The inconsistent international, regional and/or national requirements associated with climate change regulations, such as the U.S. re-entrance into the Paris Climate Agreement, also create economic and regulatory uncertainty. There is also regulatory

and budgetary uncertainty associated with government incentives, which, if discontinued, could adversely impact the demand for energy-efficient buildings and could increase costs of compliance.

We have set environmental, social and governance goals to be achieved by 2030, which include investing over $2 billion to develop healthy, safe, sustainable and intelligent buildings and cold chain solutions that incorporate sustainable design principles and reduce lifecycle impacts, reducing our customers' carbon footprint by more than 1 gigaton, achieving carbon neutral operations and reducing energy intensity by 10% across our operations. Although we intend to meet these goals, we may be required to expend significant resources to do so, which could increase our operational costs. Further, there can be no assurance of the extent to which any of our goals will be achieved, or that any future expenditures or investments we make in furtherance of achieving such goals will be available, effective, meet investor expectations or any binding or non-binding legal standards regarding sustainability performance. For example, to make substantial progress toward or to meet some of these goals, we may need to purchase or deploy a combination of renewable energy utility contracts, carbon credits or offsets, energy-efficient or low-emission products or operations, or carbon sequestration technologies, and there can be no assurance of the extent to which such contracts, credits, offsets, products, operations or technologies will be available in or effective in reducing emissions or energy intensity. Moreover, we may determine that it is in the best interest of our company and our shareowners to prioritize other business, social, governance or sustainability investments over the achievement of our current goals based on economic, regulatory and social factors, business strategy or pressure from investors, activist groups or other stakeholders. If we are unable to make substantial progress toward or meet these goals, then we could incur adverse publicity and reaction from investors, activist groups or other stakeholders, which could adversely impact the perception of us and our products and services by current and potential customers, as well as investors, which could in turn adversely impact our results of operations.

***Demand for our HVAC products and services is influenced by weather conditions and seasonality.***

Demand for our HVAC products and services, representing our largest segment by sales, is seasonal and affected by the weather. Cooler than normal summers depress sales of our replacement air conditioning products and services and warmer than normal winters have the same effect on our heating products. Historically, sales to residential HVAC customers tend to be higher in the second and third quarters of the year because, in the U.S. and other northern hemisphere regions, spring and summer are the peak seasons for sales of air conditioning systems and services. In these circumstances, the results of any quarterly period may not be indicative of expected results for a full year, and unusual weather patterns or events could positively or negatively affect our business and impact overall results of operations.

***Our business and financial performance depend on continued and substantial investments in our information technology infrastructure, which may not yield anticipated benefits and which may be vulnerable to cyber-attacks.***

The efficient operation of our business requires continued and substantial investments in information technology ("IT") infrastructure systems. The failure to design, develop, maintain and implement IT technology infrastructure systems in an effective and timely manner or to maintain these systems could divert management’s attention and resources. Our information systems may also become obsolete because of inadequate investments, requiring an unplanned transition to a new platform that could be time consuming, costly, and damaging to our competitive position and could require additional management attention. Repeated or prolonged interruptions of service because of poor execution, inadequate investments or obsolescence could have a significant adverse impact on our reputation and our ability to sell products and services.

***Cybersecurity incidents could disrupt business operations, result in the loss of critical and confidential information, and adversely impact our reputation and results of operations.***

Our business has been and may again in the future be impacted by disruptions to our or third-party IT infrastructure, which have resulted and could in the future result from (among other causes) cyber-attacks, infrastructure failures or compromises to our physical security. Cyber-based risks are evolving and include attacks: (i) on our IT infrastructure (ii) targeting the security, integrity and/or availability of hardware and software; (iii) on information installed, stored or transmitted in our products (including after the purchase of those products and when they are installed into third-party products); and (iv) on facilities or similar infrastructure. Such attacks could disrupt our systems (or those of third parties) and business operations, impact the ability of our products to work as intended or result in the unauthorized access, use, disclosure, modification, or destruction of information in violation of applicable law and/or contractual obligations. We have experienced cyber-based attacks and, due to the evolving threat landscape, may continue to experience them going forward, potentially with more frequency or severity. We continue to make investments and adopt measures to enhance our protection, detection, response and recovery capabilities, and to mitigate potential risks to our technology, products, services, operations and confidential data. However, depending on the nature, sophistication and scope of cyber-attacks, it is possible that potential vulnerabilities could go undetected for an extended

period. As a result, we could potentially experience: (i) production downtimes; (ii) operational delays or other detrimental impacts on our operations; (iii) destruction or corruption of data (our or third party); (iv) security breaches; (v) manipulation or improper use of our or third-party systems, networks or products; and (vi) financial losses from remedial actions, loss of business, liability, penalties, fines and/or damage to our reputation—any of which could have a material adverse effect on our competitive position, results of operations, cash flows or financial condition. Due to the evolving nature of such risks, the impact of any potential incident cannot be predicted.

In addition, because of the global nature of our business, our internal systems and products must comply with applicable laws, regulations and standards in a number of jurisdictions, and government enforcement actions and violations of data privacy and cybersecurity laws could be costly or interrupt our business operations. Any disruption to our business arising from such issues, or an increase in our costs to cover these issues that is greater than what we have anticipated, could have an adverse effect on our reputation, competitive position, results of operations, cash flows or financial condition.

***We depend on our intellectual property and have access to certain intellectual property and information of our customers and suppliers. Infringement of or the failure to protect that intellectual property could adversely affect our future growth and success.***

The Company's intellectual property rights are important to our business and include numerous patents, trademarks, copyrights, trade secrets, proprietary technology, technical data, business processes and other confidential information. Although we consider our intellectual property rights in the aggregate to be valuable, we do not believe that our business is materially dependent on a single intellectual property right or any group of them. We nonetheless rely on a combination of patents, trademarks, copyrights, trade secrets, nondisclosure agreements, customer and supplier agreements, license agreements, IT security systems, internal controls and compliance systems and other measures to protect our intellectual property. We also rely on nondisclosure agreements, IT security systems and other measures to protect certain customer and supplier information and intellectual property that we have in our possession or to which we have access. Our efforts to protect such intellectual property and proprietary information may not be sufficient, however.

We cannot be sure that our pending patent applications will result in the issuance of patents, that patents issued to or licensed by us in the past or in the future will not be challenged or circumvented by competitors, or that these patents will be found to be valid or sufficiently broad to preclude our competitors from introducing technologies similar to those covered by our patents and patent applications.

In addition, we may be the target of competitor or other third-party patent enforcement actions seeking substantial monetary damages or seeking to prevent the sale and marketing of certain of our products. Our competitive position also may be adversely impacted by limitations on our ability to obtain possession, ownership or necessary licenses concerning data important to the development or sale of our products or service offerings, or by limitations on our ability to restrict the use by others of data related to our products or services. Any of these events or factors could subject us to judgments, penalties and significant litigation costs or temporarily or permanently disrupt our sales and marketing of the affected products or services and could have a material adverse effect on our competitive position, results of operations, cash flows or financial condition.

***We use a variety of raw materials, supplier-provided parts, and third-party service providers in our business. The ability of suppliers to deliver parts, components and manufacturing equipment to our manufacturing facilities, and our ability to manufacture without disruption, could affect our business performance. Significant shortages, supplier capacity constraints or production disruptions, price increases, or tariffs could increase our operating costs and adversely impact the competitive positions of our products.***

Our reliance on suppliers and commodity markets to secure components and raw materials (such as copper, aluminum and steel), and on service providers to deliver our products, exposes us to volatility in the prices and availability of these materials and services. We use a wide range of materials and components in the global production of our products, which come from numerous suppliers around the world. Because not all of our business arrangements provide for guaranteed supply and some key parts may be available only from a single supplier or a limited group of suppliers, we are subject to supply and pricing risk. In addition, certain proprietary component parts used in some of our products are provided by single-source unaffiliated third-party suppliers. We would be unable to obtain these proprietary components for an indeterminate period of time if these single-source suppliers were to cease or interrupt production or otherwise fail to supply these components to us, which could adversely affect our product sales and operating results. Our supply chain could be impacted by climate change through extreme weather events, resulting in delivery or production disruptions and increased material costs. In addition, other issues with suppliers (such as capacity constraints, quality issues, consolidations, closings or bankruptcies), price increases, raw material shortages, or the

decreased availability of trucks and other delivery services could also have a material adverse effect on our ability to meet our commitments to customers or increase our operating costs.

We use various tactical and strategic actions to mitigate our raw material and supply chain risks and challenges, including consolidating commodity purchases, locking in prices of expected purchases of certain raw materials, proactive engagement with suppliers and our workforce and dynamic management of freight costs and availability. However, these efforts could cause us to pay higher prices for a commodity when compared with the market price at the time the commodity is actually purchased or delivered. Our suppliers could be subject to tariffs as well as climate change related regulations, compliance with which would increase our costs and the impacts of which are difficult to predict. We believe that our supply management and production practices appropriately balance the foreseeable risks and the costs of alternative practices. Nonetheless, these risks may have a material adverse effect on our competitive position, results of operations, cash flows or financial condition.

Our operations and those of our suppliers are subject to disruption for a variety of reasons, including COVID-19-related supplier plant shutdowns or slowdowns, transportation delays, work stoppages, labor relations, governmental regulatory and enforcement actions, intellectual property claims against suppliers, financial issues such as supplier bankruptcy, IT failure and hazards such as fire, earthquakes, flooding or other natural disasters. For example, we expect to continue to be impacted by the following supply chain issues, due to factors largely beyond our control: a global shortage of semi-conductors, a strain on raw materials and cost inflation, all of which could escalate in the future. Insurance for certain disruptions may not be available, affordable or adequate. The effects of climate change, including extreme weather events, long-term changes in temperature levels and water availability may exacerbate these risks. Such disruption has in the past and could in the future interrupt our ability to manufacture certain products. Any significant disruption could have a material adverse impact on our competitive position.

***We design, manufacture and service products that incorporate advanced technologies. The introduction of new products and technologies involves risks, and we may not realize the degree or timing of benefits initially anticipated.***

Our future success depends on designing, developing, producing, selling and supporting innovative products that incorporate advanced technologies. The regulations applicable to our products, as well as our customers' product and service needs, change from time to time. Moreover, regulatory changes, inclusive of those aimed at addressing climate change and its impacts, may render our products and technologies non-compliant and may subject us to operational, compliance and reputational risks. Our ability to realize the anticipated benefits of our technological advancements or product improvements – including those associated with regulatory changes – depends on a variety of factors, including: meeting development, production and regulatory approval schedules; meeting performance plans and expectations; the availability of raw materials and parts; our suppliers' performance; the hiring, training and deployment of qualified personnel; achieving efficiencies; identifying emerging regulatory and technological trends; validating innovative technologies; the level of customer interest in new technologies and products; and the costs and customer acceptance of our new or improved products.

Our products and services also may incorporate technologies developed or manufactured by third parties, which, when combined with our technology or products, creates additional risks and uncertainties. As a result, the performance and market acceptance of these third-party products and services could affect the level of customer interest and acceptance of our own products in the marketplace.

Our research and development efforts, including those that advance environmental sustainability, may not culminate in new technologies or timely products, or may not meet the needs of our customers as effectively as competitive offerings. Our competitors may develop competing technologies that gain market acceptance before or instead of our products. In addition, we may not be successful in anticipating or reacting to changes in the regulatory environments in which our products are sold, and the markets for our products may not develop or grow as we anticipate.

***We operate in a competitive environment and our profitability and competitive position depend on our ability to accurately estimate the costs and timing of providing our products and services***.

In certain of our businesses, our contracts are typically awarded on a competitive basis. Our bids are based upon, among other factors, the cost to timely provide the products and services. To generate an acceptable return, we must accurately estimate our costs and schedule. If we fail to do so, the profitability of contracts may be adversely affected – including because some of our contracts provide for liquidated damages if we do not perform on time – which could have a material adverse effect on our competitive position, results of operations, cash flows or financial condition.

***Customers and others may take disruptive actions.***

From time to time customers and others may seek to become suppliers of products and services that compete with our own or pursue other strategies to disrupt our business model. For example, an affiliate of a customer in our transport refrigeration business produces refrigeration units for shipping containers that compete with our products, and another one of our transport refrigeration customers produces refrigeration units for truck trailers that compete with our refrigeration units. In addition, our customers or existing or future competitors may seek to introduce non-traditional business models or disruptive technologies and products in the industries in which we participate, resulting in increased competition and new dynamics in these industries.

***Labor matters may impact our business.***

A significant portion of our employees are represented by labor unions or works councils in a number of countries under various collective bargaining agreements with varying durations and expiration dates. See the section entitled "Other Matters Relating to Our Business as a Whole - Human Capital Management." We may not be able to satisfactorily renegotiate these agreements before they expire. In addition, existing agreements may not prevent a strike or work stoppage, union and works council campaigns and other labor disputes. We may also be subject to general country strikes or work stoppages unrelated to our specific business or collective bargaining agreements. Additionally, a shortage in certain work forces, such as technicians, manufacturing workers or truck drivers, may impact our business by affecting the ability to produce, install, sell and deliver our products. Any such work stoppages (or potential work stoppages) or labor shortages could have a material adverse effect on our reputation, productivity, financial condition, cash flows and results of operations.

***Our defined benefit pension plans are subject to financial market risks that could adversely affect our results.***

The performance of the financial markets and interest rates can impact our defined benefit pension plan expenses and funding obligations. Significant decreases in the discount rate or investment losses on plan assets may increase our funding obligations and adversely impact our financial results. See Note 10 – Employee Benefit Plans to the accompanying Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K for additional discussion on pension plans and related obligations and contingencies.

***We may not realize expected benefits from our cost reduction and restructuring efforts, and our profitability or our business otherwise might be adversely affected.***

In order to operate more efficiently and cost effectively, we have and we may from time to time, adjust employment levels, optimize our footprint and/or implement other restructuring activities. These activities are complex and may involve or require significant changes to our operations. If we do not successfully manage these activities, expected efficiencies and benefits might be delayed or not realized. Risks associated with these actions and other workforce management issues include: unfavorable political responses and reputational harm; unforeseen delays in the implementation of the restructuring activities; additional costs; adverse effects on employee morale; the failure to meet operational targets due to the loss of employees or work stoppages; and difficulty managing our operations during or after facility consolidations, any of which may impair our ability to achieve anticipated cost reductions, harm our business or reputation, or have a material adverse effect on our competitive position, results of operations, cash flows or financial condition.

***Failure to achieve and maintain a high level of product and service quality could damage our reputation with customers and negatively impact our results.***

Product and service quality issues could harm customer confidence in our company and our brands. If certain of our product and service offerings do not meet applicable safety standards – which has been the case – or our customers' expectations regarding safety or quality, we can and have experienced lost sales and increased costs and we can and have been exposed to legal, financial and reputational risks. Actual, potential or perceived product safety concerns could expose us to litigation as well as government enforcement actions, which has also occurred in certain instances. In addition, when our products fail to perform as expected, we are exposed to warranty, product liability, personal injury and other claims.

We maintain strict quality controls and procedures. However, we cannot be certain that these controls and procedures will reveal defects in our products or their raw materials, which may not become apparent until after the products have been placed in use in the market. Accordingly, there is a risk that products will have defects, which could require a product recall or field corrective action. Product recalls and field corrective actions can be expensive to implement, and may damage our reputation,

customer relationships and market share. We have conducted product recalls and field corrective actions in the past and may do so again in the future.

In many jurisdictions, product liability claims are not limited to any specified amount of recovery. If any such claims or contribution requests or requirements exceed our available insurance or if there is a product recall, there could be an adverse impact on our results of operations. In addition, a recall or claim could require us to review our entire product portfolio to assess whether similar issues are present in other products, which could result in a significant disruption to our business and which could have a further adverse impact on our business, financial condition, results of operations and cash flows. There can be no assurance that we will not experience any material warranty or product liability claims in the future, that we will not incur significant costs to defend such claims or that we will have adequate reserves to cover any recall, repair and replacement costs.

***We are subject to litigation, environmental and other legal and compliance risks.***

We are subject to a variety of litigation, legal and compliance risks including, without limitation, claims, lawsuits and/or regulatory enforcement actions relating to breach of contract, cybersecurity and data privacy, employment and labor, environmental and employee health and safety matters, global chemical compliance, intellectual property rights, personal injury, product safety and taxes as well as anti-corruption, competition and securities laws and other laws governing improper business practices. If found responsible in connection with such matters, we could be subject to significant fines, penalties, repayments and other damages (in certain cases, treble damages), and experience reputational harm.

As a global business, we are subject to complex laws and regulations in the U.S. and other countries in which we operate. Those laws and regulations may be interpreted in different ways. They may also change from time to time, as may related interpretations and other guidance. Changes in laws or regulations could result in higher expenses. Uncertainty relating to laws or regulations may also affect how we operate, structure our investments and enforce our rights.

Changes in environmental and climate change related-laws could require additional investments in product designs, which may be more expensive or difficult to manufacture, qualify and sell and/or may involve additional product safety risks and could increase environmental compliance expenditures.

At times, we are involved in disputes with private parties over environmental issues, including litigation over the allocation of cleanup costs, alleged personal injuries and property damage. Existing and future asbestos-related claims could adversely affect our financial condition, results of operations and cash flows. Personal injury lawsuits may involve individual and putative class actions alleging that contaminants originating from our current or former products or operating facilities caused or contributed to medical conditions. Property damage lawsuits may involve claims relating to environmental damage or diminution of real estate values. Even in litigation where we believe our liability is remote, there is a risk that a negative finding or decision could have a material adverse effect on our competitive position, results of operations, cash flows or financial condition, in particular with respect to environmental claims in regions where we have, or previously had, significant operations or where certain of our products have been manufactured and used.

The U.S. Foreign Corrupt Practices Act ("FCPA") and other anti-corruption laws generally prohibit companies and their intermediaries from making improper payments to government officials or other persons for the purpose of obtaining or retaining business. Certain of our or our channel partners' customer relationships are with governmental entities and are, therefore, subject to the FCPA and other anti-corruption laws. We are also subject to antitrust, anti-collusion and anti-money laundering laws in various jurisdictions throughout the world. Despite meaningful measures to ensure lawful conduct, which include training, audits and internal control policies and procedures, we may not always be able to prevent our employees, third-party agents or channel partners from violating the FCPA or anti-trust, anti-money laundering or other anti-corruption laws. As a result, we could be subject to criminal and civil penalties, as well as disgorgement. We could be required to make changes or enhancements to our compliance measures that could increase our costs, and we could be subject to other remedial actions.

Violations of the FCPA, antitrust, anti-money laundering or other anti-corruption or anti-collusion laws, or allegations of such violations, could disrupt our operations, cause reputational harm, involve significant management distraction and result in a material adverse effect on our competitive position, results of operations, cash flows or financial condition.

We also must comply with various laws and regulations relating to the import and export of products, services and technology into and from the U.S. and other countries having jurisdiction over our operations. In the U.S., these laws include, amongst others, the Export Administration Regulations administered by the U.S. Department of Commerce and embargoes and sanctions

regulations administered by the U.S. Department of the Treasury. Restrictions on the export of our products, services or technologies could have a material adverse effect on our competitive position, results of operations, cash flows or financial condition.

For a description of material legal proceedings and regulatory matters, see the section entitled "Legal Proceedings" and Note 23 – Commitments and Contingent Liabilities in the accompanying Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K.

***We are subject to risks arising from doing business with the U.S. government.***

As a supplier and service provider to the U.S. government, including as a subcontractor under prime contracts with the U.S. government, we are subject to certain heightened risks, such as those associated with the government's rights to audit and conduct investigations and with its rights to terminate contracts for convenience or default. In light of the current U.S. government contracting environment, we are and will continue to be the subject of U.S. government investigations relating to our U.S. government contracts or subcontracts. Such investigations often take years to complete and could result in administrative, civil or criminal liabilities, including repayments, fines, treble and other damages, forfeitures, restitution or penalties, or could lead to suspension or debarment of U.S. government contracting or of export privileges. For instance, if a business unit were charged with wrongdoing in connection with a U.S. government investigation (including fraud or violation of certain environmental or export laws), the U.S. government could suspend us from bidding on or receiving awards of new U.S. government contracts or subcontracts. If convicted or found liable, the U.S. government could fine and debar us from receiving new awards for a period generally not to exceed three years and could void any contracts found to be tainted by fraud. We also could suffer reputational harm if allegations of impropriety were made against us, even if such allegations are later determined to be unsubstantiated.

***We engage in acquisitions and divestitures, and may encounter difficulties integrating acquired businesses with, or disposing of businesses from, our current operations; therefore, we may not realize the anticipated benefits of these acquisitions and divestitures.***

We seek to grow through strategic acquisitions in addition to organic growth. In the past several years, we have acquired consolidated and minority-owned businesses in an effort to complement and expand our business. We expect to continue such pursuits in the future. Our due diligence reviews may not identify all of the issues necessary to accurately estimate the cost and potential loss contingencies of a particular transaction, including potential exposure to regulatory sanctions resulting from an acquisition target's historical activities. For example, we may incur unanticipated costs, expenses or other liabilities, or reduced sales, as a result of an acquisition's violation of applicable laws, such as the FCPA or other anti-corruption laws outside of the U.S. We also may incur – and have incurred – unanticipated costs or expenses, including asset impairment and other charges and expenses associated with eliminating duplicate facilities, litigation and other liabilities. We may encounter – and have encountered – difficulties in integrating acquired businesses with our operations, establishing internal controls at these acquired businesses, or in managing strategic investments. Additionally, we may not realize – and have sometimes not realized – the degree or timing of benefits we anticipate when we first enter into a transaction. Any of the foregoing could adversely affect our business and results of operations. In addition, accounting requirements relating to business combinations, including the requirement to expense certain acquisition costs as incurred, may cause us to incur greater earnings volatility and generally lower earnings subsequent to periods in which we acquire new businesses.

We also make strategic divestitures from time to time. Our divestitures may result in continued financial exposure to the divested businesses, such as through guarantees, other financial arrangements, continued supply and services arrangements or through the retention of liabilities, such as for environmental and product liability claims. Under these arrangements, nonperformance by those divested businesses or claims against retained liabilities could result in the imposition of obligations that could have a material adverse effect on our results of operations, cash flows or financial condition.

The success of future acquisitions, divestitures and joint ventures will depend on the satisfaction of conditions precedent to such transactions and the timing of consummation of such transactions, which will depend in part on the ability of the parties to secure any required regulatory approvals in a timely manner, among other things.

***We may recognize impairment charges for our goodwill and certain other intangible assets.***

As of December 31, 2021, the net carrying value of our goodwill and certain other intangible assets totaled $9.3 billion and $509 million, respectively. Our other intangible assets primarily consist of trademarks. We periodically assess these assets to

determine if they are impaired. Significant negative industry or economic trends, disruptions to our business, planned or unexpected significant changes in the use of the assets, and sustained market capitalization declines may result in the impairment of goodwill or other intangible assets. Any charges relating to such impairments could have a material adverse impact on our results of operations in the period in which the impairment is recognized.

***Failure to maintain a satisfactory credit rating could adversely affect our liquidity, capital position, borrowing costs and access to the capital markets.***

Carrier has been issued an investment grade credit rating by each of Moody's Investors Services, Inc. ("Moody's"), Standard & Poor's ("S&P") and Fitch Ratings Inc. ("Fitch Ratings"). Nonetheless, any future downgrades could increase our borrowing costs, reduce market capacity for our commercial paper or require the posting of collateral under our derivative contracts. There can be no assurance that we will be able to maintain our credit ratings, and any additional actual or anticipated changes or downgrades, including any announcement that our ratings are under review for a downgrade, may have a negative impact on our liquidity, capital position and access to the capital markets. Additionally, our credit agreements generally provide for an increase in interest rates if the ratings for our debt are downgraded.

***We incurred debt obligations, and we may incur additional debt obligations in the future, which could adversely affect our business and profitability and our ability to meet other obligations.***

As of December 31, 2021, we had approximately $9.7 billion in aggregate principal amount of outstanding indebtedness. See Note 7 – Borrowings and Lines of Credit in the accompanying Notes to the Consolidated Financial Statements and the section entitled "Liquidity and Financial Condition" in this Annual Report on Form 10-K for additional information. We may also incur additional indebtedness in the future.

Our debt obligations could potentially have important consequences to us and our debt and equity investors, including: (1) requiring a substantial portion of our cash flows from operations to make interest payments; (2) making it more difficult to satisfy debt service and other obligations; (3) increasing the risk of a future credit ratings downgrade of our debt, which could increase future debt costs and limit the future availability of debt financing; (4) increasing our vulnerability to general adverse economic and industry conditions; (5) reducing the cash flows available to fund capital expenditures and other corporate purposes and to grow our business; (6) limiting our flexibility in planning for, or reacting to, changes in our business and the industry; (7) placing us at a competitive disadvantage relative to our competitors that may not be as highly leveraged; and (8) limiting our ability to borrow additional funds as needed or take advantage of business opportunities as they arise, pay cash dividends or repurchase shares.

As described in Note 7 – Borrowings and Lines of Credit in the accompanying Notes to the Consolidated Financial Statements and "Liquidity and Financial Condition" the terms of our indebtedness contain covenants restricting our financial flexibility in a number of ways, including, among other things, restrictions on our ability and the ability of certain of our subsidiaries to incur liens, to make certain fundamental changes and to enter into sale and leaseback transactions. In addition, the Revolving Credit Facility (defined subsequently) requires that we not exceed a maximum consolidated total leverage ratio. If we breach a restrictive covenant under any of our indebtedness, or an event of default occurs in respect of any of our indebtedness, our lenders may be entitled to declare all amounts owing in respect thereof to be immediately due and payable.

To the extent that we incur additional indebtedness, the foregoing risks could increase. In addition, our actual cash requirements in the future may be greater than expected. Our cash flows from operations may not be sufficient to repay all of the outstanding debt as it becomes due, and we may not be able to borrow money, sell assets or otherwise raise funds on acceptable terms, or at all, to refinance our debt.

**Risks Related to the Separation from UTC**

***We have operated as an independent company since April 3, 2020, the effective date of the Distribution, and our historical financial information is not necessarily indicative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results; additionally, we are a smaller, less diversified company than UTC prior to the Separation and the Distribution.***

The historical information about Carrier in this Annual Report on Form 10-K for the periods prior to April 3, 2020 refers to Carrier's businesses as operated by and integrated with UTC. Our historical financial information included in this Annual Report on Form 10-K is derived from the combined financial statements and accounting records of UTC. Prior to the Separation

and the Distribution, our business had been operated by UTC as part of its broader corporate organization, rather than as an independent company. As part of UTC, we were able to enjoy certain benefits from UTC's operating diversity, purchasing power and opportunities to pursue integrated strategies with UTC's other businesses. Accordingly, the financial information included in this Annual Report on Form 10-K for the periods prior to April 3, 2020 does not necessarily reflect the financial condition, results of operations or cash flows that we would have achieved as a separate, publicly traded company or those that we will achieve in the future.

In addition, the diversification of our sales, costs and cash flows are diminished as a stand-alone company, such that our results of operations, cash flows, working capital and financing requirements may be subject to increased volatility and our ability to fund capital expenditures and investments, pay dividends and service debt may be diminished. As a stand-alone company, we may also lose capital allocation efficiency and flexibility because we are no longer able to use cash flows from UTC or Otis to fund our investments and operations.

***After the Separation and the Distribution, certain members of management, directors and shareowners own stock in UTC, Carrier and Otis, and as a result may face actual or potential conflicts of interest.***

Following the Separation and the Distribution, certain members of management and the Board of Directors of each of UTC, Carrier and Otis own common stock in all three companies. This ownership overlap could create, or appear to create, potential conflicts of interest when the management and directors of one company face decisions that could have different implications for themselves and the other two companies. For example, potential conflicts of interest could arise in connection with the resolution of any dispute regarding the terms of the agreements governing the Separation and Carrier's relationship with UTC and Otis thereafter. These agreements include a separation and distribution agreement, the TMA, the employee matters agreement, the intellectual property agreement and any commercial agreements between the parties or their affiliates. Potential conflicts of interest may also arise out of any commercial arrangements that we or UTC may enter into in the future. See Note 1 – Description of the Business in the accompanying Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K for additional information on these agreements.

***We may not be able to engage in desirable capital-raising or strategic transactions following the Separation and the Distribution.***

Under current U.S. federal income tax law, a spin-off that otherwise qualifies for tax-free treatment can be rendered taxable to the parent corporation and its shareowners as a result of certain post-spin-off transactions, including certain acquisitions of shares or assets of the spun-off corporation. To preserve the tax-free treatment of the Separation and the Distribution, and in addition to Carrier's indemnity obligation described subsequently, the TMA restricts us, for the two-year period following the Distribution, except in specific circumstances, from: (1) entering into any transaction pursuant to which all or a portion of the shares of Carrier common stock would be acquired, whether by merger or otherwise; (2) issuing equity securities beyond certain thresholds; (3) repurchasing shares of Carrier common stock other than in certain open-market transactions; and (4) ceasing to actively conduct certain of our businesses. The TMA also prohibits us from taking or failing to take any other action that would prevent the Distribution and certain related transactions from qualifying as a transaction that is generally tax-free, for U.S. federal income tax purposes, under Sections 355 and 368(a)(1)(D) of the Internal Revenue Code of 1986, as amended (the "Code") or for applicable non-U.S. income tax purposes. Further, the TMA imposes similar restrictions on us and our subsidiaries during the two-year period following the Distribution that are intended to prevent certain transactions undertaken as part of the internal reorganization from failing to qualify as transactions that are generally tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code or for applicable non-U.S. income tax purposes. These restrictions may limit our ability to pursue certain equity issuances, strategic transactions, repurchases or other transactions that we may otherwise believe to be in the best interests of our shareowners or that might increase the value of our business. See Note 1 – Description of the Business in the accompanying Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K for additional information.

***In connection with the Separation into three independent public companies, each of UTC, Carrier and Otis has agreed to indemnify the other parties for certain liabilities. If we are required to pay UTC and/or Otis under these indemnities, our financial results could be negatively impacted. Also, the UTC or Otis indemnities may not be sufficient to hold us harmless from the full amount of liabilities for which UTC and Otis have been allocated responsibility, and UTC and/or Otis may not be able to satisfy their respective indemnification obligations in the future.***

Pursuant to the Separation and the Distribution agreement and certain other agreements among UTC, Carrier and Otis, each party has agreed to indemnify the other parties for certain liabilities as discussed further in Note 1 – Description of the Business

in the accompanying Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K. Indemnities that we may be required to provide UTC and/or Otis are not subject to any cap, may be significant and could negatively impact our business. Third parties could also seek to hold us responsible for any of the liabilities that UTC and/or Otis has agreed to retain. The indemnities from UTC and Otis for our benefit may not be sufficient to protect us against the full amount of such liabilities, and UTC and/or Otis may not be able to fully satisfy their respective indemnification obligations. Any amounts we are required to pay pursuant to such indemnification obligations and other liabilities could require us to divert cash that would otherwise have been used in furtherance of our operating business.

Moreover, even if we ultimately succeed in recovering from UTC or Otis, as applicable, we may be temporarily required to bear these losses. Each of these risks could negatively affect our business, results of operations, cash flows and financial condition.

***If the Distribution, together with certain related transactions, were to fail to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes, including as a result of subsequent acquisitions of our stock or the stock of UTC, we, as well as UTC, Otis and UTC's shareowners, could be subject to significant tax liabilities. In addition, if certain internal restructuring transactions were to fail to qualify as transactions that are generally tax-free for U.S. federal or non-U.S. income tax purposes, we, as well as UTC and Otis could be subject to significant tax liabilities. In certain circumstances, we could be required to indemnify UTC for material taxes and other related amounts pursuant to indemnification obligations under the TMA.***

The Distribution was conditioned on, among other things, the receipt by UTC of an IRS ruling regarding certain U.S. federal income tax matters relating to the Separation and the Distribution and an opinion of outside counsel, regarding the qualification of certain elements of the Distribution under Section 355 of the Code. The IRS ruling and the opinion of counsel were based upon and relied on, among other things, various facts and assumptions, as well as certain representations, statements and undertakings of UTC, Carrier and Otis, including those relating to the past and future conduct of UTC, Carrier and Otis.

Notwithstanding receipt of the IRS ruling and the opinion of counsel, the IRS could determine that the Distribution and/or certain related transactions should be treated as taxable transactions for U.S. federal income tax purposes if it determines that any of the representations, assumptions or undertakings upon which the IRS ruling or the opinion of counsel was based were inaccurate or have not been complied with. In addition, the IRS ruling does not address all of the issues that are relevant to determining whether the Distribution, together with certain related transactions, qualifies as a transaction that is generally tax-free for U.S. federal income tax purposes. The opinion of counsel represents the judgment of such counsel and is not binding on the IRS or any court, and the IRS or a court may disagree with the conclusions in the opinion of counsel. Accordingly, notwithstanding receipt by UTC of the IRS ruling and the opinion of counsel, there can be no assurance that the IRS will not assert that the Distribution and/or certain related transactions do not qualify for tax-free treatment for U.S. federal income tax purposes (including by reason of the consummation of Raytheon Company's merger with a wholly-owned subsidiary of UTC shortly after the Effective Time) or that a court would not sustain such a challenge. In the event the IRS were to prevail with such challenge, we, as well as UTC, Otis and UTC's shareowners, could be subject to significant U.S. federal income tax liability.

If the Distribution were to fail to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code, in general, for U.S. federal income tax purposes, UTC would recognize a taxable gain as if it had sold Carrier's common stock in a taxable sale for its fair market value, and UTC shareowners who received Carrier common stock in the Distribution would be subject to tax as if they had received a taxable distribution equal to the fair market value of such shares. Even if the Distribution were to otherwise qualify as a tax-free transaction under Sections 355 and 368(a)(1)(D) of the Code, it may result in taxable gain to UTC (but not its shareowners) under Section 355(e) of the Code if the Distribution were deemed to be part of a plan (or series of related transactions) pursuant to which one or more persons acquire, directly or indirectly, shares representing a 50% or greater interest (by vote or value) in UTC or Carrier. For this purpose, any acquisitions of UTC or Carrier common stock within the period beginning two years before the Distribution and ending two years after the Distribution are presumed to be part of such a plan, although UTC or Carrier may be able to rebut that presumption (including by qualifying for one or more safe harbors under applicable Treasury Regulations).

In addition, as part of the Separation, and prior to the Distribution, UTC and its subsidiaries completed an internal reorganization. With respect to certain transactions undertaken as part of the internal reorganization, UTC requested and obtained tax rulings in certain non-U.S. jurisdictions and/or opinions of external tax advisors, in each case, regarding the tax treatment of such transactions. Such tax rulings and opinions were based upon and relied on, among other things, various facts and assumptions, as well as certain representations (including with respect to certain valuation matters relating to the internal reorganization), statements and undertakings of UTC, Carrier, Otis or their respective subsidiaries. If any of these

representations or statements were, or were to become, inaccurate or incomplete, or if UTC, Carrier, Otis or any of their respective subsidiaries did not fulfill or otherwise comply with any such undertakings or covenants, such tax rulings and/or opinions may be invalid or the conclusions reached therein could be jeopardized. Further, notwithstanding receipt of any such tax rulings and/or opinions, there can be no assurance that the relevant taxing authorities will not assert that the tax treatment of the relevant transactions differs from the conclusions reached in the relevant tax rulings and/or opinions. In the event any such tax rulings and/or opinions or the relevant taxing authorities prevail with any challenge in respect of any relevant transaction, we, as well as UTC and Otis could be subject to significant tax liabilities.

Under the TMA, Carrier is generally required to indemnify UTC and Otis for any taxes resulting from the Separation (and any related costs and other damages) to the extent such amounts resulted from: (1) an acquisition of all or a portion of the equity securities or assets of Carrier, whether by merger or otherwise (and regardless of whether we participated in or otherwise facilitated the acquisition), (2) other actions or failures to act by Carrier or (3) certain of Carrier's representations, covenants or undertakings contained in any of the Separation-related agreements and documents or in any documents relating to the IRS ruling and/or the opinion of counsel being incorrect or violated. Further, under the TMA, we are generally required to indemnify UTC and Otis for a specified portion of any taxes (and any related costs and other damages) (a) arising as a result of the failure of the Distribution and certain related transactions to qualify as a transaction that is generally tax-free (including as a result of Section 355(e) of the Code) or a failure of any internal separation transaction that is intended to qualify as a transaction that is generally tax-free to so qualify, in each case, to the extent such amounts did not result from a disqualifying action by, or acquisition of equity securities of, Carrier, Otis or UTC or (b) arising from an adjustment, pursuant to an audit or other tax proceeding, with respect to any separation transaction that is not intended to qualify as a transaction that is generally tax-free. Any such indemnity obligations could be material. See Note 1 – Description of the Business in the accompanying Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K for additional information.

***Potential liabilities may arise due to fraudulent transfer considerations, which would adversely affect our financial condition and results of operations.***

In connection with the Separation (including the internal reorganization described previously), UTC completed several corporate reorganization transactions involving its subsidiaries which, along with the Distribution, may be subject to various fraudulent conveyance and transfer laws. If, under these laws, a court were to determine that, at the time of the Separation, any entity involved in these reorganization transactions or the Separation: (1) was insolvent, was rendered insolvent by reason of the Separation, or had remaining assets constituting unreasonably small capital, and (2) received less than fair consideration in exchange for the Distribution; or intended to incur, or believed it would incur, debts beyond its ability to pay these debts as they matured, then the court could void the Separation and the Distribution, in whole or in part, as a fraudulent conveyance or transfer. The court could then require our shareowners to return to UTC some or all of the shares of Carrier common stock issued in the Distribution, or require UTC or Carrier, as the case may be, to fund liabilities of the other company for the benefit of creditors. The measure of insolvency will vary depending upon the jurisdiction and the applicable law. Generally, however, an entity would be considered insolvent if the fair value of its assets was less than the amount of its liabilities (including the probable amount of contingent liabilities), or if it incurred debt beyond its ability to repay the debt as it matures. No assurance can be given as to what standard a court would apply to determine insolvency or that a court would determine that Carrier or any of our subsidiaries were solvent at the time of or after giving effect to the Distribution.

**Risks Related to Our Common Stock**

***The market price and trading volume of our common stock may fluctuate significantly.***

The trading price of our common stock has been and may continue to be volatile and the trading volume in our common stock may fluctuate.

The factors that could affect our common stock price include among others: (1) industry or general market conditions, including inflation and increasing cost of goods; (2) domestic and international economic factors unrelated to our performance; (3) impact of the COVID-19 pandemic; (4) lawsuits, enforcement actions and other claims by third parties or governmental authorities; (5) changes in our customers' preferences; (6) new regulatory pronouncements and changes in regulatory guidelines; (7) actual or anticipated fluctuations in our quarterly operating results; (8) changes in securities analysts' estimates of our financial performance or lack of research coverage and reports by industry analysts; (9) action by institutional shareowners or other large shareowners; (10) failure to meet any financial guidance given by us or any change in any financial guidance given by us, or changes by us in our financial guidance practices; (11) announcements by us of significant impairment charges; (12) speculation in the press or investment community; (13) investor perception of us and our industry; (14) changes in market

valuations or earnings of similar companies; (15) announcements by us or our competitors of significant contracts, acquisitions, dispositions or strategic partnerships; (16) war or terrorist acts; (17) any future sales of our common stock or other securities; (18) additions or departures of key personnel, and (19) failure to achieve any of our environmental, social or governance goals.

The stock markets have experienced volatility in recent years that has been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the market price of our common stock. In the past, following periods of volatility in the market price of a company's securities, class action litigation has often been instituted against the affected company. Any litigation of this type brought against us could result in substantial costs and a diversion of our management's attention and resources, which could harm our business, operating results and financial condition.

***Shareowner's percentage of ownership in Carrier's common stock may be diluted in the future.***

The percentage ownership of shareowners in Carrier's common stock may be diluted because of equity issuances for acquisitions, capital market transactions or otherwise, including any equity awards that we grant to our directors, officers and employees. Our employees have, and will receive from Carrier, stock-based awards that correspond to shares of our common stock. Such awards have had and will have a dilutive effect on our earnings per share, which could adversely affect the market price of our common stock. See Note 14 – Stock-Based Compensation and Note 18 – Earnings Per Share in the accompanying Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K for additional information.

***Quarterly cash dividends may be discontinued or modified, are subject to a number of uncertainties and may affect the price of our common stock.***

Quarterly cash dividends are a component of our capital allocation strategy, which we fund with operating cash flows, borrowings and divestitures. However, we are not required to declare dividends. Dividends may be discontinued, accelerated, suspended or delayed at any time without prior notice. Even if not discontinued, the amount of such dividends may be changed, and the amount, timing and frequency of such dividends may vary from past practice or from our stated expectations. Decisions with respect to dividends are subject to the discretion of our Board of Directors and will be based on a variety of factors. Important factors that could cause us to discontinue, limit, suspend, increase or delay our quarterly cash dividends include market conditions, the price of our common stock, the nature and timing of other investment opportunities, changes in our business strategy, the terms of our financing arrangements, our outlook as to the ability to obtain financing at attractive rates, the impact on our credit ratings and the availability of domestic cash. The reduction or elimination of our cash dividend could adversely affect the market price of our common stock.

***Our amended and restated bylaws designate the courts within the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our shareowners, which could discourage lawsuits against Carrier and our directors and officers.***

Carrier's amended and restated bylaws provide that unless Carrier's Board of Directors otherwise determines, the state courts within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware) will be the sole and exclusive forum for any derivative action or proceeding brought on behalf of Carrier, any action asserting a claim for or based on a breach of a fiduciary duty owed by any current or former director or officer or other employee of Carrier to Carrier or to Carrier shareowners, including a claim alleging the aiding and abetting of such a breach of fiduciary duty, any action asserting a claim against Carrier or any current or former director or officer or other employee of Carrier arising pursuant to any provision of the Delaware General Corporation Law ("DGCL") or our amended and restated certificate of incorporation or amended and restated bylaws, any action asserting a claim relating to or involving Carrier governed by the internal affairs doctrine, or any action asserting an "internal corporate claim" as that term is defined in Section 115 of the DGCL.

To the fullest extent permitted by law, this exclusive forum provision applies to state and federal law claims, including claims under the federal securities laws, including the Securities Act of 1933, as amended ("Securities Act"), and the Securities Exchange Act of 1934, as amended (the "Exchange Act"), although Carrier shareowners will not be deemed to have waived Carrier's compliance with the federal securities laws and the rules and regulations thereunder. The enforceability of similar choice of forum provisions in other companies' organizational documents has been challenged in legal proceedings, and it is possible that, in connection with claims arising under federal securities laws or otherwise, a court could find the exclusive forum provision contained in the amended and restated bylaws to be inapplicable or unenforceable.

This exclusive forum provision may limit the ability of our shareowners to bring a claim in a judicial forum that such shareowners find favorable for disputes with Carrier or our directors or officers, which may discourage such lawsuits against Carrier and our directors and officers. Alternatively, if a court were to find this exclusive forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings described previously, we may incur additional costs associated with resolving such matters in other jurisdictions, which could negatively affect our business, results of operations and financial condition.

***Anti-takeover provisions could enable our Board of Directors to resist a takeover attempt by a third party and limit the power of our shareowners.***

Carrier's amended and restated certificate of incorporation and amended and restated bylaws contain, and Delaware law contains, provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the bidder and to encourage prospective acquirers to negotiate with Carrier's Board of Directors rather than to attempt a hostile takeover. These provisions include, among others: (1) the ability of our remaining directors to fill vacancies on Carrier's Board of Directors (except in an instance where a director is removed by shareowners and the resulting vacancy is filled by shareowners); (2) limitations on shareowners' ability to call a special shareowner meeting; (3) rules regarding how shareowners may present proposals or nominate directors for election at shareowner meetings; and (4) the right of Carrier's Board of Directors to issue preferred stock without shareowner approval.

In addition, we are subject to Section 203 of the DGCL, which could have the effect of delaying or preventing a change of control that shareowners may favor. Section 203 provides that, subject to limited exceptions, persons that acquire, or are affiliated with persons that acquire, more than 15% of the outstanding voting stock of a Delaware corporation may not engage in a business combination with that corporation, including by merger, consolidation or acquisitions of additional shares, for a three-year period following the date on which that person or any of its affiliates becomes the holder of more than 15% of the corporation's outstanding voting stock.

We believe these provisions will protect our shareowners from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with Carrier's Board of Directors and by providing Carrier's Board of Directors with more time to assess any acquisition proposal. These provisions are not intended to make Carrier immune from takeovers; however, these provisions will apply even if the offer may be considered beneficial by some shareowners and could delay or prevent an acquisition that Carrier's Board of Directors determines is not in the best interests of Carrier and our shareowners. These provisions may also prevent or discourage attempts to remove and replace incumbent directors.

In addition, an acquisition or further issuance of our common stock could trigger the application of Section 355(e) of the Code, causing the distribution to be taxable to UTC. Under the TMA, we are required to indemnify UTC for the resulting tax, and this indemnity obligation might discourage, delay or prevent a change of control that our shareowners may consider favorable.

**General Risks**

***Natural disasters, epidemics or other unexpected events may disrupt our operations, adversely affect our results of operations, cash flows or financial condition and may not be fully covered by insurance.***

The occurrence of one or more natural disasters, power outages or other unexpected events, including hurricanes, fires, earthquakes, volcanic eruptions, tsunamis, floods and other forms of severe weather, health epidemics, pandemics (including COVID-19) or other contagious outbreaks, conflicts, wars or terrorist acts, in the U.S. or in other countries in which we or our suppliers or customers operate could adversely affect our operations and financial performance. Natural disasters, power outages or other unexpected events could damage or close one or more of our facilities or disrupt our operations temporarily or long-term, such as by causing business interruptions or by affecting the availability and/or cost of materials needed for manufacturing. In some cases, we have one factory that can manufacture a specific product or product line. As a result, damage to or the closure of a certain factory or factories may disrupt or prevent us from manufacturing certain products. Existing insurance arrangements may not cover all of the costs or lost cash flows that may arise from such events. The occurrence of any of these events could also increase our insurance and other operating costs or harm our sales.

***We may be affected by global economic, capital market and political conditions, and conditions in the construction, transportation and infrastructure industries in particular.***

Our business, operating results, cash flows and financial condition may be adversely affected by changes in global economic conditions and geopolitical risks and conditions, including credit market conditions, levels of consumer and business confidence, fluctuations in residential, commercial and industrial construction activity, pandemic health issues (including COVID-19 and its effects), natural disasters, commodity prices, energy costs, interest rates, inflation, foreign exchange rates, levels of government spending and deficits, trade policies (including tariffs, boycotts and sanctions), regulatory changes, actual or anticipated defaults on sovereign debt and other challenges that could affect the global economy.

These economic and political conditions affect our business in a number of ways. At this point, the extent to which COVID-19 will continue to impact the global economy remains uncertain, but pandemics or other significant public health events, or the perception that such events may occur, could have a material adverse effect on our business, results of operations, cash flows and financial condition. Additionally, the tightening of credit in the capital markets could adversely affect the ability of our customers, including individual end-customers and businesses, to obtain financing for significant purchases and operations, which could result in a decrease in or cancellation of orders for our products and services. Similarly, tightening credit may adversely affect our supply base and increase the potential for one or more of our suppliers to experience financial distress or bankruptcy. Additionally, because we have a number of factories and suppliers in foreign countries, the imposition of tariffs or sanctions or unusually restrictive border crossing rules could adversely affect our supply chain, operations and overall business.

Our business and financial performance is also adversely affected by decreases in the general level of economic activity, such as decreases in business and consumer spending and construction (both residential and commercial as well as remodeling). In addition, our financial performance may be influenced by the production and utilization of transport equipment, including truck production cycles in North America and Europe.

***Our business success depends on attracting and retaining qualified personnel.***

Our ability to sustain and grow our business requires us to hire, retain and develop a highly skilled and diverse management team and workforce. Failure to ensure that we have leadership with the necessary skill sets and experience could impede our ability to deliver our growth objectives, execute our strategic plan and effectively transition our leadership.

***Additional tax expense or additional tax exposures could affect our future profitability.***

We are subject to income taxes in the U.S. and various international jurisdictions. Changes to tax laws and regulations as well as changes and conflicts in related interpretations or other tax guidance could materially impact our tax receivables and liabilities and our deferred tax assets and deferred tax liabilities. Additionally, in the ordinary course of business, we are subject to examinations by various tax authorities. Tax authorities in various jurisdictions could also launch new examinations and expand existing examinations. The global and diverse nature of our operations means that these risks will continue, and additional examinations, proceedings and contingencies will arise from time to time. Our competitive position, results of operations, cash flows or financial condition may be affected by the outcome of examinations, proceedings and contingencies that cannot be predicted with certainty.

See "Business Overview" and "Results of Operations—Income Taxes" under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 3 – Summary of Significant Accounting Policies and Note 17 – Income Taxes in the accompanying Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K for further discussion on income taxes and related contingencies.

***Failure to maintain effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could materially and adversely affect us.***

As a public company, we are subject to the reporting requirements of the Exchange Act, Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") and the Dodd-Frank Wall Street Reform and Consumer Protection Act and are required to prepare our financial statements according to the rules and regulations required by the SEC. In addition, the Exchange Act requires that we file annual, quarterly and current reports. Our failure to prepare and disclose this information in a timely manner or to otherwise comply with applicable law could subject us to penalties under federal securities laws, expose us to lawsuits and restrict our ability to access financing. In addition, the Sarbanes-Oxley Act requires that, among other things, we establish and maintain effective internal controls and procedures for financial reporting and disclosure purposes. Internal control over financial

reporting is complex and may change over time due to changes in our business or in applicable accounting rules. We cannot provide assurance that our internal controls over financial reporting will be effective in the future or that a material weakness will not be discovered with respect to a prior period for which we had previously believed that internal controls were effective. If we are not able to maintain or document effective internal controls over financial reporting, our independent registered public accounting firm will not be able to certify as to the effectiveness of our internal controls over financial reporting.

Matters affecting our internal controls may cause us to be unable to report our financial information on a timely basis, or may cause us to restate previously issued financial information, and thereby subject us to adverse regulatory consequences, including sanctions or investigations by the SEC, or violations of applicable stock exchange listing rules. There could also be a negative reaction in the financial markets due to a loss of investor confidence in our company and the reliability of our financial statements. Confidence in the reliability of our financial statements is also likely to suffer if we or our independent registered public accounting firm report a material weakness in our internal controls over financial reporting. This could have a material and adverse effect on us by, for example, leading to a decline in the share price of our common stock and impairing our ability to raise additional capital.

## ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

## ITEM 2. PROPERTIES

We operate approximately 1,200 sites, which comprise approximately 37 million square feet of productive space. Of these, our facilities and key manufacturing sites greater than 100,000 square feet comprise approximately 27 million square feet of productive space. Approximately 60%, 18% and 18% of these significant properties are associated with our HVAC, Refrigeration and Fire & Security segments, respectively, with approximately 4% not associated with a particular segment. Approximately 35% of these significant properties are leased and the remainder are owned. Approximately 32% of these significant properties are located in the U.S.

Our fixed assets as of December 31, 2021 include manufacturing facilities and non-manufacturing facilities, such as warehouses and machinery and equipment, most of which is general purpose machinery and equipment that use special jigs, tools and fixtures and that, in many instances, have automatic control features and special adaptations. The facilities, warehouses, machinery and equipment in use as of December 31, 2021 are in good operating condition, are well-maintained and substantially all are in regular use.

## ITEM 3. LEGAL PROCEEDINGS

### Asbestos Matters

The Company has been named as a defendant in lawsuits alleging personal injury as a result of exposure to asbestos allegedly integrated into certain Carrier products or business premises. While the Company has never manufactured asbestos and no longer incorporates it into any currently-manufactured products, certain products that the Company no longer manufactures contained components incorporating asbestos. A substantial majority of these asbestos-related claims have been dismissed without payment or have been covered in full or in part by insurance or other forms of indemnity. Additional cases were litigated and settled without any insurance reimbursement. The amounts involved in asbestos-related claims were not material individually or in the aggregate in any period. The amounts recorded for asbestos-related liabilities are based on currently available information and assumptions that the Company believes are reasonable and are made with input from outside actuarial experts. See Item 7. Critical Accounting Estimates and Note 23 - Commitments and Contingent Liabilities in the accompanying Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K for additional information.

### Aqueous Film Forming Foam Litigation

As of December 31, 2021, the Company has been named as a defendant in over 1,800 lawsuits filed by individuals in or removed to the federal courts of the United States alleging that the historic use of Aqueous Film Forming Foam ("AFFF") caused personal injuries and/or property damage. The Company has also been named as a defendant in over 160 lawsuits filed by several U.S. states, municipalities and water utilities in or removed to U.S. federal courts alleging that the historic use of AFFF caused contamination of property and water supplies. In December 2018, the U.S. Judicial Panel on Multidistrict Litigation transferred and consolidated all AFFF cases pending in the U.S. federal courts against the Company and others to the

U.S. District Court for the District of South Carolina ("MDL Court") for pre-trial proceedings ("MDL Proceedings"). The individual plaintiffs in the MDL Proceedings generally seek damages for alleged personal injuries, medical monitoring and diminution in property value and injunctive relief to remediate alleged contamination of water supplies. The U.S. state, municipal and water utility plaintiffs in the MDL Proceedings generally seek damages and costs related to the remediation of public property and water supplies.

AFFF is a firefighting foam, developed beginning in the late 1960s pursuant to U.S. military specification, used to extinguish certain types of hydrocarbon-fueled fires primarily at military bases and airports. AFFF was manufactured by several companies, including National Foam and Angus Fire. UTC first entered the AFFF business with the acquisition of National Foam and Angus Fire in 2005 as part of the acquisition of Kidde. In 2013, Kidde divested the National Foam and Angus Fire businesses to a third party. The Company acquired Kidde as part of its separation from UTC in April 2020. During the eight year period of its operation by Kidde, National Foam manufactured AFFF for sale to government (including the U.S. federal government) and non-government customers in the U.S. at a single facility located in West Chester, Pennsylvania ("Pennsylvania Site"). During the same period, Angus Fire manufactured AFFF for sale outside the United States at a single facility located in Bentham, England.

The key components of AFFF that contribute to its fire-extinguishing capabilities are known as fluorosurfactants. National Foam and Angus Fire did not manufacture fluorosurfactants but instead purchased these substances from unrelated third parties. Plaintiffs in the MDL Proceedings allege that the fluorosurfactants used by various manufacturers in producing AFFF contained, or over time degraded into, compounds known as perflourooctane sulfonate ("PFOS") and/or perflourooctane acid ("PFOA"). Plaintiffs further allege that, as a result of the use of AFFF, PFOS and PFOA were released into the environment and, in some instances, ultimately reached drinking water supplies.

Plaintiffs in the MDL Proceedings allege that PFOS and PFOA contamination has resulted from the use of AFFF containing fluorosurfactants manufactured using a process known as ECF. They also allege that PFOA contamination has resulted from the use of AFFF containing fluorosurfactants manufactured using a different process, known as telomerization. Plaintiffs further allege that 3M was the only AFFF manufacturer that used fluorosurfactants relying on the ECF process and that all other foam manufacturers (including National Foam and Angus Fire) relied solely on fluorosurfactants produced via telomerization. Compounds containing PFOS and PFOA (as well as many other per- and polyfluoroalkyl substances known collectively as "PFAS") have also been used for decades by many third parties in a number of different industries to manufacture carpets, clothing, fabrics, cookware, food packaging, personal care products, cleaning products, paints, varnishes and other consumer and industrial products.

Plaintiffs in the MDL Proceedings have named multiple defendants, including four suppliers of chemicals and raw materials used to manufacture fluorosurfactants, four fluorosurfactant manufacturers, two toll manufacturers of fluorosurfactants and seven current (including National Foam and Angus Fire) and former (including the Company) AFFF manufacturers.

General liability discovery in the MDL Proceedings continues. Preliminary stage discovery in ten "bellwether" water provider cases was concluded and three of these cases were selected for tier two site- specific discovery. That discovery is ongoing. The MDL Court has established a briefing schedule with respect to certain aspects of the government contractor defense, potentially applicable to AFFF sold to or used by the U.S. government or other customers requiring product manufactured to meet military specification, such that all briefs were filed at the end of January 2022 with a hearing to follow.

Outside of the MDL Proceedings, the Company and other defendants are also party to six lawsuits in U.S. state courts brought by oil refining companies alleging product liability claims related to legacy sales of AFFF and seeking damages for the costs to replace the product and for property damage. In addition, the Company and other defendants are party to two actions related to the Pennsylvania Site in which the plaintiff water utility company seeks remediation costs related to the alleged contamination of the local water supply.

The Company believes that it has meritorious defenses to the claims in the MDL Proceedings and the other AFFF lawsuits. Based on the 2013 agreement for the sale of National Foam and Angus Fire, the Company is pursuing indemnification against these claims from the purchaser and current owner of National Foam and Angus Fire. The Company is also pursuing insurance coverage for these claims. At this time, however, given the numerous factual, scientific and legal issues to be resolved relating to these claims, the Company is unable to assess the probability of liability or to reasonably estimate the damages, if any, to be allocated to the Company, if one or more plaintiffs were to prevail in these cases, and there can be no assurance that any such future exposure will not be material in any period.

**UTC Equity Awards Conversion Litigation**

On August 12, 2020, several former employees of UTC or its subsidiaries filed a putative class action complaint (the "Complaint") in the United States District Court for the District of Connecticut against Raytheon Technologies Corporation ("RTX"), Carrier, Otis, the former members of the UTC Board of Directors and the members of the Carrier and Otis Boards of Directors (*Geraud Darnis, et al. v. Raytheon Technologies Corporation, et al.*). The Complaint challenges the method by which UTC equity awards were converted to RTX, Carrier and Otis equity awards following the Separation and the Distribution. Defendants moved to dismiss the Complaint. Plaintiffs amended their Complaint on September 13, 2021 (the "Amended Complaint"). The Amended Complaint, now with RTX, Carrier and Otis as the only defendants, asserts that the defendants are liable for breach of certain equity compensation plans and for breach of the implied covenant of good faith and fair dealing. The Amended Complaint also seeks specific performance. We believe that the claims against us are without merit. Defendants moved to dismiss the Amended Complaint on October 13, 2021.

**Other**

We have commitments and contingent liabilities related to legal proceedings, self-insurance programs and matters arising out of the ordinary course of business. Additionally, we are routinely a defendant in, party to or otherwise subject to many pending and threatened legal actions, claims, disputes and proceedings. These matters are often based on alleged violations of contract, product liability, warranty, regulatory, environmental, health and safety, employment, intellectual property, tax and other laws. In some of these proceedings, claims for substantial monetary damages are asserted against us and could result in fines, penalties, compensatory or treble damages or non-monetary relief. We do not believe that these matters will have a material adverse effect upon our competitive position, results of operations, cash flows or financial condition.

A further discussion of our potential regulatory liabilities can be found under the headings "Business" and "Risk Factors" in this Annual Report on Form 10-K.

**ITEM 4. MINE SAFETY DISCLOSURE**

Not Applicable.

**PART II**

**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED SHAREOWNER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

The Company's common stock is listed on the NYSE under the ticker symbol "CARR." As of December 31, 2021, the approximate number of common stock shareowners of record was 23,865.

The declaration and payment of dividends is at the discretion of our Board of Directors, and will depend upon our financial results, cash requirements and other factors deemed relevant by our Board of Directors.

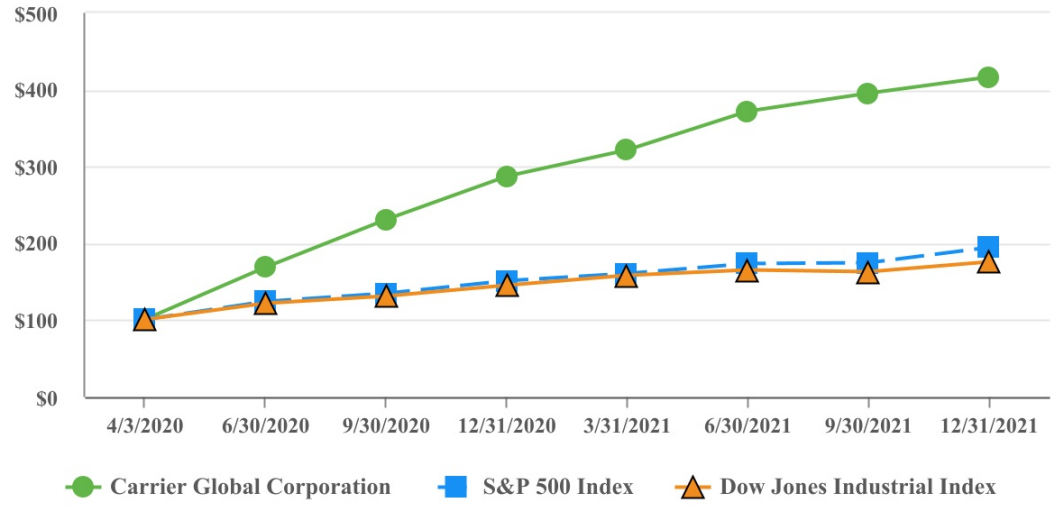
**PERFORMANCE GRAPH**

The following information is not deemed to be “soliciting material” or to be “filed” with the SEC or subject to Regulation 14A or 14C under the Exchange Act or to the liabilities of Section 18 of the Exchange Act, and will not be deemed to be incorporated by reference into any filing of the Company under the Securities Act or the Exchange Act, except to the extent the Company specifically incorporates it by reference into such a filing.

On April 3, 2020, UTC completed the Separation of Carrier into a stand-alone company. As a result of the Separation and the Distribution, Carrier became an independent public company. The following graph presents the cumulative total shareowner return from the Distribution Date through December 31, 2021 for our common stock, as compared with the S&P 500 Index and the Dow Jones Industrial Average.

Our common stock is a component of the S&P 500 Index. These figures assume that all dividends paid over the period were reinvested and that the starting value of each index and the investment in Carrier common stock was $100 on April 3, 2020.

**Comparison of Cumulative Total Return**




The cumulative total returns on Carrier common stock and each index as of each April 3, 2020 through December 31, 2021 plotted in the above graph are as follows:

| Company / Index | April 3, 2020 | June 30, 2020 | Sept. 30, 2020 | Dec. 31, 2020 | March 31, 2021 | June 30, 2021 | Sept. 30, 2021 | Dec. 31, 2021 |
|---|---|---|---|---|---|---|---|---|
| Carrier Global Corporation | $ 100.00 | $ 167.93 | $ 230.82 | $ 286.66 | $ 320.86 | $ 371.32 | $ 395.46 | $ 416.55 |
| S&P 500 Index | $ 100.00 | $ 123.27 | $ 134.28 | $ 150.59 | $ 159.89 | $ 173.56 | $ 174.57 | $ 193.82 |
| Dow Jones Industrials Index | $ 100.00 | $ 121.27 | $ 131.23 | $ 145.31 | $ 157.36 | $ 165.35 | $ 162.93 | $ 175.75 |

**Issuer Purchases of Equity Securities**

The following table provides information about our purchases during the three months ended December 31, 2021 of equity securities that are registered by us pursuant to Section 12 of the Exchange Act.

| | Total Number of Shares Purchased (in 000's) | Average Price Paid per Share [1] | Total Number of Shares Purchased as Part of a Publicly Announced Program (in 000's) | Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (in millions) |
|---|---|---|---|---|
| **2021** | | | | |
| October 1 - October 31 | 430 | $53.00 | 430 | $ 1,801 |
| November 1 - November 30 | 2,547 | $53.98 | 2,547 | $ 1,664 |
| December 1 - December 31 | 1,693 | $54.75 | 1,693 | $ 1,571 |
| **Total** | **4,670** | **$54.17** | **4,670** | |

[1] Excludes broker commissions.

In July 2021, the Company's Board of Directors authorized a $1.75 billion increase to the Company's existing $350 million stock repurchase program. The program allows the Company to repurchase its outstanding common stock from time to time

subject to market conditions and at the Company's discretion in the open market or through one or more other public or private transactions and subject to compliance with the Company's obligations under the TMA.

**Equity Compensation Plan Information**

See Item 12, Security Ownership of Certain Beneficial Owners and Management and Related Shareowner Matters, of this Annual Report on Form 10-K.

## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### BUSINESS OVERVIEW

**Business Summary**

Carrier Global Corporation is a leading global provider of healthy, safe, sustainable and intelligent building and cold chain solutions. Our portfolio includes industry-leading brands such as Carrier, Kidde, Edwards, LenelS2, Carrier Transicold and Automated Logic that offer innovative HVAC, refrigeration, fire, security and building automation technologies to help make the world safer and more comfortable. We also provide a broad array of related building services, including audit, design, installation, system integration, repair, maintenance and monitoring. Our operations are classified into three segments: HVAC, Refrigeration and Fire & Security.

Our worldwide operations are affected by global and regional industrial, economic and political factors and trends. These include the mega-trends of urbanization, climate change and increasing requirements for food safety driven by the food needs of our growing global population and the rising standards of living in emerging markets. We believe that our business segments are well positioned to benefit from favorable secular trends, including these mega-trends and from the strength of our industry-leading brands and track record of innovation. In addition, we regularly review our markets to proactively identify trends and adapt our strategies accordingly.

Our business is also affected by changes in the general level of economic activity, such as changes in business and consumer spending, construction and shipping activity as well as short-term economic factors such as currency fluctuations, commodity price volatility and supply disruptions. However, we continue to invest in our business, take pricing actions to mitigate supply chain and inflationary pressures, develop new products and services in order to remain competitive in our markets and use risk management strategies to mitigate various exposures. We believe that we have industry-leading global brands, which form the foundation of our business strategy. Coupled with our focus on growth, innovation and operational efficiency, we expect to drive long-term future growth and increased value for our shareowners.

**Recent Developments**

***Supply Chain Challenges***

The ongoing global economic recovery from the COVID-19 pandemic has caused significant challenges for global supply chains resulting in inflationary cost pressures, component shortages and transportation delays. As a result, we have incurred incremental costs for commodities and components used in our products as well as component shortages and higher freight costs that have negatively impacted our sales and results of operations. We expect that these challenges will continue to have an impact on our business for the foreseeable future.

We continue to take proactive steps to limit the impact of these challenges and are working closely with our suppliers to ensure availability of products and implement other cost savings initiatives. In addition, we continue to invest in our operations and supply chain to improve its resilience with a focus on automation, dual sourcing of critical components and localized manufacturing when feasible. To date, there has been moderate disruption to the availability of our products, though it is possible that more significant disruptions could occur if these supply chain challenges continue.

***Sale of Chubb Fire & Security Business***

On January 3, 2022, we completed the sale of Chubb to APi pursuant to a stock purchase agreement for an enterprise value of $3.1 billion. Chubb, reported within our Fire & Security segment, delivers essential fire safety and security solutions from design and installation to monitoring, service and maintenance across more than 17 countries around the globe. As a result, the

operations of Chubb are included in our 2021 consolidated results of operations. However, the assets and liabilities of Chubb are presented as held for sale in the accompanying Consolidated Balance Sheet as of December 31, 2021. The purchase price is subject to working capital and other adjustments as provided in the Chubb Sale Agreement. Consistent with our capital allocation strategy, the net proceeds of approximately $2.6 billion will be used to fund investments in organic and inorganic growth initiatives and capital returns to our shareowners as well as for general corporate purposes.

**Separation from United Technologies Corporation**

On April 3, 2020, UTC completed the Separation of Carrier into an independent publicly traded company. In connection with the Separation, we issued an aggregate principal balance of $11.0 billion of debt and transferred approximately $10.9 billion of cash to UTC on February 27, 2020 and March 27, 2020. In addition, we entered into several agreements with UTC and Otis that govern various aspects of the relationship among us, UTC and Otis following the Separation and the Distribution including the TSA (which expired on March 31, 2021), the TMA, an employee matters agreement and an intellectual property agreement. Income and expense under these agreements are not material. On April 1, 2020 and April 2, 2020, we received cash contributions totaling $590 million from UTC related to the Separation.

Our financial statements for periods prior to the Separation and the Distribution are prepared on a "carve-out" basis and include all amounts directly attributable to Carrier. Net cash transfers and other property transferred between UTC and us, including related party receivables and payables between us and other UTC affiliates, are presented as *Net transfers to UTC*. In addition, the financial statements include allocations of costs for administrative functions and services performed on our behalf by centralized groups within UTC. All allocations and estimates in the Consolidated Financial Statements are based on assumptions that management believes are reasonable. Our financial statements for the periods subsequent to April 3, 2020 are consolidated financial statements based on the reported results of Carrier as a stand-alone company. See Note 2 – Basis of Presentation in the accompanying Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K for additional information.

**Impact of the COVID-19 Pandemic**

In early 2020, the World Health Organization declared the outbreak of a respiratory disease known as COVID-19 as a global pandemic. In response, many countries implemented containment and mitigation measures to combat the outbreak, which severely restricted the level of economic activity and caused a significant contraction in the global economy. As a result, we temporarily closed or reduced production at manufacturing facilities across the globe to ensure employee safety and instructed non-essential employees to work from home. In addition, we took several preemptive actions during 2020 to manage liquidity as demand for our products decreased. Despite the adverse impacts of the pandemic on our results beginning in the first quarter of 2020, manufacturing operations resumed and several restorative actions were completed during 2020 including the reinstatement of annual merit-based salary increases and continued investment to support our strategic priorities.

We continue to focus our efforts on preserving the health and safety of our employees and customers as well as maintaining the continuity of our operations. In addition, we continue to actively monitor our liquidity position and working capital needs and believe that our overall capital resources and liquidity position are adequate. The preparation of financial statements requires management to use judgments in making estimates and assumptions based on the relevant information available at the end of each period, which can have a significant effect on reported amounts. However, due to significant uncertainty surrounding the pandemic, including a resurgence in cases and the spread of COVID-19 variants, management's judgments could change. While our results of operations, cash flows and financial condition could be negatively impacted, the extent of any continuing impact cannot be estimated with certainty at this time.

**RESULTS OF OPERATIONS**

This discussion summarizes the significant factors affecting our consolidated results of operations, financial condition and liquidity for the year ended December 31, 2021 compared with December 31, 2020. This discussion should be read in conjunction with Item 8, the Consolidated Financial Statements and the accompanying Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K. A detailed discussion of the year ended December 31, 2020 compared with December 31, 2019 is not included herein and can be found in the Management's Discussion and Analysis section in the Company's 2020 Annual Report on Form 10-K, filed with the SEC on February 9, 2021, under the heading "Results of Operations," which is incorporated herein by reference.

**Year Ended December 31, 2021 Compared with Year Ended December 31, 2020**

The following represents our consolidated net sales and operating results:

| *(In millions)* | 2021 | 2020 | Period Change | % Change |
|---|---|---|---|---|
| Net sales | $ 20,613 | $ 17,456 | $ 3,157 | 18 % |
| Cost of products and services sold | (14,633) | (12,347) | (2,286) | 19 % |
| Gross margin | 5,980 | 5,109 | 871 | 17 % |
| Operating expenses | (3,335) | (2,026) | (1,309) | 65 % |
| Operating profit | 2,645 | 3,083 | (438) | (14) % |
| Non-operating income (expense), net | (245) | (228) | (17) | 7 % |
| Income from operations before income taxes | 2,400 | 2,855 | (455) | (16) % |
| Income tax expense | (699) | (849) | 150 | (18) % |
| Net income from operations | 1,701 | 2,006 | (305) | (15) % |
| Less: Non-controlling interest in subsidiaries' earnings from operations | 37 | 24 | 13 | 54 % |
| **Net income attributable to common shareowners** | **$ 1,664** | **$ 1,982** | **$ (318)** | **(16) %** |

***Net Sales***

For the year ended December 31, 2021, *Net sales* was $20.6 billion, an 18% increase compared with 2020. The components of the year-over-year change were as follows:

| | 2021 |
|---|---|
| Organic / Operational | 15 % |
| Foreign currency translation | 2 % |
| Acquisitions and divestitures, net | 1 % |
| **Total % change** | **18 %** |

For the year ended December 31, 2021, higher volumes and pricing improvements in each of our segments increased organic sales by 15% compared with 2020. The organic increase was primarily driven by our HVAC segment with strong demand in our North America residential and light commercial business and improved global end-markets in our Commercial HVAC business. Higher sales in our Refrigeration and Fire & Security segments were driven by improved global end-markets. Results for 2021 reflected a significant rebound in demand after initial weakness during the first half of 2020 due to the COVID-19 pandemic and current demand remains strong. However, supply chain and logistic constraints continue to be challenging, negatively impacting our sales and results of operations. For additional discussion on the segment results for 2021, see the section entitled "Segment Review."

***Gross Margin***

For the year ended December 31, 2021, gross margin was $6.0 billion, a 17% increase compared with the same period of 2020. The components were as follows:

| *(In millions)* | 2021 | 2020 |
|---|---|---|
| Net sales | $ 20,613 | $ 17,456 |
| Cost of products and services sold | (14,633) | (12,347) |
| **Gross margin** | **$ 5,980** | $ 5,109 |
| Percentage of net sales | 29.0 % | 29.3 % |

The increase in gross margin for the year ended December 31, 2021 was primarily driven by continued improvement in the global economic climate during the current period. Higher volumes and pricing improvements in each of our segments outpaced operational costs as we continued to focus on Carrier 700 cost containment actions. However, each of our segments was

impacted by the rising cost for commodities and components used in our products, certain supply chain constraints and higher freight costs particularly in the second half of the year. As a result, gross margin as a percentage of *Net sales* decreased by 30 basis points compared with the same period of 2020.

***Operating Expenses***

For the year ended December 31, 2021, operating expenses, including *Equity method investment net earnings*, was $3.3 billion, a 65% increase compared with the same period of 2020. The components were as follows:

| | For the Year Ended December 31, | |
|---|---|---|
| ***(In millions)*** | **2021** | **2020** |
| Selling, general and administrative | $ (3,120) | $ (2,820) |
| Research and development | (503) | (419) |
| Equity method investment net earnings | 249 | 207 |
| Other income (expense), net | 39 | 1,006 |
| **Operating expenses** | **$ (3,335)** | **$ (2,026)** |
| Percentage of net sales | 16.2 % | 11.6 % |

For the year ended December 31, 2021, *Selling, general and administrative* expenses were $3.1 billion, an 11% increase compared with the same period of 2020. At the onset of the COVID-19 pandemic, we initiated various cost containment initiatives in order to help mitigate the impacts on our business, which included reducing discretionary spending, employee furloughs and temporarily closing or limiting the presence of our workforce in our facilities. As a result, the increase in *Selling, general and administrative* expense in the current period reflects the gradual return to our operational spending levels prior to the COVID-19 pandemic. In addition, higher compensation and restructuring costs as well as transaction costs of $43 million associated with the divestiture of our Chubb business further contributed to the year-over-year increase. Costs associated with the Separation were $20 million for the year ended December 31, 2021 compared with $141 million for the same period of 2020.

*Research and development* costs relate to new product development and new technology innovation. Due to the variable nature of program development schedules, year-over-year spending levels can fluctuate. In addition, we continue to invest to prepare for future energy efficiency and refrigerant regulation changes and in digital controls technologies.

Investments over which we do not exercise control, but have significant influence, are accounted for using the equity method of accounting. For the year ended December 31, 2021, *Equity method investment net earnings* were $249 million, a 20% increase compared with the same period of 2020. The increase was primarily related to higher earnings in HVAC joint ventures in Asia, the Middle East and North America as end-markets improved compared with the same period of 2020 and the absence of a 2020 product performance matter at one of our HVAC joint ventures. These increases were partially offset by the reduction in earnings resulting from the sale of our investment in Beijer REF AB ("Beijer") in 2020.

*Other income (expense), net* primarily includes the impact of gains and losses related to the sale of interests in our equity method investments, foreign currency gains and losses on transactions that are denominated in a currency other than an entity's functional currency and hedging-related activities. The twelve months ended December 31, 2020 included a $1.1 billion gain on sale of our investment in Beijer. The gain was partially offset by a $71 million other-than-temporary impairment charge on a minority-owned joint venture, an $11 million charge resulting from a litigation matter and a $12 million unfavorable impact for a change in the estimate of certain long-term liabilities. In addition, higher gains on hedging activities were partially offset by deferred compensation costs in the current period.

***Non-Operating Income (Expense), net***

For the year ended December 31, 2021, Non-operating income (expense), net was $245 million, a 7% increase compared with the same period of 2020. The components were as follows:

| | For the Year Ended December 31, | |
|---|---|---|
| ***(In millions)*** | **2021** | **2020** |
| Non-service pension benefit | $ 61 | $ 60 |
| Interest expense | (319) | (298) |
| Interest income | 13 | 10 |
| Interest (expense) income, net | (306) | (288) |
| **Non-operating income (expense), net** | **$ (245)** | **$ (228)** |

Non-operating income (expense), net includes the results from activities other than normal business operations such as interest expense, interest income and the non-service components of pension and post-retirement obligations. Interest expense is affected by the amount of debt outstanding and the interest rates on that debt. For the year ended December 31, 2021, interest expense was $319 million, a 7% increase compared with the same period of 2020. In connection with the Separation and the Distribution, we issued $11.0 billion of long-term debt in February 2020. As a result, interest expense for the year ended December 31, 2020 only included interest expense incurred on such debt after the issuance date. In addition, we issued $750 million of 2.70% long-term notes in June 2020. During the year ended December 31, 2021, we incurred a make-whole premium of $17 million and write-off of $2 million of unamortized deferred financing costs as a result of the redemption of our $500 million 1.923% Notes originally due in February 2023.

***Income Taxes***

| | **2021** | **2020** |
|---|---|---|
| Effective tax rate | 29.1 % | 29.7 % |

The effective tax rate for the year ended December 31, 2021 includes a net tax charge of $157 million primarily relating to the re-organization and disentanglement of certain Chubb subsidiaries executed in advance of the planned divestiture of Chubb, a $43 million deferred tax charge as a result of the tax rate increase from 19% to 25% in the United Kingdom, partially offset by a favorable tax adjustment of $70 million due to foreign tax credits generated and expected to be utilized in the current year and $21 million resulting from the re-organization of a German subsidiary.

The effective tax rate for the year ended December 31, 2020 reflects a $51 million charge related to a valuation allowance recorded against a United Kingdom tax loss and credit carry forward and a charge of $46 million resulting from our decision to no longer permanently reinvest certain pre-2018 unremitted non-U.S. earnings.

**Segment Review**

We have three operating segments:

- The HVAC segment provides products, controls, services and solutions to meet the heating, cooling and ventilation needs of residential and commercial customers while enhancing building performance, health, energy efficiency and sustainability.
- The Refrigeration segment includes transport refrigeration and monitoring products, services and digital solutions for trucks, trailers, shipping containers, intermodal applications, food retail and warehouse cooling, as well as commercial refrigeration products.
- The Fire & Security segment provides a wide range of residential, commercial and industrial technologies designed to help protect people and property.

We determine our segments based on how our Chief Executive Officer, who is the Chief Operating Decision Maker ("CODM"), allocates resources, assesses performance and makes operational decisions. The CODM allocates resources and evaluates the financial performance of each of our segments based on *Net sales* and *Operating profit*. Adjustments to reconcile segment reporting to the consolidated results are included in Note 21 - Segment Financial Data.

Summary performance for each of our segments is as follows:

| | Net Sales | | Operating Profit | | Operating Margin | |
|---|---|---|---|---|---|---|
| ***(In millions)*** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
| HVAC | $ 11,390 | $ 9,478 | $ 1,738 | $ 2,462 | 15.3 % | 26.0 % |
| Refrigeration | 4,127 | 3,333 | 476 | 357 | 11.5 % | 10.7 % |
| Fire & Security | 5,515 | 4,985 | 662 | 584 | 12.0 % | 11.7 % |
| **Total segment** | **$ 21,032** | **$ 17,796** | **$ 2,876** | **$ 3,403** | **13.7 %** | **19.1 %** |

***HVAC Segment***

For the year ended December 31, 2021, *Net sales* in our HVAC segment was $11.4 billion, a 20% increase compared with the same period of 2020. The components of the year-over-year change were as follows:

| | **Net sales** |
|---|---|
| Organic / Operational | 17 % |
| Foreign currency translation | 1 % |
| Acquisitions and divestitures, net | 2 % |
| **Total % change** | **20 %** |

The organic increase in *Net sales* of 17% was driven by improved results across each of our HVAC segment's businesses. Increased sales in our North America residential and light commercial business (22%) were driven by new construction, the demand for our products by the ongoing stay-at-home workforce, higher distributor stocking levels and pricing improvements. Increased sales in our Commercial HVAC business (11%) benefited from the gradual improvement in the global economic environment as our end-markets continue to improve from the prior year impacts of the COVID-19 pandemic. Volume growth in Europe and Asia were the primary drivers of improved results during the period. Results for 2021 reflected a significant rebound in demand after initial weakness during the first half of 2020 due to the COVID-19 pandemic and current demand remains strong. However, supply chain and logistic constraints continue to be challenging, negatively impacting our sales and results of operations.

On June 1, 2021, the Commercial HVAC business completed the acquisition of Giwee. Giwee is a China-based manufacturer offering a portfolio of HVAC products including variable refrigerant flow, modular chillers and light commercial air conditioners. The results of Giwee have been included in our Consolidated Financial Statements since the date of acquisition. The transaction added 2% to *Net sales* for the year ended December 31, 2021. See Note 19 - Acquisitions in the accompanying Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K for additional information.

For the year ended December 31, 2021, *Operating profit* in our HVAC segment was $1.7 billion, a 29% decrease compared with the same period of 2020. The components of the year-over-year change were as follows:

| | **Operating profit** |
|---|---|
| Organic / Operational | 15 % |
| Foreign currency translation | 1 % |
| Acquisitions and divestitures, net | (2) % |
| Restructuring | (1) % |
| Other | (42) % |
| **Total % change** | **(29) %** |

The operational profit increase of 15% was primarily attributable to higher sales volumes and higher earnings from equity method investments compared with the same period of 2020. In addition, productivity initiatives and favorable product mix further contributed to the segment's results. Pricing improvements offset higher costs for commodities and components used in our products as well as higher freight costs experienced during the year. Higher selling, general and administrative costs and research and development impacted operational profit as our businesses return to normal spending levels as compared with the same period of 2020.

The decrease in Other of 42% primarily reflects the absence of a $1.1 billion gain on the sale of our investment in Beijer in the prior year. In addition, the amounts reported in Other reflect the absence of a prior period non-cash, other-than-temporary impairment charge of $71 million on a minority-owned joint venture investment due to a reduction in sales and earnings that were driven by a deterioration in the oil and gas industry (the joint venture's primary market) and the impact of the COVID-19 pandemic.

***Refrigeration Segment***

For the year ended December 31, 2021, *Net sales* in our Refrigeration segment was $4.1 billion, a 24% increase compared with the same period of 2020. The components of the year-over-year change were as follows:

| | **Net sales** |
|---|---|
| Organic / Operational | 21 % |
| Foreign currency translation | 3 % |
| **Total % change** | **24 %** |

The organic increase in *Net sales* of 21% was driven by improved results across each of our Refrigeration segment's businesses. Transport refrigeration sales (28%) benefited from the continued recovery associated with the cyclical decline that began in late 2019 as well as a rebound in the demand for global transportation and COVID-19 vaccine-related cargo monitoring products. Commercial refrigeration sales (9%) also increased due to a rebound in demand. Results for 2021 reflected a significant rebound in demand after initial weakness during the first half of 2020 due to the COVID-19 pandemic and current demand remains strong. However, supply chain and logistic constraints continue to be challenging, negatively impacting our sales and results of operations.

For the year ended December 31, 2021, *Operating profit* in our Refrigeration segment was $476 million, a 33% increase compared with the same period of 2020. The components of the year-over-year change were as follows:

| | **Operating profit** |
|---|---|
| Organic / Operational | 32 % |
| Foreign currency translation | 7 % |
| Restructuring | (4) % |
| Other | (2) % |
| **Total % change** | **33 %** |

The increase in operational profit of 32% was primarily attributed to higher sales volumes compared with the same period of 2020, which was heavily impacted by the COVID-19 pandemic. In addition, pricing improvements also contributed to the increase. These increases were partially offset by higher costs for commodities and components used in our products and higher freight costs. Higher selling, general and administrative costs and research and development activities further impacted operational profit as our businesses return to normal spending levels compared with the same period of 2020 in addition to incremental investments in product development and expanding our sales force.

***Fire & Security Segment***

For the year ended December 31, 2021, *Net sales* in our Fire & Security segment was $5.5 billion, an 11% increase compared with the same period of 2020. The components of the year-over-year change were as follows:

| | Net sales |
|---|---|
| Organic / Operational | 7 % |
| Foreign currency translation | 4 % |
| **Total % change** | **11 %** |

The organic increase in *Net sales* of 7% was driven by improved results across each of our Fire & Security segment's businesses. Field service sales (6%) benefited from improved end-markets in regions that were previously impacted by COVID-19, including Europe and Asia. An increase in product sales (8%) was primarily driven by improvements in the Americas, Asia and Europe, which were impacted by shutdowns related to COVID-19 in the prior year. Results for 2021 reflected a significant rebound in demand after initial weakness during the first half of 2020 due to the COVID-19 pandemic and current demand remains strong. However, supply chain and logistic constraints continue to be challenging, negatively impacting our sales and results of operations.

For the year ended December 31, 2021, *Operating profit* in our Fire & Security segment was $662 million, a 13% increase compared with the same period of 2020. The components of the year-over-year change were as follows:

| | Operating profit |
|---|---|
| Organic / Operational | 10 % |
| Foreign currency translation | 3 % |
| Other | — % |
| **Total % change** | **13 %** |

The operational profit increase of 10% was primarily attributable to higher sales volumes, pricing improvements and favorable mix compared with the same period of 2020, which was heavily impacted by the COVID-19 pandemic. These operational increases were partially offset by higher costs for commodities and components used in our products and higher freight. In addition, higher selling, general and administrative costs and research and development further impacted operational profit as our businesses return to normal spending levels as compared with the same period of 2020 as well as continued investment in selling and engineering.

Other activity recorded in *Operating profit* includes transaction costs associated with the planned divestiture of our Chubb business and the absence of a favorable adjustment related to a product recall matter in the prior year, offset by lower depreciation and amortization, which was ceased on Chubb's assets that were held for sale in accordance with ASC 360, *Property, Plant and Equipment* ("ASC 360").

## LIQUIDITY AND FINANCIAL CONDITION

We assess liquidity in terms of our ability to generate adequate amounts of cash necessary to fund our current and future cash requirements to support our business and strategic initiatives. In doing so, we review and analyze our cash on hand, working capital, debt service requirements and capital expenditures. We rely on operating cash flows as our primary source of liquidity. In addition, we have access to other sources of capital to finance our strategic initiatives and fund growth.

We manage our worldwide cash requirements by reviewing available funds and the cost effectiveness with which those funds can be accessed if held by foreign subsidiaries. As of December 31, 2021, we had cash and cash equivalents of approximately $3.0 billion, of which approximately 38% was held by Carrier’s foreign subsidiaries. On occasion, we are required to maintain cash deposits in connection with contractual obligations related to acquisitions or divestitures or other legal obligations. As of December 31, 2021 and 2020, the amount of such restricted cash included in *Other current assets* on the accompanying Consolidated Balance Sheet was approximately $39 million and $4 million, respectively.

We maintain a $2.0 billion unsecured, unsubordinated commercial paper program which we can use for general corporate purposes, including the funding of working capital and potential acquisitions. As of December 31, 2021, there were no borrowings outstanding under the commercial paper program.

We maintain a $2.0 billion revolving credit agreement with various banks that matures on April 3, 2025, as amended (the "Revolving Credit Facility"), which supports our commercial paper borrowing program and cash requirements. This Revolving Credit Facility has a commitment fee of 0.125% that is charged on the unused commitments. Borrowings under the Revolving Credit Facility are available in U.S. Dollars, Euros and Pounds Sterling. Pounds Sterling bears interest at a variable interest rate based on the daily simple Sterling Overnight Index Average ("SONIA") plus 0.0326%, Euros bear interest at the Euro Interbank Offered Rate ("EURIBOR") and U.S. Dollar bears interest at LIBOR, in each case, plus a ratings-based margin, which was 125 basis points as of December 31, 2021. As of December 31, 2021, there were no borrowings on the Revolving Credit Facility.

We believe that our available cash and operating cash flows will be sufficient to meet our future operating cash needs. Our committed credit facilities and access to the debt and equity markets provide additional sources of short-term and long-term capital to fund current operations, dividends, share repurchases, debt maturities and future investment opportunities. Although we believe that the arrangements currently in place permit us to finance our operations on acceptable terms and conditions, our access to and the availability of financing on acceptable terms and conditions in the future will be impacted by many factors, including: (1) our credit ratings or absence of credit ratings; (2) the liquidity of the overall capital markets; and (3) the state of the economy, including the impact of the COVID-19 pandemic and inflation. There can be no assurance that we will be able to obtain additional financing on terms favorable to us, if at all.

The Revolving Credit Facility and the indentures for our long-term notes contain affirmative and negative covenants customary for financings of this type, that among other things, limit Carrier and our subsidiaries' ability to incur additional liens, to make certain fundamental changes and to enter into sale and leaseback transactions. On June 2, 2020, we entered into an amendment of the Revolving Credit Facility, under which certain terms of the facility were amended for a period beginning on June 2, 2020 and ending on December 30, 2021 (the "Covenant Modification"). We terminated the Covenant Modification effective as of August 27, 2021 in accordance with procedures for termination set forth in the Revolving Credit Facility, which returned the consolidated leverage ratio to the limit in effect prior to the Covenant Modification. As of December 31, 2021, we were compliant with all covenants under the agreements governing our outstanding indebtedness.

Financing for operational and strategic requirements, not satisfied by operating cash flows, is subject to the availability of external funds through short-term and long-term credit markets. The access to and cost of financing is dependent upon, among other factors, our credit ratings. The following table presents our credit ratings and outlook as of December 31, 2021:

| Rating Agency | Long-term Rating [1] | Short-term Rating | Outlook [2] |
|---|---|---|---|
| S&P | BBB | A2 | Stable |
| Moody's | Baa3 | P3 | Stable |
| Fitch Ratings | BBB- | F3 | Stable |

[1] The long-term rating for S&P was affirmed on May 14, 2021, and for Moody's on June 16, 2020. Fitch Ratings' long-term rating was issued on June 3, 2021.
[2] S&P revised its outlook to stable from negative on May 14, 2021.

The following table contains several key measures of our financial condition and liquidity:

| | As of December 31, | |
|---|---|---|
| ***(In millions)*** | **2021** | **2020** |
| Cash and cash equivalents | $ 2,987 | $ 3,115 |
| Total debt | $ 9,696 | $ 10,227 |
| Net debt (total debt less cash and cash equivalents) | $ 6,709 | $ 7,112 |
| Total equity | $ 7,094 | $ 6,578 |
| Total capitalization (total debt plus total equity) | $ 16,790 | $ 16,805 |
| Net capitalization (total debt plus total equity less cash and cash equivalents) | $ 13,803 | $ 13,690 |
| Total debt to total capitalization | 58 % | 61 % |
| Net debt to net capitalization | 49 % | 52 % |

**Borrowings and Lines of Credit**

Our short-term obligations primarily consist of current maturities of long-term debt. Our long-term obligations primarily consist of long-term notes with maturity dates ranging between 2025 and 2050. Interest payments related to long-term notes are expected to approximate $273 million per year, reflecting an approximate weighted-average interest rate of 2.80%. Any borrowings from the Revolving Credit Facility are subject to variable interest rates. See Note 7 - Borrowings and Lines of Credit in the accompanying Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K for additional information.

Scheduled maturities of long-term debt, excluding amortization of discount, are as follows:

| ***(In millions)*** | | |
|---|---|---|
| 2022 | $ | 183 |
| 2023 | $ | 74 |
| 2024 | $ | 2 |
| 2025 | $ | 2,002 |
| 2026 | $ | 2 |
| Thereafter | $ | 7,504 |

**Share Repurchase Program**

During 2021, our Board of Directors approved a stock repurchase program authorizing the repurchase of up to $2.1 billion of Carrier's outstanding common stock. The repurchase program allows us to repurchase shares from time to time, subject to market conditions and at our discretion in the open market or through one or more other public or private transactions and subject to compliance with our obligations under the TMA and our Revolving Credit Facility. During the year ended December 31, 2021, we repurchased 10.4 million shares of our common stock for an aggregate purchase price of $529 million, which are held in *Treasury stock* as of December 31, 2021 in the accompanying Consolidated Balance Sheet. On January 4, 2022, we entered into an accelerated share repurchase agreement to repurchase $500 million of the Company's common stock to be completed in the first quarter of 2022.

**Dividends**

We paid dividends on our common stock of $0.48 per share during the year ended December 31, 2021, totaling $417 million. On December 8, 2021, the Board of Directors declared a dividend of $0.15 per share of common stock payable on February 10, 2022 to shareowners of record at the close of business on December 23, 2021.

**Acquisitions**

During the year ended December 31, 2021, we acquired consolidated and minority-owned businesses, including Giwee. The aggregate cash paid for acquisitions, net of cash acquired, totaled $366 million and was funded through cash on hand. See Note 19 - Acquisitions in the accompanying Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K for additional information.

**Discussion of Cash Flows**

| | **For the Years Ended December 31,** | |
|---|---|---|
| ***(In millions)*** | **2021** | **2020** |
| **Cash provided by (used in):** | | |
| Operating activities | $ 2,237 | $ 1,692 |
| Investing activities | (692) | 1,106 |
| Financing activities | (1,562) | (681) |
| Effect of foreign exchange rate changes on cash and cash equivalents | (16) | 45 |
| **Net increase (decrease) in cash and cash equivalents and restricted cash** | **$ (33)** | **$ 2,162** |

Cash flows from operating activities primarily represent inflows and outflows associated with our operations. Primary activities include net income from operations adjusted for non-cash transactions, working capital changes and changes in other assets and liabilities. We define working capital as the assets and liabilities, other than cash, generated through our primary operating activities. The year-over-year increase in net cash provided by operating activities was primarily driven by income generated by our operations after adjusting for non-cash transactions. In addition, lower working capital balances during the current period further added to the increase. Higher inventory levels, driven by continued strong demand and an increase of safety stock due to supply chain constraints were more than offset by higher outstanding accounts payable balances.

Cash flows from investing activities primarily represent inflows and outflows associated with long-term assets. Primary activities include capital expenditures, acquisitions and divestitures. During the year ended December 31, 2021, net cash used in investing activities was $692 million. The primary driver of the outflow related to the acquisition of several businesses and a minority-owned business, which totaled $366 million, net of cash acquired and $344 million of capital expenditures. During the year ended December 31, 2020, net cash provided by investing activities was $1.1 billion with the primary drivers of the inflow relating to the proceeds received from the sale of our investment in Beijer and the settlement of derivative contracts of $40 million. These inflows were partially offset by capital expenditures of $312 million.

Cash flows from financing activities primarily represent inflows and outflows associated with equity or borrowings. Primary activities include debt transactions, paying dividends to shareowners and the repurchase of our common stock. During the year ended December 31, 2021 net cash used in financing activities was $1.6 billion. The primary drivers of the outflow resulted from the repurchase of $527 million of our common stock, the redemption of our 1.923% Notes of $500 million and the payment of $417 million in dividends to our common shareowners. During the year ended December 31, 2020, net cash used by financing activities was $681 million with the primary drivers of the decrease relating to the prepayment of the Term Loan Credit Facility of $1.75 billion. This outflow was partially offset by the issuance of $750 million of long-term debt and a $590 million cash contribution from UTC in connection with the Separation.

**Summary of Other Sources and Uses of Cash**

We continue to actively manage and strengthen our business and product portfolio to meet the current and future needs of our customers. This is accomplished through research and development activities with a focus on new product development and new technology innovation as well as sustaining activities with a focus on improving existing products and reducing production costs. We also pursue potential acquisitions to complement existing products and services to enhance our product portfolio. In addition, we routinely conduct discussions, evaluate targets and enter into agreements regarding possible acquisitions, divestitures, joint ventures and equity investments to manage our business portfolio. As a result, we acquired consolidated and minority-owned businesses during the year ended December 31, 2021. The aggregate cash paid for acquisitions, net of cash acquired, totaled $366 million and was funded through cash on hand. In addition, on January 3, 2022, we completed the sale of Chubb to APi pursuant to a stock purchase agreement and received net proceeds of approximately $2.6 billion, subject to customary working capital and other adjustments as provided in the Chubb Sale Agreement.

Rapid changes in legislation, regulations and government policies, including with respect to regulations intended to combat climate change, affect our operations and business in the countries, regions and localities in which we operate and sell our products. We are committed to comply with these regulations and to environmental stewardship. As a result, we have set goals to invest over $2 billion by 2030 to develop healthy, safe, sustainable and intelligent buildings and cold chain solutions that incorporate sustainable design principles and reduce lifecycle impacts. In addition, to reach our goal to achieve carbon neutrality in our operations by 2030, we expect to incur capital expenditures for climate-related projects including upgrading our facilities, equipment and controls to optimize energy efficiency, transition our energy consumption from a dependency on fossil fuels to renewable energy and expanding the electrification of our fleet vehicles. See section entitled Environmental Goals under the headings "Other Matters Relating to Our Business as a Whole" for additional information.

We also have obligations related to environmental and asbestos matters, pension and post-retirement benefits and taxes. See Note 10 - Employee Benefit Plans, Note 17 - Income Taxes, and Note 23 - Commitments and Contingent Liabilities in the accompanying Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K for additional information.

**CRITICAL ACCOUNTING ESTIMATES**

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of financial statements in conformity with those accounting principles requires management to use judgement in making estimates and assumptions based on the relevant information available at the end of each period. These estimates and assumptions have a significant effect on reported amounts of assets, liabilities, sales and expenses as well as the disclosure of

contingent assets and liabilities because they result primarily from the need to make estimates and assumptions on matters that are inherently uncertain. Actual results could differ from management's estimates.

**Goodwill and Indefinite-Lived Intangible Assets**

In accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 350, *Intangibles - Goodwill and Other* ("ASC 350"), goodwill and other indefinite-lived intangible assets are tested and reviewed annually for impairment or whenever there is a material change in events or circumstances that indicate that the fair value of the asset is more likely than not less than the carrying amount of the asset. We test our reporting units and indefinite-lived intangible assets for impairment annually as of the first day of our third quarter, or more frequently if events or circumstances occur.

ASC 350 provides entities with an option to perform a qualitative assessment (commonly referred to as “step zero”) to determine whether a quantitative analysis for impairment is necessary. In performing step zero for our impairment test, we are required to make assumptions and judgments, including but not limited to the following: the evaluation of macroeconomic conditions as related to our business, industry and market trends, and the overall future financial performance of our reporting units and future opportunities in the markets in which they operate. If impairment indicators are present after performing step zero, we would perform a quantitative impairment analysis to estimate fair value.

For our 2021 impairment test, we elected to perform a qualitative step zero assessment for goodwill and indefinite-lived intangible assets. This qualitative assessment included the review of certain macroeconomic factors and entity-specific qualitative factors to determine if it was more likely than not that the fair values of our reporting units and indefinite-lived intangible assets were below carrying value. We considered macroeconomic factors including global economic growth, general macroeconomic trends for the markets in which our reporting units operate and where the intangible assets are utilized and the forecasted growth of the global industrial products industry. In addition to these macroeconomic factors, among other things, we considered the reporting units’ current results and forecasts, changes in the nature of each business, any significant legal, regulatory, contractual, political or other business climate factors, changes in the industry and competitive environment, changes in the composition or carrying amount of net assets and any intention to sell or dispose of a reporting unit or cease the use of an indefinite-lived intangible assets. Based upon our qualitative analysis, we determined that our goodwill and indefinite-lived intangible assets were not impaired.

**Revenue Recognition from Contracts with Customers**

Revenue is recognized when control of a good or service promised in a contract (i.e., performance obligation) is transferred to a customer. Control is obtained when a customer has the ability to direct the use of and obtain substantially all of the remaining benefits from that good or service. A significant portion of our performance obligations are recognized at a point-in-time when control of the product transfers to the customer, which is generally the time of shipment. The remaining portion of our performance obligations are recognized over time as the customer simultaneously obtains control as we perform work under a contract, or if the product being produced for the customer has no alternative use and we have a contractual right to payment.

A performance obligation is a distinct good, service or a bundle of goods and services promised in a contract. Some of our contracts with customers contain a single performance obligation, while others contain multiple performance obligations most commonly when a contract spans multiple phases of a product life-cycle such as production, installation, maintenance and support. We identify performance obligations at the inception of a contract and allocate the transaction price to each distinct performance obligation. Revenue is recognized when or as the performance obligation is satisfied. When there are multiple performance obligations within a contract, we allocate the transaction price to each performance obligation based on its relative stand-alone selling price.

We primarily generate revenue from the sale of products to customers and recognize revenue at a point in time when control transfers to the customer. Transfer of control is generally based on the shipping terms of the contract. In addition, we recognize revenue on an over-time basis on installation and service contracts. For over-time performance obligations requiring the installation of equipment, revenue is recognized using costs incurred to date relative to total estimated costs at completion to measure progress. Incurred costs represent work performed, which correspond with and best depict transfer of control to the customer. Contract costs include direct costs such as labor, materials and subcontractors’ costs and, where applicable, indirect costs.

The transaction price allocated to performance obligations reflects our expectations about the consideration we will be entitled to receive from a customer. We include variable consideration in the estimated transaction price when there is a basis to reasonably estimate the amount and when it is probable that a significant reversal of revenue recognized would not occur when the uncertainty associated with variable consideration is subsequently resolved. In addition, we customarily offer our customers incentives to purchase products to ensure an adequate supply of our products in distribution channels. The principal incentive programs provide reimbursements to distributors for offering promotional pricing for products. We account for estimated incentive payments as a reduction in sales at the time a sale is recognized.

**Income Taxes**

We account for income taxes in accordance with ASC 740: *Income Taxes* ("ASC 740"). Deferred tax assets and liabilities are determined based on temporary differences between financial reporting and tax bases of assets and liabilities, applying enacted tax rates expected to be in effect for the year in which the differences are expected to reverse. We recognize future tax benefits to the extent that realizing these benefits is considered in our judgment to be more likely than not. For those jurisdictions where the expiration date of tax carryforwards or the projected operating results indicate that realization is not likely, a valuation allowance is provided. We review the realizability of our deferred tax asset valuation allowances on a quarterly basis, or whenever events or changes in circumstances indicate that a review is required and will adjust our estimate if significant events so dictate. To the extent that the ultimate results differ from our original or adjusted estimates, the effect will be recorded in the provision for income taxes in the period that the matter is finally resolved.

In the ordinary course of business, there is inherent uncertainty in quantifying our income tax positions. We assess our income tax positions and record tax benefits for all years subject to examination based upon management’s evaluation of the facts, circumstances and information available at the reporting date. For those tax positions where it is more likely than not that a tax benefit will be sustained, we have recorded the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit has been recognized in the Consolidated Financial Statements.

**Employee Benefit Plans**

We provide a range of benefit plans to eligible current and former employees. We account for our benefits plans in accordance with ASC 715: *Compensation – Retirement Benefits* ("ASC 715"), which requires balance sheet recognition of the overfunded or underfunded status of pension plans. The determination of the amounts associated with these benefits is performed by actuaries and dependent on various actuarial assumptions including discount rates, expected return on plan assets, compensation increases, mortality and health care cost trends. Actual results may differ from the actuarial assumptions and are generally accumulated into *Accumulated other comprehensive income (loss)* and amortized into *Net income from operations* over future periods. We review our actuarial assumptions at each measurement date and make modifications to the assumptions based on current rates and trends, if appropriate.

A change in any of these assumptions would have an effect on net periodic pension and post-retirement benefit costs reported in the Consolidated Financial Statements. The following table summarizes the sensitivity of our pension plan liabilities and net periodic cost to a 25 basis point change in the discount rates for benefit obligations, interest cost and service cost as of December 31, 2021:

| ***(In millions)*** | **Increase in Discount Rate of 25 bps** | **Decrease in Discount Rate of 25 bps** |
|---|---|---|
| Projected benefit obligation | $ (32) | $ 35 |
| Net periodic pension (benefit) cost | $ (2) | $ 2 |

Net periodic pension (benefit) cost is also sensitive to changes in the expected return on plan assets. An increase or decrease of 25 basis points in the expected return on plan assets would have decreased or increased 2021 pension expense by approximately $1 million. See Note 10 – Employee Benefit Plans in the accompanying Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K for additional information.

**Contingent Liabilities**

We are involved in various litigation, claims and administrative proceedings, including those related to environmental and legal matters (including asbestos). In accordance with ASC 450, *Contingencies* ("ASC 450"), we record accruals for loss contingencies when it is probable that a liability will be incurred and the amount of the loss can be reasonably estimated. These accruals are generally based upon a range of possible outcomes. If no amount within the range is a better estimate than any other, we accrue the minimum amount. In addition, these estimates are reviewed periodically and adjusted to reflect additional information when it becomes available. We are unable to predict the final outcome of these matters based on the information currently available. However, we do not believe that the resolution of any of these matters will have a material adverse effect upon our competitive position, results of operations, cash flows or financial condition.

As described in Note 23 – Commitments and Contingent Liabilities in the accompanying Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K, contractual, regulatory and other matters, including asbestos claims, may arise in the ordinary course of business that subject us to claims or litigation. We have recorded reserves in the consolidated financial statements related to these matters, which are developed using input derived from actuarial estimates and historical and anticipated experience depending on the nature of the reserve, and in certain instances in consultation with legal counsel, internal and external consultants and engineers. Subject to the uncertainties inherent in estimating future costs for these types of liabilities, we believe our estimated reserves are reasonable and do not believe the final determination of the liabilities with respect to these matters would have a material adverse effect upon our competitive position, results of operations, cash flows or financial condition. See the "Risk Factors" section in this Annual Report on Form 10-K for additional information.

**Recent Accounting Pronouncements**

See Note 3 – Summary of Significant Accounting Policies in the accompanying Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K for a discussion of recent accounting pronouncements and their effect on our financial statements.

**ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

**Market Risk and Risk Management**

Carrier is exposed to fluctuations in foreign currency exchange rates, interest rates and commodity prices. To manage certain of these exposures, we primarily use foreign currency forward contracts, swaps and options. Factors that could influence the effectiveness of these hedging programs include currency markets, the availability of hedging instruments and the liquidity of the credit markets. There has been no significant change in our exposure to market risk for the year ended December 31, 2021.

***Foreign Currency Exposures.*** We transact business in various foreign currencies, which exposes our cash flows and earnings to changes in foreign currency exchange rates. These exposures include the translation of local currency balances of foreign subsidiaries, remeasurement of assets and liabilities denominated in foreign currencies and other transactions involving foreign currencies. We attempt to manage foreign currency transaction exposures through operational strategies and the use of foreign currency hedging contracts. While the objective of our hedging program is to minimize the foreign currency exchange rate impact on operating results, there may be variances between the gains and losses resulting from the hedging contracts and the underlying exposures because of the duration of certain hedging contracts. We do not enter into hedging contracts for speculative purposes.

***Commodity Price Exposures.*** We are exposed to volatility in the prices of raw materials used in some of our products and fuel costs to ship our products and materials. From time to time, we may use forward contracts in limited circumstances to manage some of those exposures. We do not enter into hedging contracts for speculative purposes. When hedges are utilized, gains and losses may affect earnings. Derivative activity as of December 31, 2021 was not material to our financial statements.

***Interest Rate Exposures.*** Our long-term debt consists mostly of fixed-rate instruments. We may issue commercial paper, which exposes us to changes in interest rates. Currently, we do not hold any derivative contracts that hedge our interest rate exposures, but may consider such strategies in the future.

## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

### Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareowners of Carrier Global Corporation

***Opinions on the Financial Statements and Internal Control over Financial Reporting***

We have audited the accompanying consolidated balance sheet of Carrier Global Corporation and its subsidiaries (the "Company") as of December 31, 2021 and 2020, and the related consolidated statements of operations, of comprehensive income (loss), of changes in equity and of cash flows for each of the three years in the period ended December 31, 2021, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

***Basis for Opinions***

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

***Definition and Limitations of Internal Control over Financial Reporting***

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

***Critical Audit Matters***

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

*Revenue Recognition from Contracts with Customers*

As described in Note 13 to the consolidated financial statements, the Company recognized $20.6 billion of consolidated revenue for the year ended December 31, 2021. Some of the Company’s contracts with customers contain a single performance obligation, while others contain multiple performance obligations most commonly when a contract spans multiple phases of a product life-cycle such as production, installation, maintenance and support. The Company recognizes revenue when control of a good or service promised in a contract (i.e., performance obligation) is transferred to a customer. Control is obtained when a customer has the ability to direct the use of and obtain substantially all of the remaining benefit from that good or service. A significant portion of the Company's performance obligations are recognized at a point-in-time when control of the product transfers to the customer, which is generally at the time of shipment. The remaining portion of the Company's performance obligations are recognized over time as the customer simultaneously obtains control as the Company performs work under a contract, or if the product being produced for the customer has no alternative use and the Company has a contractual right to payment. For over-time performance obligations requiring the installation of equipment, revenue is recognized using costs incurred to date relative to total estimated costs at completion to measure progress. The Company includes variable consideration in the estimated transaction price when there is a basis to reasonably estimate the amount and when it is probable that a significant reversal of revenue recognized would not occur when the uncertainty associated with variable consideration is subsequently resolved. In addition, the Company customarily offers customers incentives to purchase products to ensure an adequate supply of its products in distribution channels. The principal incentive programs provide reimbursements to distributors for offering promotional pricing for products. The Company accounts for estimated incentive payments as a reduction in sales at the time a sale is recognized.

The principal considerations for our determination that performing procedures relating to revenue recognition from contracts with customers is a critical audit matter are the high degree of audit effort in performing procedures related to revenue recognized on the Company’s point-in-time and over-time contracts with customers and in evaluating evidence related to management’s determination of total estimated costs at completion for revenue recognized on an over-time basis.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process on the Company’s point-in-time and over-time contracts with customers, including controls over the determination of total estimated costs at completion for revenue recognized on an over-time basis. These procedures also included, among others (i) evaluating management’s significant accounting policies related to revenue recognition; (ii) testing the appropriateness of the timing and amount of revenue recognized for a sample of point-in-time revenue transactions by obtaining and inspecting source documents, such as contracts with customers, purchase order information, shipping documents, cash receipts, and other documentation; and (iii) evaluating and testing management’s process for determining the total estimated costs at completion for a sample of over-time revenue contracts, which included evaluating the estimated costs at completion used by management by considering factors that can affect the accuracy of those estimates. Evaluating the total costs at completion for revenue recognized on an over-time basis involved comparing the originally estimated costs and actual costs incurred, including identifying circumstances that may warrant a modification to the total estimated costs to complete.

/s/ PricewaterhouseCoopers LLP
Hallandale Beach, Florida
February 8, 2022

We have served as the Company's auditor since 2019.

## CARRIER GLOBAL CORPORATION AND SUBSIDIARIES
## CONSOLIDATED STATEMENT OF OPERATIONS

| *(In millions, except per share amounts)* | For the Year Ended December 31, 2021 | 2020 | 2019 |
|---|---|---|---|
| **Net sales** | | | |
| Product sales | $ 17,214 | $ 14,347 | $ 15,360 |
| Service sales | 3,399 | 3,109 | 3,248 |
| | 20,613 | 17,456 | 18,608 |
| **Costs and expenses** | | | |
| Cost of products sold | (12,300) | (10,185) | (10,890) |
| Cost of services sold | (2,333) | (2,162) | (2,299) |
| Research and development | (503) | (419) | (401) |
| Selling, general and administrative | (3,120) | (2,820) | (2,761) |
| | (18,256) | (15,586) | (16,351) |
| Equity method investment net earnings | 249 | 207 | 236 |
| Other income (expense), net | 39 | 1,006 | (2) |
| **Operating profit** | 2,645 | 3,083 | 2,491 |
| Non-service pension benefit | 61 | 60 | 154 |
| Interest (expense) income, net | (306) | (288) | 27 |
| **Income from operations before income taxes** | 2,400 | 2,855 | 2,672 |
| Income tax expense | (699) | (849) | (517) |
| **Net income from operations** | 1,701 | 2,006 | 2,155 |
| Less: Non-controlling interest in subsidiaries' earnings from operations | 37 | 24 | 39 |
| **Net income attributable to common shareowners** | **$ 1,664** | **$ 1,982** | **$ 2,116** |
| | | | |
| **Earnings per share** | | | |
| Basic | $ 1.92 | $ 2.29 | $ 2.44 |
| Diluted | $ 1.87 | $ 2.25 | $ 2.44 |
| | | | |
| **Weighted-average number of shares outstanding** | | | |
| Basic | 867.7 | 866.5 | 866.2 |
| Diluted | 890.3 | 880.2 | 866.2 |

The accompanying notes are an integral part of the Consolidated Financial Statements.

## CARRIER GLOBAL CORPORATION AND SUBSIDIARIES
## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

| *(In millions)* | For the Year Ended December 31, 2021 | 2020 | 2019 |
|---|---|---|---|
| **Net income from operations** | $ 1,701 | $ 2,006 | $ 2,155 |
| **Other comprehensive income (loss), net of tax:** | | | |
| Foreign currency translation adjustments arising during period | (322) | 604 | 48 |
| Less: reclassification adjustments for gain on sale of an investment in a foreign entity recognized in Other income (expense), net | 8 | — | 2 |
| **Foreign currency translation adjustments arising during period** | (314) | 604 | 50 |
| | | | |
| **Pension and post-retirement benefit plans:** | | | |
| Net actuarial gain (loss) arising during period | 53 | (94) | (112) |
| Amortization of actuarial (gain) loss and prior service credit | 34 | 24 | 11 |
| Other | — | (35) | 3 |
| | 87 | (105) | (98) |
| Tax (expense) benefit | (17) | 22 | 15 |
| **Pension and post-retirement benefit plans adjustments arising during the period** | 70 | (83) | (83) |
| | | | |
| Other comprehensive income (loss), net of tax | (244) | 521 | (33) |
| Comprehensive income (loss) | 1,457 | 2,527 | 2,122 |
| Less: Comprehensive income (loss) attributable to non-controlling interest | (37) | (37) | (35) |
| **Comprehensive income (loss) attributable to common shareowners** | **$ 1,420** | **$ 2,490** | **$ 2,087** |

The accompanying notes are an integral part of the Consolidated Financial Statements.

## CARRIER GLOBAL CORPORATION AND SUBSIDIARIES
## CONSOLIDATED BALANCE SHEET

| *(In millions, except share amounts)* | As of December 31, 2021 | 2020 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $ 2,987 | $ 3,115 |
| Accounts receivable, net | 2,403 | 2,781 |
| Contract assets, current | 503 | 656 |
| Inventories, net | 1,970 | 1,629 |
| Assets held for sale | 3,168 | — |
| Other assets, current | 376 | 343 |
| Total current assets | 11,407 | 8,524 |
| Future income tax benefits | 563 | 449 |
| Fixed assets, net | 1,826 | 1,810 |
| Operating lease right-of-use assets | 640 | 788 |
| Intangible assets, net | 509 | 1,037 |
| Goodwill | 9,349 | 10,139 |
| Pension and post-retirement assets | 43 | 554 |
| Equity method investments | 1,593 | 1,513 |
| Other assets | 242 | 279 |
| **Total Assets** | **$ 26,172** | **$ 25,093** |
| | | |
| **Liabilities and Equity** | | |
| Accounts payable | $ 2,334 | $ 1,936 |
| Accrued liabilities | 2,561 | 2,471 |
| Contract liabilities, current | 415 | 512 |
| Liabilities held for sale | 1,134 | — |
| Current portion of long-term debt | 183 | 191 |
| Total current liabilities | 6,627 | 5,110 |
| Long-term debt | 9,513 | 10,036 |
| Future pension and post-retirement obligations | 380 | 524 |
| Future income tax obligations | 354 | 479 |
| Operating lease liabilities | 527 | 642 |
| Other long-term liabilities | 1,677 | 1,724 |
| Total Liabilities | 19,078 | 18,515 |
| Commitments and contingent liabilities (Note 23) | | |
| **Equity** | | |
| Common stock, par value $0.01; 4,000,000,000 shares authorized; 873,064,219 and 867,829,119 shares issued; 863,039,097 and 867,829,119 outstanding as of December 31, 2021 and 2020, respectively | 9 | 9 |
| Treasury stock - 10,375,654 common shares | (529) | — |
| Additional paid-in capital | 5,411 | 5,345 |
| Retained earnings | 2,865 | 1,643 |
| Accumulated other comprehensive income (loss) | (989) | (745) |
| Non-controlling interest | 327 | 326 |
| Total Equity | 7,094 | 6,578 |
| **Total Liabilities and Equity** | **$ 26,172** | **$ 25,093** |

The accompanying notes are an integral part of the Consolidated Financial Statements.

## CARRIER GLOBAL CORPORATION AND SUBSIDIARIES
## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| *(In millions)* | UTC Net Investment | Accumulated Other Comprehensive Income (Loss) | Common Stock | Treasury Stock | Additional Paid-In Capital | Retained Earnings | Non-Controlling Interest | Total Equity |
|---|---|---|---|---|---|---|---|---|
| **Balance as of January 1, 2019** | $ 15,132 | $ (1,215) | $ — | $ — | $ — | $ — | $ 352 | $ 14,269 |
| Net income | 2,116 | — | — | — | — | — | 39 | 2,155 |
| Other comprehensive income (loss), net of tax | — | (29) | — | — | — | — | (4) | (33) |
| Dividends attributable to non-controlling interest | — | — | — | — | — | — | (28) | (28) |
| Disposition of non-controlling interest | — | — | — | — | — | — | (26) | (26) |
| Net transfers to UTC | (1,902) | — | — | — | — | — | — | (1,902) |
| Adoption impact of ASU 2018-02 | 9 | (9) | — | — | — | — | — | — |
| **Balance as of December 31, 2019** | $ 15,355 | $ (1,253) | $ — | $ — | $ — | $ — | $ 333 | $ 14,435 |
| Net income | 96 | — | — | — | — | 1,886 | 24 | 2,006 |
| Other comprehensive income (loss), net of tax | — | 508 | — | — | — | — | 13 | 521 |
| Capital contribution to non-controlling interest | — | — | — | — | — | — | 4 | 4 |
| Dividends declared on common stock ($0.28 per share) | — | — | — | — | — | (243) | — | (243) |
| Shares issued under incentive plans, net | — | — | — | — | (15) | — | — | (15) |
| Stock-based compensation | — | — | — | — | 77 | — | — | 77 |
| Dividends attributable to non-controlling interest | — | — | — | — | — | — | (48) | (48) |
| Net transfers to UTC | (11,014) | — | — | — | — | — | — | (11,014) |
| Adoption impact of ASU 2016-13 | (4) | — | — | — | — | — | — | (4) |
| Net transfers from UTC | 859 | — | — | — | — | — | — | 859 |
| Reclassification of UTC Net Investment to Common stock and Additional paid-in capital | (5,292) | — | 9 | — | 5,283 | — | — | — |
| **Balance as of December 31, 2020** | $ — | $ (745) | $ 9 | $ — | $ 5,345 | $ 1,643 | $ 326 | $ 6,578 |
| Net income | — | — | — | — | — | 1,664 | 37 | 1,701 |
| Other comprehensive income (loss), net of tax | — | (244) | — | — | — | — | — | (244) |
| Dividends declared on common stock ($0.51 per share) | — | — | — | — | — | (442) | — | (442) |
| Shares issued under incentive plans, net | — | — | — | — | (24) | — | — | (24) |
| Stock-based compensation | — | — | — | — | 92 | — | — | 92 |
| Acquisition (sale) of non-controlling interest, net | — | — | — | — | (2) | — | 2 | — |
| Dividends attributable to non-controlling interest | — | — | — | — | — | — | (38) | (38) |
| Treasury stock purchases | — | — | — | (529) | — | — | — | (529) |
| **Balance as of December 31, 2021** | **$ —** | **$ (989)** | **$ 9** | **$ (529)** | **$ 5,411** | **$ 2,865** | **$ 327** | **$ 7,094** |

The accompanying notes are an integral part of the Consolidated Financial Statements.

# CARRIER GLOBAL CORPORATION AND SUBSIDIARIES
# CONSOLIDATED STATEMENT OF CASH FLOWS

| *(In millions)* | For the Year Ended December 31, 2021 | 2020 | 2019 |
|---|---|---|---|
| **Operating Activities** | | | |
| Net income from operations | $ 1,701 | $ 2,006 | $ 2,155 |
| Adjustments to reconcile net income from operations to net cash flows from operating activities | | | |
| Depreciation and amortization | 338 | 336 | 335 |
| Deferred income tax provision | (74) | 97 | (122) |
| Stock-based compensation cost | 92 | 77 | 52 |
| Equity method investment net earnings | (249) | (207) | (236) |
| Impairment charge on minority-owned joint venture investments | 2 | 72 | 108 |
| (Gain) loss on sale of investments and businesses | 2 | (1,123) | — |
| Changes in operating assets and liabilities | | | |
| Accounts receivable, net | (97) | 49 | (129) |
| Contract assets, current | (47) | (9) | 23 |
| Inventories, net | (408) | (240) | (2) |
| Other assets, current | (11) | 3 | 62 |
| Accounts payable and accrued liabilities | 829 | 237 | (296) |
| Contract liabilities, current | 51 | 46 | (18) |
| Defined benefit plan contributions | (47) | (41) | (36) |
| Distributions from equity method investments | 159 | 169 | 158 |
| Other operating activities, net | (4) | 220 | 9 |
| Net cash flows provided by (used in) operating activities | 2,237 | 1,692 | 2,063 |
| | | | |
| **Investing Activities** | | | |
| Capital expenditures | (344) | (312) | (243) |
| Proceeds on sale of investments | 7 | 1,377 | 6 |
| Investment in businesses, net of cash acquired | (366) | — | — |
| Settlement of derivative contracts, net | 4 | 40 | — |
| Other investing activities, net | 7 | 1 | (22) |
| Net cash flows provided by (used in) investing activities | (692) | 1,106 | (259) |
| | | | |
| **Financing Activities** | | | |
| (Decrease) increase in short-term borrowings, net | 13 | (23) | 25 |
| Issuance of long-term debt | 140 | 11,784 | 107 |
| Repayment of long-term debt | (704) | (1,911) | (138) |
| Repurchases of common stock | (527) | — | — |
| Dividends paid on common stock | (417) | (138) | — |
| Dividends paid to non-controlling interest | (42) | (48) | (28) |
| Net transfers to UTC | — | (10,359) | (1,954) |
| Other financing activities, net | (25) | 14 | 6 |
| Net cash flows provided by (used in) financing activities | (1,562) | (681) | (1,982) |
| Effect of foreign exchange rate changes on cash and cash equivalents | (16) | 45 | 1 |
| Net increase (decrease) in cash and cash equivalents and restricted cash, including cash classified in current assets held for sale | (33) | 2,162 | (177) |
| Less: Change in cash balances classified as assets held for sale | 60 | — | — |
| Net increase (decrease) in cash and cash equivalents and restricted cash | (93) | 2,162 | (177) |
| Cash, cash equivalents and restricted cash, beginning of period | 3,119 | 957 | 1,134 |
| Cash, cash equivalents and restricted cash, end of period | 3,026 | 3,119 | 957 |
| Less: restricted cash | 39 | 4 | 5 |
| **Cash and cash equivalents, end of period** | **$ 2,987** | **$ 3,115** | **$ 952** |

The accompanying notes are an integral part of the Consolidated Financial Statements.

**CARRIER GLOBAL CORPORATION AND SUBSIDIARIES**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

## NOTE 1: DESCRIPTION OF THE BUSINESS

Carrier Global Corporation is a leading global provider of healthy, safe, sustainable and intelligent building and cold chain solutions. The Company's portfolio includes industry-leading brands such as Carrier, Kidde, Edwards, LenelS2, Carrier Transicold and Automated Logic that offer innovative HVAC, refrigeration, fire, security and building automation technologies to help make the world safer and more comfortable. The Company also provides a broad array of related building services, including audit, design, installation, system integration, repair, maintenance and monitoring. The Company's operations are classified into three segments: HVAC, Refrigeration and Fire & Security.

### The Separation

On April 3, 2020, United Technologies Corporation, since renamed Raytheon Technologies Corporation, completed the spin-off of the Company into an independent, publicly traded company through a pro rata distribution on a one-for-one basis of all of the outstanding shares of common stock of the Company to UTC shareowners who held shares of UTC common stock as of the close of business on March 19, 2020, the record date for the Distribution. In connection with the Separation, the Company issued an aggregate principal balance of $11.0 billion of debt and transferred approximately $10.9 billion of cash to UTC on February 27, 2020 and March 27, 2020. On April 1, 2020 and April 2, 2020, the Company received cash contributions totaling $590 million from UTC related to the Separation.

In connection with the Separation, the Company entered into several agreements with UTC and Otis that govern various aspects of the relationship among the Company, UTC and Otis following the Separation and the Distribution, including a TSA that expired on March 31, 2021, a TMA, an employee matters agreement and an intellectual property agreement that cover services such as information technology, tax, finance and human resources. In addition, the Company incurred separation-related costs including employee-related costs, costs to establish certain stand-alone functions, information technology systems, professional service fees and other costs associated with becoming an independent, publicly traded company.

### Impact of the COVID-19 Pandemic

In early 2020, the World Health Organization declared the outbreak of a respiratory disease known as COVID-19 as a global pandemic. In response, many countries implemented containment and mitigation measures to combat the outbreak, which severely restricted the level of economic activity and caused a significant contraction in the global economy. As a result, the Company temporarily closed or reduced production at manufacturing facilities across the globe to ensure employee safety and instructed non-essential employees to work from home. In addition, the Company took several preemptive actions during 2020 to manage liquidity as demand for its products decreased. Despite the adverse impacts of the pandemic on the Company’s results beginning in the first quarter of 2020, manufacturing operations resumed and several restorative actions were completed during 2020, including the reinstatement of annual merit-based salary increases and continued investment to support the Company's strategic priorities.

The Company continues to focus its efforts on preserving the health and safety of its employees and customers as well as maintaining the continuity of its operations. In addition, the Company continues to actively monitor its liquidity position and working capital needs and believes that its overall capital resources and liquidity position are adequate. The preparation of financial statements requires management to use judgments in making estimates and assumptions based on the relevant information available at the end of each period, which can have a significant effect on reported amounts. However, due to significant uncertainty surrounding the pandemic, including a resurgence in cases and the spread of COVID-19 variants, management's judgments could change. While the Company's results of operations, cash flows and financial condition could be negatively impacted, the extent of any continuing impact cannot be estimated with certainty at this time.

## NOTE 2: BASIS OF PRESENTATION

The accompanying Consolidated Financial Statements reflect the consolidated operations of the Company and have been prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") as defined by the FASB within the FASB Accounting Standards Codification. Inter-company accounts and transactions have been eliminated. Related party transactions between the Company and its equity method investees have not been eliminated. Certain immaterial amounts presented in prior periods have been reclassified to conform to the current period presentation.

The Consolidated Financial Statements include all majority-owned subsidiaries of the Company. A non-controlling interest in a subsidiary is considered an ownership interest in a majority-owned subsidiary that is not attributable to the parent. The Company includes *Non-controlling interest* as a component of *Total equity* in the Consolidated Balance Sheet and the *Non-controlling interest in subsidiaries' earnings from operations* are presented as an adjustment to *Net income from operations* used to arrive at *Net income attributable to common shareowners* in the Consolidated Statement of Operations. Partially-owned equity affiliates represent 20-50% ownership interests in investments where the Company demonstrates significant influence, but does not have a controlling financial interest. Partially-owned equity affiliates are accounted for under the equity method.

**The Separation**

The Company's financial statements for the periods prior to the Separation and the Distribution are prepared on a "carve-out" basis and include all amounts directly attributable to the Company. Net cash transfers and other property transferred between UTC and the Company, including related party receivables and payables between the Company and other UTC affiliates, are presented as Net transfers to UTC within *UTC Net Investment* on the Consolidated Financial Statements. In addition, the financial statements include allocations of costs for administrative functions and services performed on behalf of the Company by centralized groups within UTC. All allocations and estimates in the Consolidated Financial Statements are based on assumptions that management believes are reasonable. The allocated centralized costs for the years ended December 31, 2020 and 2019, were $43 million and $245 million, respectively, and are primarily included in *Selling, general and administrative i*n the Consolidated Statement of Operations.

The Company's financial statements for the periods subsequent to April 3, 2020 are consolidated financial statements based on the reported results of Carrier as a stand-alone company. In connection with the Separation, the Company incurred separation-related costs of approximately $20 million, $141 million and $58 million for the years ended December 31, 2021, 2020 and 2019, respectively. These costs are primarily recorded in *Selling, general and administrative* in the Consolidated Statement of Operations and consist of employee-related costs, costs to establish certain stand-alone functions and information technology systems, professional service fees and other transaction-related costs resulting from Carrier’s transition to becoming an independent, publicly traded company.

**Held for Sale**

On July 26, 2021, the Company entered into a stock purchase agreement to sell its Chubb business to APi. As a result, the assets and liabilities of Chubb have been presented as held for sale on the accompanying Consolidated Balance Sheet as of December 31, 2021 and recorded at the lower of their carrying value or fair value less estimated cost to sell. See Note 20 - Divestitures for additional information.

**NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of significant accounting policies used in the preparation of the accompanying Consolidated Financial Statements is as follows:

***Use of Estimates.*** The preparation of the Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Estimates are based on several factors including the facts and circumstances available at the time the estimates are made, historical experience and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

***Currency Translation*.** Assets and liabilities of non-U.S. subsidiaries, where the functional currency is not the U.S. dollar, have been translated at year-end exchange rates, and income and expense accounts have been translated using average exchange rates throughout the year. Adjustments resulting from the process of translating an entity’s financial statements into the U.S. dollar have been recorded in the equity section of the Consolidated Balance Sheet within *Accumulated other comprehensive income (loss)*. Transactions that are denominated in a currency other than an entity’s functional currency are subject to changes in exchange rates with the resulting gains and losses recorded in *Net income from operations*.

***Cash and Cash Equivalents.*** Cash and cash equivalents include cash on hand, demand deposits and short-term cash investments that are highly liquid in nature and have original maturities of three months or less. On occasion, the Company is

required to maintain restricted cash deposits with certain banks due to contractual or other legal obligations. Restricted cash of $39 million and $4 million is included in *Other assets, current* as of December 31, 2021 and 2020, respectively.

***Accounts Receivable.*** Accounts receivable consist of billed amounts owed for products shipped to or services performed for customers. Amounts are recorded net of an allowance for expected credit losses which represents the best estimate of probable loss inherent in the Company's accounts receivable portfolio. The allowance is determined using a combination of factors including a reserve based on the aging of the outstanding accounts receivable portfolio and the Company's historical credit loss experience with its end markets, customer base and products. In addition, the Company considers knowledge of specific customers, current market conditions as well as reasonable and supportable forecasts of future events and economic conditions. As of December 31, 2021 and 2020, the allowance for expected credit losses was $88 million and $89 million, respectively. These estimates and assumptions are reviewed periodically with the effects of changes, if any, reflected in the Consolidated Statement of Operations in the period that they are determined.

***Fixed Assets.*** Property, plant and equipment are stated at cost less accumulated depreciation. Assets placed in service are recorded at cost and depreciated using the straight-line method over the estimated useful life of the asset. Assets acquired in a business combination are recorded at fair value at the date of acquisition. Major expenditures for replacements and significant improvements that increase asset values and extend useful lives are capitalized. Repairs and maintenance expenditures that do not extend the useful life of an asset are charged to expense as incurred.

Per ASC 360, the Company assesses the recoverability of the carrying value of its property, plant and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. Recoverability is measured by a comparison of the carrying amount of an asset group to the future net undiscounted cash flows expected to be generated by the asset group. If the undiscounted cash flows are less than the carrying amount of the asset group, an impairment loss is recognized for the amount by which the carrying amount of the asset group exceeds the fair value of the asset group.

***Equity Method Investments.*** Investments in which the Company has the ability to exercise significant influence, but does not control, are accounted for under the equity method of accounting and are presented on the Consolidated Balance Sheet. Under this method of accounting, the Company’s share of the net earnings or losses of the investee is presented within *Operating profit* on the Consolidated Statement of Operations since the activities of the investee are closely aligned with the operations of the Company. The Company evaluates its equity method investments whenever events or changes in circumstance indicate that the carrying amounts of such investments may be impaired. If a decline in the value of an equity method investment is determined to be other than temporary, a loss is recorded in earnings in the current period. Distributions received from equity method investees are presented in the Consolidated Statement of Cash Flows based on the cumulative earnings approach.

***Goodwill and Intangible Assets.*** The Company records goodwill as the excess of the purchase price over the fair value of the net assets acquired in a business combination. In accordance with ASC 350, goodwill and other indefinite-lived intangibles are tested and reviewed annually for impairment on July 1 or whenever there is a material change in events or circumstances that indicate that the fair value of the asset is more likely than not less than the carrying amount of the asset.

Impairment of goodwill is assessed at the reporting unit level and begins with a qualitative assessment to determine if it is more likely than not that the fair value of each reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the goodwill impairment test under ASC 350. For those reporting units that bypass or fail the qualitative assessment, the test compares the carrying amount of the reporting unit to its estimated fair value. If the estimated fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not impaired. To the extent that the carrying amount of the reporting unit exceeds its estimated fair value, an impairment loss will be recognized for the amount by which the reporting unit's carrying amount exceeds its fair value, not to exceed the carrying amount of goodwill in that reporting unit.

Intangible assets such as patents, service contracts, monitoring lines and customer relationships with finite useful lives are amortized based on the pattern in which the economic benefits of the intangible assets are consumed. If a pattern of economic benefit cannot be reliably determined or if straight-line amortization approximates the pattern of economic benefit, a straight-line amortization may be used.

The weighted-average useful lives approximate the following (in years):

| | |
|---|---|
| Customer relationships | 1 to 30 |
| Patents and trademarks | 5 to 30 |
| Monitoring lines | 7 to 10 |
| Service portfolio and other | 1 to 23 |

The Company assesses the recoverability of the carrying amount of its intangible assets with finite useful lives whenever events or changes in circumstances indicate that the carrying amount of the asset group may not be recoverable. Recoverability is measured by a comparison of the carrying amount of an asset group to the future net undiscounted cash flows expected to be generated by the asset group. If the undiscounted cash flows are less than the carrying amount of the asset group, an impairment loss is recognized for the amount by which the carrying value of the asset group exceeds the fair value of the asset group.

***Leases.*** The Company accounts for leases in accordance with ASC 842: *Leases*, which requires a lessee to record a right-of-use ("ROU") asset and a lease liability on the Consolidated Balance Sheet for all leases with terms longer than 12 months. ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Company generally uses its incremental borrowing rate, which is based on information available at the lease commencement date, to determine the present value of lease payments except when an implicit interest rate is readily determinable. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. The Company has elected not to recognize ROU assets and lease obligations for its short-term leases, which are defined as leases with an initial term of 12 months or less.

***Income Taxes.*** The Company accounts for income taxes in accordance with ASC 740. Deferred tax assets and liabilities are determined based on temporary differences between financial reporting and tax bases of assets and liabilities, applying enacted tax rates expected to be in effect for the year in which the differences are expected to reverse. The Company recognizes future tax benefits to the extent that realizing these benefits is considered in its judgment to be more likely than not. For those jurisdictions where the expiration date of tax carryforwards or the projected operating results indicate that realization is not likely, a valuation allowance is provided. The Company reviews the realizability of its deferred tax asset valuation allowances on a quarterly basis, or whenever events or changes in circumstances indicate that a review is required and will adjust its estimate if significant events so dictate. To the extent that the ultimate results differ from the Company's original or adjusted estimates, the effect will be recorded in the provision for income taxes in the period that the matter is finally resolved.

In the ordinary course of business, there is inherent uncertainty in quantifying the Company's income tax positions. The Company assesses its income tax positions and records tax benefits for all years subject to examination based upon management’s evaluation of the facts, circumstances and information available at the reporting date. For those tax positions where it is more likely than not that a tax benefit will be sustained, the Company has recorded the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit has been recognized in the Consolidated Financial Statements.

Prior to the Separation, the Company’s income tax provision was prepared following the separate return methodology. The separate return method applies ASC 740 to the financial statements of each member of a consolidated group as if the group members were separate taxpayers. As a result, certain operations of the Company were included in a consolidated return with other UTC entities. The calculation of the Company's income taxes on a separate return basis requires a considerable amount of judgment and use of both estimates and allocations. See Note 17 – Income Taxes for additional information.

***Pension and Post-retirement Obligations.*** The Company provides a range of benefit plans to eligible current and former employees. The Company accounts for its benefit plans in accordance with ASC 715 which requires balance sheet recognition of the overfunded or underfunded status of pension and post-retirement benefit plans. Determining the amounts associated with these benefits are performed by actuaries and dependent on various actuarial assumptions including discount rates, expected return on plan assets, compensation increases, mortality and health care cost trends. Actual results may differ from the actuarial assumptions and are generally accumulated into *Accumulated other comprehensive income (loss)* and amortized into *Net income from operations* over future periods. The Company reviews its actuarial assumptions at each measurement date and makes modifications to the assumptions based on current rates and trends, if appropriate. See Note 10 – Employee Benefit Plans for additional information.

***Asset Retirement Obligations.*** The Company records the fair value of legal obligations associated with the retirement of tangible long-lived assets in the period in which a liability is determined to exist, if a reasonable estimate of fair value can be made. Upon initial recognition of a liability, the Company capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset. Over time, the liability is increased for changes in its present value and the capitalized cost is depreciated over the useful life of the related asset.

***Research and Development.*** The Company conducts research and development activities with a focus on new product development and technology innovation. These costs are charged to expense as incurred. For the years ended December 31, 2021, 2020 and 2019, these costs amounted to $503 million, $419 million and $401 million, respectively.

**Recent Pronouncements**

The FASB ASC is the sole source of authoritative GAAP other than SEC issued rules and regulations that apply only to SEC registrants. The FASB issues Accounting Standards Updates ("ASU") to communicate changes to the codification. The Company considers the applicability and impact of all ASUs. ASUs not referenced below were assessed and determined to be either not applicable or are not expected to have a material impact on the Consolidated Financial Statements.

***Recently Adopted Accounting Pronouncements and SEC Rules***

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, which updates the current guidance to require that an entity recognize and measure contract asset and contract liabilities acquired in a business combination consistent with those recorded by the acquiree immediately before the acquisition. The guidance eliminates the complexity of determining the fair value of contract liabilities and will likely increase the balance of contract liabilities acquired in a business combination with a corresponding increase in post-combination revenue recognized by the acquirer. The update is effective for fiscal years beginning after December 15, 2022 and interim periods therein, with early adoption permitted. In October 2021, the Company early adopted ASU 2021-08 and the adoption did not have a material impact on the Company's Consolidated Financial Statements.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. The amendments in this update remove certain exceptions allowed by Topic 740 including exceptions to the incremental approach for intra-period tax allocation when there is a loss from continuing operations and income or gain from other items, the requirement to recognize a deferred tax liability for equity method investments when a foreign subsidiary becomes an equity method investment, the ability not to recognize a deferred tax liability for a foreign subsidiary when a foreign equity method investment becomes a subsidiary and the general methodology for calculating income taxes in an interim period when a year-to-date loss exceeds the anticipated loss for the year. There are also additional areas of guidance in regards to franchise and other taxes partially based on income and the interim recognition of enactment of tax laws and rate changes. The provisions of this ASU were effective for years beginning after December 15, 2020, with early adoption permitted. The Company adopted ASU 2019-12 in the first quarter of 2021 and the adoption did not have a material impact on the Company's Consolidated Financial Statements.

In May 2020, the SEC issued Final Rule Release No. 33-10786, which amends the financial statement requirements for acquisitions and dispositions of businesses and related pro forma financial information required under SEC Regulation S-X, Rule 3-05. The final rule modifies the significance test required in SEC Regulation S-X, Rule 1-02(w) by raising the significance threshold for reporting dispositions of a business from 10% to 20% and by modifying the calculation of the investment and income tests. In accordance with Rules 3-09 or 4-08(g), the revised income test will apply to the evaluation of equity method investments for significance. The Company adopted these modifications, which were effective for fiscal years beginning after December 31, 2020. The adoption of these amendments did not have a material impact on the Consolidated Financial Statements.

In November 2020, the SEC issued Final Rule Release No. 33-10980, which amends the requirements for providing selected quarterly financial data, contractual obligations and management discussion and analysis. These modifications were required after August 9, 2021. The Company applied the requirements of this release for this Annual Report on Form 10-K.

**NOTE 4: INVENTORIES, NET**

Inventories are stated at the lower of cost or estimated realizable value. Cost is primarily determined based on the first-in, first-out inventory method ("FIFO") or average cost methods, which approximates current replacement cost. However, certain Carrier entities use the last-in, first-out inventory method ("LIFO").

Inventories, net consisted of the following:

| *(In millions)* | 2021 | 2020 |
|---|---|---|
| Raw materials | $ 559 | $ 363 |
| Work-in-process | 197 | 143 |
| Finished goods | 1,214 | 1,123 |
| **Inventories, net** | **$ 1,970** | **$ 1,629** |

The Company performs periodic assessments utilizing customer demand, production requirements and historical usage rates to determine the existence of excess and obsolete inventory and records necessary provisions to reduce such inventories to estimated realizable value. Raw materials, work-in-process and finished goods are net of valuation reserves of $154 million and $183 million as of December 31, 2021 and 2020, respectively.

Certain entities use LIFO to determine the cost of inventory. If inventories that were valued using the LIFO method had been valued under the FIFO method, the net book value of the inventories would have been higher by $141 million and $118 million as of December 31, 2021 and 2020, respectively. As of December 31, 2021 and 2020, approximately 31% and 33%, respectively, of all inventory utilized the LIFO method.

**NOTE 5: FIXED ASSETS, NET**

Fixed assets, net consisted of the following:

| *(In millions)* | Estimated Useful Lives (Years) | 2021 | 2020 |
|---|---|---|---|
| Land | | $ 114 | $ 109 |
| Buildings and improvements | 20 to 40 | 1,084 | 1,160 |
| Machinery, tools and equipment | 3 to 25 | 2,093 | 2,138 |
| Rental assets | 3 to 12 | 381 | 416 |
| Other, including assets under construction | | 304 | 261 |
| Fixed assets, gross | | 3,976 | 4,084 |
| Accumulated depreciation | | (2,150) | (2,274) |
| **Fixed assets, net** | | **$ 1,826** | **$ 1,810** |

Depreciation expense was $238 million, $234 million and $219 million for the years ended December 31, 2021, 2020 and 2019, respectively.

**NOTE 6: GOODWILL AND INTANGIBLE ASSETS**

The Company records goodwill as the excess of the purchase price over the fair value of the net assets acquired in a business combination. Goodwill is tested and reviewed annually for impairment on July 1 or whenever there is a material change in events or circumstances that indicates that the fair value of the reporting unit may be less than its carrying amount.

The changes in the carrying amount of goodwill were as follows:

| *(In millions)* | HVAC | Refrigeration | Fire & Security | Total |
|---|---|---|---|---|
| Balance as of December 31, 2019 | $ 5,351 | $ 1,228 | $ 3,305 | $ 9,884 |
| Foreign currency translation | 138 | 23 | 94 | 255 |
| Balance as of December 31, 2020 | $ 5,489 | $ 1,251 | $ 3,399 | $ 10,139 |
| Goodwill resulting from business combinations [1] | 261 | (1) | 60 | 320 |
| Reclassified to held for sale [2] | — | — | (940) | (940) |
| Foreign currency translation | (92) | (22) | (56) | (170) |
| **Balance as of December 31, 2021** | **$ 5,658** | **$ 1,228** | **$ 2,463** | **$ 9,349** |

[1] See Note 19 - Acquisitions for additional information.
[2] See Note 20 - Divestitures for additional information.

Indefinite-lived intangible assets are tested and reviewed annually for impairment on July 1 or whenever there is a material change in events or circumstances that indicates that the fair value of the asset may be less than its carrying amount. All other intangible assets with finite useful lives are amortized over their estimated useful lives.

Identifiable intangible assets consisted of the following:

| | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|
| *(In millions)* | Gross Amount | Accumulated Amortization | Net Amount | Gross Amount | Accumulated Amortization | Net Amount |
| Amortized: | | | | | | |
| Customer relationships | $ 945 | $ (699) | $ 246 | $ 1,558 | $ (1,285) | $ 273 |
| Patents and trademarks | 232 | (182) | 50 | 301 | (222) | 79 |
| Monitoring lines | — | — | — | 71 | (59) | 12 |
| Service portfolios and other | 688 | (539) | 149 | 644 | (542) | 102 |
| | 1,865 | (1,420) | 445 | 2,574 | (2,108) | 466 |
| Unamortized: | | | | | | |
| Trademarks and other | 64 | — | 64 | 571 | — | 571 |
| **Intangible assets, net** | **$ 1,929** | **$ (1,420)** | **$ 509** | **$ 3,145** | **$ (2,108)** | **$ 1,037** |

Amortization of intangible assets was $98 million, $102 million and $116 million for the years ended December 31, 2021, 2020 and 2019, respectively.

The estimated future amortization of intangible assets is as follows:

| *(In millions)* | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|
| Future amortization | $ 80 | $ 75 | $ 69 | $ 59 | $ 47 |

***Annual Impairment Assessment***

The Company tested its goodwill and indefinite-lived intangible assets for impairment as part of its annual assessment. For each test, the Company qualitatively assessed all relevant events or circumstances that could impact the estimate of fair value. Based upon this assessment, the Company determined that it was more likely than not that goodwill and indefinite-lived intangible assets were not impaired.

## NOTE 7: BORROWINGS AND LINES OF CREDIT

Long-term debt consisted of the following:

| *(In millions)* | 2021 | 2020 |
|---|---|---|
| 1.923% Notes due February 15, 2023 | $ — [1] | $ 500 |
| 2.242% Notes due February 15, 2025 | 2,000 | 2,000 |
| 2.493% Notes due February 15, 2027 | 1,250 | 1,250 |
| 2.722% Notes due February 15, 2030 | 2,000 | 2,000 |
| 2.700% Notes due February 15, 2031 | 750 | 750 |
| 3.377% Notes due April 5, 2040 | 1,500 | 1,500 |
| 3.577% Notes due April 5, 2050 | 2,000 | 2,000 |
| Total long-term notes | 9,500 | 10,000 |
| Other (including project financing obligations and finance leases) | 267 | 308 |
| Discounts and debt issuance costs | (71) | (81) |
| Total debt | 9,696 | 10,227 |
| Less: current portion of long-term debt | 183 | 191 |
| **Long-term debt, net of current portion** | **$ 9,513** | **$ 10,036** |

[1] In February 2021, the Company prepaid the 1.923% Notes due in February 2023 and incurred a $17 million make-whole premium upon prepayment and wrote-off $2 million of the remaining unamortized deferred financing costs.

### Revolving Credit Facility

On February 10, 2020, the Company entered into a revolving credit agreement with various banks permitting aggregate borrowings of up to $2.0 billion pursuant to an unsecured, unsubordinated revolving credit facility that matures on April 3, 2025 (the "Revolving Credit Facility"). The Revolving Credit Facility supports the Company's commercial paper program and cash requirements of the Company. A commitment fee of 0.125% is charged on unused commitments. Borrowings under the Revolving Credit Facility are available in U.S. Dollars, Euros and Pounds Sterling. Pounds Sterling bears interest at a variable interest rate based on daily simple SONIA plus 0.0326%, Euros bears an interest rate using EURIBOR and U.S. Dollar bears an interest rate at LIBOR plus a ratings-based margin, which was 125 basis points as of December 31, 2021. As of December 31, 2021, there were no borrowings on the Revolving Credit Facility.

### Commercial Paper Program

As of December 31, 2021, the Company had a $2.0 billion unsecured, unsubordinated commercial paper program, which can be used for general corporate purposes, including the funding of working capital and potential acquisitions. As of December 31, 2021, there were no borrowings outstanding under the commercial paper program.

### Project Financing Arrangements

The Company is involved in several long-term construction contracts in which it arranges project financing with certain customers. As a result, the Company issued $124 million and $135 million of debt during the year ended December 31, 2021 and 2020, respectively. Long-term debt repayments associated with these financing arrangements for the years ended December 31, 2021 and 2020 were $181 million and $161 million, respectively.

### Debt Covenants

The Revolving Credit Facility and the indenture for the long-term notes contain affirmative and negative covenants customary for financings of this type which, among other things, limit the Company's ability to incur additional liens, to make certain fundamental changes and to enter into sale and leaseback transactions. On June 2, 2020, the Company entered into an amendment to the Revolving Credit Facility, under which certain terms of the facility were amended for a period beginning on June 2, 2020 and ending on December 30, 2021 (the "Covenant Modification"). The Company terminated the Covenant Modification effective as of August 27, 2021 in accordance with procedures for termination set forth in the revolving credit agreement, which returned the consolidated leverage ratio covenant to the limit in effect prior to the Covenant Modification. As

of December 31, 2021, the Company was in compliance with the covenants under the agreements governing its outstanding indebtedness.

**Schedule of Long-term Debt Maturities**

Scheduled maturities of long-term debt, excluding amortization of discount, are as follows:

| ***(In millions)*** | | |
|---|---|---|
| 2022 | $ | 183 |
| 2023 | $ | 74 |
| 2024 | $ | 2 |
| 2025 | $ | 2,002 |
| 2026 | $ | 2 |
| Thereafter | $ | 7,504 |

As of December 31, 2021, the average maturity of the Company's long-term notes is approximately 12 years and the weighted-average interest rate on its total borrowings is approximately 2.8%.

Interest expense associated with long-term debt for the years ended December 31, 2021 and 2020 was $319 million and $298 million, respectively. Interest expense for the year ended December 31, 2021 includes amortization of debt issuance costs of $10 million, a make whole-premium related to the prepayment of the 1.923% Notes of $17 million and a write-off of debt issuance costs of $2 million. Interest expense for the year ended December 31, 2020 includes amortization of debt issuance costs of $9 million and a write-off of debt issuance costs of $5 million.

**NOTE 8**: **FAIR VALUE MEASUREMENTS**

ASC 820, *Fair Value Measurement* ("ASC 820"), defines fair value as the price that would be received if an asset is sold or the price paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a three-level fair value hierarchy that prioritizes information used in developing assumptions when pricing an asset or liability as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which requires the reporting entity to develop its own assumptions.

ASC 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

In the normal course of business, the Company is exposed to certain risks arising from business operations and economic factors, including foreign currency and commodity price risk. These exposures are managed through operational strategies and the use of undesignated hedging contracts. The Company's derivative assets and liabilities are measured at fair value on a recurring basis using internal models based on observable market inputs, such as forward, interest, contract and discount rates with changes in fair value reported directly in earnings.

The following tables provide the valuation hierarchy classification of assets and liabilities that are recorded at fair value and measured on a recurring basis in the Company's Consolidated Balance Sheet:

| *(In millions)* | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| **December 31, 2021** | | | | |
| Fair value measurement: | | | | |
| Derivative assets [1] | $ 8 | $ — | $ 8 | $ — |
| Derivative liabilities [2] | $ (35) | $ — | $ (35) | $ — |
| | | | | |
| **December 31, 2020** | | | | |
| Fair value measurement: | | | | |
| Derivative assets [1] | $ 17 | $ — | $ 17 | $ — |
| Derivative liabilities [2] | $ (5) | $ — | $ (5) | $ — |

[1] Included in *Other assets, current* on the accompanying Consolidated Balance Sheet.
[2] Included in *Accrued liabilities* on the accompanying Consolidated Balance Sheet.

The following table provides the carrying amounts and fair values of the Company's long-term notes that are not recorded at fair value in the Consolidated Balance Sheet:

| | 2021 | | 2020 | |
|---|---|---|---|---|
| *(In millions)* | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Total long-term notes [1] | $ 9,500 | $ 9,842 | $ 10,000 | $ 10,811 |

[1] Excludes debt discount and issuance costs.

The fair value of the Company's long-term debt is measured based on observable market inputs which are considered Level 1 within the fair value hierarchy. The carrying value of cash and cash equivalents, accounts receivable, accounts payable and short-term borrowings approximate fair value due to the short-term nature of these accounts and would be classified as Level 1 in the fair value hierarchy. The Company's financing leases and project financing obligations, included in *Long-term debt* approximate fair value and are classified as Level 3 in the fair value hierarchy. For the years ended December 31, 2021 and 2020 there were no transfers in or out of levels 1, 2 or 3.

**NOTE 9: LEASES**

The Company enters into operating and finance leases for the use of real estate space, vehicles, information technology equipment and certain other equipment. At contract inception, the Company determines a lease exists if the arrangement conveys the right to control an identified asset for a period of time in exchange for consideration. Control is considered to exist when the lessee has the right to obtain substantially all of the economic benefits from the use of an identified asset as well as the right to direct the use of that asset. If a contract is considered to be a lease, the Company recognizes a lease liability based on the present value of the future lease payments with an offsetting entry to recognize a ROU asset.

Operating lease ROU assets and liabilities are reflected on the Consolidated Balance Sheet as follows:

| *(In millions)* | 2021 | 2020 |
|---|---|---|
| Operating lease right-of-use assets | $ 640 | $ 788 |
| | | |
| Accrued liabilities | $ (130) | $ (161) |
| Operating lease liabilities | (527) | (642) |
| **Total operating lease liabilities** | **$ (657)** | **$ (803)** |
| | | |
| Weighted-Average Remaining Lease Term (in years) | 7.8 | 7.7 |
| Weighted-Average Discount Rate | 3.0 % | 3.4 % |

The operating lease ROU assets include any lease payments related to initial direct costs and prepayments and excludes lease incentives. The Company's leases generally have remaining lease terms of 1 to 23 years, some of which include options to extend. For the majority of its leases with options to extend, those options are up to 5 years with the ability to terminate the lease within 1 to 5 years of inception. The exercise of lease renewal options is at the Company's sole discretion and its lease ROU assets and liabilities reflect only the options the Company is reasonably certain that it will exercise.

Supplemental cash flow and lease expense information related to operating leases were as follows:

| *(In millions)* | 2021 | 2020 | 2019 |
|---|---|---|---|
| Operating cash flows for measurement of operating lease liabilities | $ 197 | $ 213 | $ 201 |
| Operating lease ROU assets obtained in exchange for operating lease obligations | $ 180 | $ 169 | $ 136 |
| | | | |
| Operating lease expense | $ 200 | $ 197 | $ 206 |

Operating lease expense is recognized on a straight-line basis over the lease term. Where applicable, the Company accounts for each separate lease component of a contract and its associated non-lease component as a single lease component.

Undiscounted maturities of operating lease liabilities, including options to extend lease terms that are reasonably certain of being exercised, as of December 31, 2021 are as follows:

| *(In millions)* | |
|---|---|
| 2022 | $ 141 |
| 2023 | 123 |
| 2024 | 106 |
| 2025 | 87 |
| 2026 | 67 |
| Thereafter | 218 |
| Total undiscounted lease payments | 742 |
| Less: imputed interest | (85) |
| Total discounted lease payments | **$ 657** |

## NOTE 10: EMPLOYEE BENEFIT PLANS

The Company sponsors both funded and unfunded domestic and international defined benefit pension and defined contribution plans. In addition, the Company contributes to various domestic and international multi-employer defined benefit pension plans.

### Pension Plans

Qualified domestic pension plan benefits covering collectively bargained U.S. employees comprise approximately 34% of the projected benefit obligation. This noncontributory defined benefit plan provides benefits on a flat dollar formula based on

location and is closed to new entrants. The non-U.S. plans comprise approximately 66% of the projected benefit obligation; certain of these plans provide participants with one-time payments upon separation of employment rather than a retirement annuity. These plans provide benefits based on a plan specific benefit formula. Non-qualified domestic pension plans provide supplementary retirement benefits to certain employees and are not a material component of the projected benefit obligation.

The following table details information regarding the Company's pension plans:

| *(In millions)* | 2021 | 2020 |
|---|---|---|
| **Change in Benefit Obligation** | | |
| Benefit obligation at beginning of year | $ 3,224 | $ 2,885 |
| Service cost | 27 | 29 |
| Interest cost | 37 | 52 |
| Actuarial (gain) loss [1] | (112) | 239 |
| Benefits paid | (106) | (116) |
| Curtailment, settlements and special termination benefits | (54) | (16) |
| Other, including expenses paid | (48) | 151 |
| Liabilities held for sale [2] | (2,062) | — |
| Benefit obligation at end of year | $ 906 | $ 3,224 |
| **Change in Plan Assets** | | |
| Fair value at beginning of year | $ 3,294 | $ 2,953 |
| Actual return on plan assets | 67 | 285 |
| Company contributions | 47 | 41 |
| Benefits paid | (106) | (116) |
| Settlements | (54) | (15) |
| Other, including expenses paid | (34) | 146 |
| Assets held for sale [2] | (2,623) | — |
| Fair value of assets end of year | $ 591 | $ 3,294 |
| **Funded status of plans** | **$ (315)** | **$ 70** |
| **Amounts included in the balance sheet:** | | |
| Other non-current assets | $ 43 | $ 542 |
| Accrued compensation and benefits | (10) | (10) |
| Post-employment and other benefit liabilities | (348) | (462) |
| **Net amount recognized** | **$ (315)** | **$ 70** |

[1] Reflects the impact of foreign exchange translation, primarily for plans in the United Kingdom, Canada and Germany.
[2] See Note 20 - Divestitures for additional information.

The key contributor to the movement in the funded position was the reclassification of plans included in the sale of Chubb to held for sale. The plans to be retained by the Company experienced an improvement in the net deficit position due to better than expected asset performance globally, favorable exchange rate movements and an increase in the discount rate used to measure the benefit obligations of the plans. Discount rates in all applicable territories and countries increased over the measurement period as a result of increases in corporate bond yields.

The pretax amounts recognized in *Accumulated other comprehensive (income) loss* are:

| *(In millions)* | Prior Service Cost (Benefit) | Net Actuarial (Gain) Loss | Total |
|---|---|---|---|
| As of December 31, 2020 | $ 13 | $ 689 | $ 702 |
| Current year changes recorded in AOCI | 4 | (34) | (30) |
| Amortization reclassified to earnings | (2) | (32) | (34) |
| Settlement/curtailment reclassified to earnings | — | (12) | (12) |
| Currency translation and other | — | (16) | (16) |
| **As of December 31, 2021** | **$ 15** | **$ 595** | **$ 610** |

Information for pension plans with accumulated benefit obligations in excess of plan assets:

| *(In millions)* | 2021 | 2020 |
|---|---|---|
| Projected benefit obligation | $ 405 | $ 622 |
| Accumulated benefit obligation | $ 374 | $ 579 |
| Fair value of plan assets | $ 47 | $ 156 |

Information for pension plans with projected benefit obligations in excess of plan assets:

| *(In millions)* | 2021 | 2020 |
|---|---|---|
| Projected benefit obligation | $ 405 | $ 666 |
| Accumulated benefit obligation | $ 374 | $ 615 |
| Fair value of plan assets | $ 47 | $ 194 |

The components of net periodic pension benefits for the defined benefit pension plans are as follows:

| *(In millions)* | 2021 | 2020 | 2019 |
|---|---|---|---|
| Service cost | $ 27 | $ 29 | $ 31 |
| Interest cost | 37 | 52 | 67 |
| Expected return on plan assets | (145) | (140) | (154) |
| Amortization of prior service cost | 2 | 2 | 2 |
| Recognized actuarial net loss | 32 | 22 | 9 |
| Net settlement, curtailment and special termination benefit loss | 13 | 4 | 4 |
| **Net periodic pension benefit** | **$ (34)** | **$ (31)** | **$ (41)** |

The accumulated benefit obligation for all defined benefit plans was $0.9 billion and $3.2 billion as of December 31, 2021 and 2020, respectively.

Major assumptions used in determining the benefit obligation and net cost for pension plans are presented in the following table as weighted-averages:

| | Benefit Obligation | | Net Costs | | |
|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2019 [2] |
| Discount rate | | | | | |
| Projected benefit obligation | 2.1% | 1.4 % | 1.4% | 2.0 % | 2.8 % |
| Interest cost [1] | —% | — % | 1.2% | 1.8 % | 2.7 % |
| Service cost [1] | —% | — % | 2.1% | 1.8 % | 3.2 % |
| Salary scale | 3.1% | 2.8 % | 2.8% | 3.3 % | 3.0 % |
| Expected return on plan assets | —% | — % | 4.6% | 4.9 % | 5.6 % |

[1] The 2021 and 2020 discount rates used to measure the service cost and interest cost applies to the significant plans of the Company. The projected benefit obligation discount rate is used for the service cost and interest cost measurements for non-significant plans.
[2] Assumptions prior to 2020 include assumptions used for the UTC plan which included Carrier employees.

The weighted-average discount rates used to measure pension benefit obligations and net costs are set by reference to specific analyses using each plan's specific cash flows and high-quality bond indices to assess reasonableness. For those significant plans, the Company utilizes a full yield curve approach in the estimation of the service cost and interest cost components by applying the specific spot rates along the yield curve used in determination of the benefit obligation to the relevant projected cash flows.

In determining the expected return on plan assets, the Company considered the relative weighting of plan assets, the historical performance of total plan assets and individual asset classes and economic and other indicators of future performance. Return projections are assessed for reasonableness using a simulation model that incorporates yield curves, credit spreads and risk premiums to project long-term prospective returns.

The plans' investment management objectives include providing the liquidity and asset levels needed to meet current and future benefit payments, while maintaining a prudent degree of portfolio diversification considering interest rate risk and market volatility. Globally, investment strategies target a mix of approximately 50% of growth seeking assets and 50% of income generating and hedging assets using a wide diversification of asset types, fund strategies and investment managers. The growth seeking allocation consists of global public equities in developed and emerging countries and alternative-asset class strategies. Within the income generating assets, the fixed income portfolio primarily consists of government and broadly diversified high quality corporate bonds.

The plans seek to reduce interest rate risk and have incorporated liability hedging programs that include the adoption of a risk reduction objective as part of the long-term investment strategy. Under this objective, the income generating and hedging assets typically increase as funded status improves. The hedging programs incorporate a range of assets and investment tools, each with various interest rate sensitivities. As a result of the improved funded status of the plans, due to favorable asset returns and funding of the plans, the income generating and hedging assets increased in recent years.

The fair values of pension plan assets by asset category are as follows:

| *(In millions)* | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Not Subject to Leveling | Total |
|---|---|---|---|---|---|
| **Asset Category** | | | | | |
| Public Equities: | | | | | |
| Global Equities | $ — | $ 29 | $ — | $ — | $ 29 |
| Global Equity Funds at net asset value [1] [2] | — | — | — | 208 | 208 |
| Fixed Income Securities: | | | | | |
| Governments | — | 26 | — | — | 26 |
| Corporate Bonds | — | 103 | — | — | 103 |
| Fixed Income Securities [2] | — | — | — | 189 | 189 |
| Real Estate [3] | — | 9 | — | — | 9 |
| Other [4] [5] | — | 5 | — | — | 5 |
| Cash & Cash Equivalents [2][6] | — | 7 | — | 3 | 10 |
| Subtotal | **$ —** | **$ 179** | **$ —** | **$ 400** | **$ 579** |
| Other assets and liabilities [7] | | | | | 12 |
| **Total as of December 31, 2021 [8]** | | | | | **$ 591** |

| *(In millions)* | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Not Subject to Leveling | Total |
|---|---|---|---|---|---|
| **Asset Category** | | | | | |
| Public Equities: | | | | | |
| Global Equities [1] [2] | $ — | $ 52 | $ — | $ 65 | $ 117 |
| Global Equity Funds at net asset value [1] | — | — | — | 733 | 733 |
| Fixed Income Securities: | | | | | |
| Governments | — | 1,270 | — | — | 1,270 |
| Corporate Bonds | — | 121 | — | 41 | 162 |
| Fixed Income Securities [2] | — | — | — | 923 | 923 |
| Real Estate [3][2] | — | 2 | — | 11 | 13 |
| Other [4][2][5] | — | (422) | — | 407 | (15) |
| Cash & Cash Equivalents [2][6] | — | 32 | — | 22 | 54 |
| Subtotal | **$ —** | **$ 1,055** | **$ —** | **$ 2,202** | **$ 3,257** |
| Other assets and liabilities [7] | | | | | 37 |
| **Total as of December 31, 2020** | | | | | **$ 3,294** |

[1] Represents commingled funds that invest primarily in common stocks.
[2] In accordance with ASU 2015-07, *Fair Value Measurement (Topic 820)*, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented for the total pension plan assets.
[3] Represents investments in real estate, including commingled funds and directly held properties.
[4] Represents insurance contracts and global balanced risk commingled funds consisting mainly of equity, bonds and some commodities.
[5] Includes fixed income repurchase agreements entered into for purposes of pension asset and liability matching.
[6] Represents short-term commercial paper, bonds and other cash or cash-like instruments.
[7] Represents trust receivables and payables that are not leveled.
[8] Chubb plan assets for 2021, totaling $2.6 billion are not included within this table, as the business has been reclassified as held for sale.

Derivatives in the plan are primarily used to manage risk and gain asset class exposure while still maintaining liquidity. Derivative instruments mainly consist of fixed income repurchase agreements, interest rate swaps, total return swaps and currency forward contracts.

Quoted market prices are used to value investments when available. Investments in securities traded on exchanges, including listed futures and options, are valued at the last reported sale prices on the last business day of the year or, if not available, the

last reported bid prices. Fixed income securities are primarily measured using a market approach pricing methodology, whereby observable prices are obtained by market transactions involving identical or comparable securities of issuers with similar credit ratings. Over-the-counter securities and government obligations are valued at the bid prices or the average of the bid and ask prices on the last business day of the year from published sources or, if not available, from other sources considered reliable, including broker quotes. Temporary cash investments are stated at cost, which approximates fair value.

For the years ended December 31, 2021, 2020 and 2019, the Company made $47 million, $41 million and $36 million, respectively, of cash contributions to its defined benefit pension plans. The Company expects to make total contributions of approximately $3 million to its defined benefit pension plans in 2022. Contributions do not reflect benefits to be paid directly from corporate assets. Benefit payments, including amounts to be paid from corporate assets, and reflecting expected future service, as appropriate, are expected to be paid as follows: $25 million in 2022, $28 million in 2023, $29 million in 2024, $32 million in 2025, $34 million in 2026 and $197 million from 2027 through 2030.

**Multiemployer Benefit Plans**

The Company contributes to various domestic and foreign multiemployer defined benefit pension plans. The risks of participating in these multiemployer plans are different from those of single-employer plans in that assets contributed are pooled and may be used to provide benefits to employees of other participating employers. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. The Company's contributions to these plans for the years ended December 31, 2021 and 2020 was $14 million and $15 million, respectively.

**Employee Savings Plans**

The Company sponsors various employee savings plans. Certain employees of Carrier participate in these plans. Carrier’s contributions to employer sponsored defined contribution plans were $115 million, $103 million and $88 million for the years ended December 31, 2021, 2020 and 2019, respectively.

## NOTE 11: PRODUCT WARRANTIES

In the ordinary course of business, the Company provides standard warranty coverage on its products. Provisions for these amounts are established at the time of sale and estimated primarily based on product warranty terms and historical claims experience. In addition, the Company incurs discretionary costs to service its products in connection with specific product performance issues. Provisions for these amounts are established when they are known and estimable. The Company assesses the adequacy of its initial provisions and will make adjustments as necessary based on known or anticipated claims or as new information becomes available that suggests it is probable that future costs will be different than estimated amounts. Amounts associated with these provisions are classified as *Accrued liabilities* or *Other long-term liabilities* based on their anticipated settlement date.

The changes is the carrying amount of warranty related provisions are as follows:

| ***(In millions)*** | **2021** | **2020** |
|---|---|---|
| Balance as of January 1, | $ 514 | $ 488 |
| Warranties, performance guarantees issued and changes in estimated liability | 172 | 167 |
| Settlements made | (165) | (146) |
| Other | 3 | 5 |
| **Balance as of December 31,** | **$ 524** | **$ 514** |

## NOTE 12: EQUITY

### Share Repurchase Program

In July 2021, the Company's Board of Directors authorized a $1.75 billion increase to the Company's existing $350 million stock repurchase program. The program allows the Company to repurchase its outstanding common stock from time to time subject to market conditions and at the Company's discretion in the open market or through one or more other public or private transactions and subject to compliance with the Company's obligations under the TMA. The Company records repurchases under the cost method whereby the entire cost of the acquired stock is recorded as *Treasury stock* as a reduction to equity. The reissuance of treasury stock uses the first-in, first-out method of accounting.

The Company repurchased 10.4 million shares of common stock for an aggregate purchase price of $529 million for the year ended December 31, 2021, which are held in *Treasury stock* as of December 31, 2021 as reflected on its Consolidated Balance Sheet.

### Accumulated Other Comprehensive Income (Loss)

A summary of the changes in each component of *Accumulated other comprehensive income (loss)* is as follows:

| *(In millions)* | Foreign Currency Translation | Defined Benefit Pension and Post-retirement Plans | Accumulated Other Comprehensive Income (Loss) |
|---|---|---|---|
| Balance as of January 1, 2019 | $ (834) | $ (381) | $ (1,215) |
| Other comprehensive income (loss) before reclassifications, net | 52 | (109) | (57) |
| Amounts reclassified, pre-tax | 2 | 11 | 13 |
| Tax benefit reclassified | — | 15 | 15 |
| ASU 2018-02 adoption impact | — | (9) | (9) |
| **Balance as of December 31, 2019** | $ (780) | $ (473) | $ (1,253) |
| Other comprehensive income (loss) before reclassifications, net | 589 | 2 | 591 |
| Amounts reclassified, pre-tax | — | (105) | (105) |
| Tax benefit reclassified | — | 22 | 22 |
| **Balance as of December 31, 2020** | $ (191) | $ (554) | $ (745) |
| Other comprehensive income (loss) before reclassifications, net | (322) | 53 | (269) |
| Amounts reclassified, pre-tax | 8 | 34 | 42 |
| Tax benefit reclassified | — | (17) | (17) |
| **Balance as of December 31, 2021** | **$ (505)** | **$ (484)** | **$ (989)** |

## NOTE 13: REVENUE RECOGNITION

The Company accounts for revenue in accordance with ASC 606: *Revenue from Contracts with Customers.* Revenue is recognized when control of a good or service promised in a contract (i.e., performance obligation) is transferred to a customer. Control is obtained when a customer has the ability to direct the use of and obtain substantially all of the remaining benefits from that good or service. A significant portion of the Company's performance obligations are recognized at a point-in-time when control of the product transfers to the customer, which is generally the time of shipment. The remaining portion of the Company’s performance obligations are recognized over time as the customer simultaneously obtains control as the Company performs work under a contract, or if the product being produced for the customer has no alternative use and the Company has a contractual right to payment.

**Performance Obligations**

A performance obligation is a distinct good, service or a bundle of goods and services promised in a contract. Some of the Company's contracts with customers contain a single performance obligation, while others contain multiple performance obligations most commonly when a contract spans multiple phases of a product life-cycle such as production, installation, maintenance and support. The Company identifies performance obligations at the inception of a contract and allocates the transaction price to each distinct performance obligation. Revenue is recognized when or as the performance obligation is satisfied. When there are multiple performance obligations within a contract, the Company allocates the transaction price to each performance obligation based on its relative stand-alone selling price.

The Company primarily generates revenue from the sale of products to customers and recognizes revenue at a point in time when control transfers to the customer. Transfer of control is generally based on the shipping terms of the contract. In addition, the Company recognizes revenue on an over-time basis on installation and service contracts. For over-time performance obligations requiring the installation of equipment, revenue is recognized using costs incurred to date relative to total estimated costs at completion to measure progress. Incurred costs represent work performed, which correspond with and best depict transfer of control to the customer. Contract costs include direct costs such as labor, materials and subcontractors' costs and where applicable, indirect costs.

Segment sales disaggregated by product and service are as follows:

| ***(In millions)*** | **2021** | **2020** | **2019** |
|---|---|---|---|
| **Sales Type** | | | |
| Product | $ 9,985 | $ 8,165 | $ 8,279 |
| Service | 1,405 | 1,313 | 1,433 |
| HVAC sales | 11,390 | 9,478 | 9,712 |
| | | | |
| Product | 3,653 | 2,927 | 3,405 |
| Service | 474 | 406 | 387 |
| Refrigeration sales | 4,127 | 3,333 | 3,792 |
| | | | |
| Product | 3,985 | 3,585 | 4,072 |
| Service | 1,530 | 1,400 | 1,428 |
| Fire & Security sales | 5,515 | 4,985 | 5,500 |
| Total segment sales | 21,032 | 17,796 | 19,004 |
| | | | |
| Eliminations and other | (419) | (340) | (396) |
| **Consolidated** | **$ 20,613** | **$ 17,456** | **$ 18,608** |

The transaction price allocated to performance obligations reflects the Company's expectations about the consideration it will be entitled to receive from a customer. The Company includes variable consideration in the estimated transaction price when there is a basis to reasonably estimate the amount and when it is probable that a significant reversal of revenue recognized would not occur when the uncertainty associated with variable consideration is subsequently resolved. In addition, the Company customarily offers its customers incentives to purchase products to ensure an adequate supply of its products in distribution channels. The principal incentive programs provide reimbursements to distributors for offering promotional pricing for products. The Company accounts for estimated incentive payments as a reduction in sales at the time a sale is recognized.

**Contract Balances**

Total contract assets and liabilities consisted of the following:

| *(In millions)* | 2021 | 2020 |
|---|---|---|
| Contract assets, current | $ 503 | $ 656 |
| Contract assets, non-current (included within *Other assets*) | 70 | 98 |
| Total contract assets | 573 | 754 |
| | | |
| Contract liabilities, current | (415) | (512) |
| Contract liabilities, non-current (included within *Other long-term liabilities*) | (165) | (165) |
| Total contract liabilities | (580) | (677) |
| **Net contract assets (liabilities)** | **$ (7)** | **$ 77** |

The timing of revenue recognition, billings and cash collections results in contract assets and contract liabilities. Contract assets relate to the conditional right to consideration for any completed performance under a contract when costs are incurred in excess of billings under the percentage-of-completion methodology. Contract liabilities relate to payments received in advance of performance under the contract or when the Company has a right to consideration that is conditioned upon transfer of a good or service to the customer. Contract liabilities are recognized as revenue as (or when) the Company performs under the contract.

The Company recognized revenue of $408 million for the year ended December 31, 2021 that was related to contract liabilities as of January 1, 2021. The Company expects a majority of its contract liabilities at the end of the period to be recognized as revenue over the next 12 months. There were no individually significant customers with sales exceeding 10% of total sales for the years ended December 31, 2021, 2020 and 2019.

**NOTE 14: STOCK-BASED COMPENSATION**

The Company accounts for stock-based compensation plans in accordance with ASC 718, *Compensation - Stock Compensation*, which requires a fair-value based method for measuring the value of stock-based compensation. Fair value is measured at the date of grant and is generally not adjusted for subsequent changes. The Company's stock-based compensation plans include programs for stock appreciation rights, restricted stock and performance share units.

**Stock Options and Appreciation Rights**

Eligible participants may receive stock options or stock appreciation rights as part of the Company's long-term incentive program. The fair value of each instrument is determined as of the date of grant using a binomial lattice model and expensed on a straight-line basis over the required service period, which is generally a three-year vesting period. However, in the event of retirement, awards held for at least one year may vest and become exercisable (if applicable), subject to certain terms and conditions.

The following table summarizes fair value information for stock options and stock appreciation rights:

| | 2021 [1] | 2020 [1] | 2019 [2] |
|---|---|---|---|
| Stock options and stock appreciation rights weighted-average fair value per award | $ 10.13 | $ 4.67 | $ 21.02 |
| Assumptions: | | | |
| Volatility | 31.6% to 34.1% | 32.1% to 35.6% | 18.8% to 19.7% |
| Expected term (in years) | 6.6 | 7.0 | 6.5 to 6.6 |
| Expected dividend yield | 1.5% | 1.4% to 2.0% | 2.4% |
| Range of risk-free rates | 0.7% to 1.4% | 0.1% to 1.0% | 2.3% to 2.7% |

[1] Carrier has limited historical trading data and used peer group data to estimate expected volatility for the 2021 and 2020 awards.
[2] The assumptions for 2019 were determined by UTC based on UTC's stock price performance.

The Company used historical employee data, including data prior to the Separation and the Distribution, to estimate expected term. The expected dividend yield is consistent with management's expectations. The risk-free rate is based on the term structure of interest rates at the time the awards were granted.

Changes in stock options and stock appreciation rights outstanding subsequent to the Separation and Distribution were as follows:

| | Shares Subject to Option (in thousands) | Weighted-Average Exercise Price | Aggregate Intrinsic Value (in millions) | Weighted- Average Remaining Life (in years) |
|---|---|---|---|---|
| As of April 3, 2020 | 36,015 | $ 19.90 | | |
| Granted | 3,921 | $ 17.57 | | |
| Exercised | (2,620) | $ 15.81 | | |
| Cancelled | (584) | $ 22.31 | | |
| As of December 31, 2020 | 36,732 | $ 19.91 | | |
| Granted | 3,194 | $ 38.92 | | |
| Exercised | (5,934) | $ 17.59 | | |
| Cancelled | (1,551) | $ 23.98 | | |
| **Outstanding as of December 31, 2021** | **32,441** | **$ 22.02** | **$ 1,046** | **6.3** |
| **Exercisable as of December 31, 2021** | **14,613** | **$ 18.96** | **$ 516** | **4.3** |

**Restricted Stock Units**

Eligible participants may receive restricted stock units ("RSU") as part of the Company's long-term incentive program. The fair value of restricted stock units are based on the closing market price of the Company's common stock on the date of grant and expensed on a straight-line basis over the required service period (which is generally the three-year vesting period). However, in the event of retirement, awards held for at least one year may vest and become exercisable (if applicable), subject to certain terms and conditions. Dividends accrue during the vesting period and are paid in shares of the Company's common stock.

Changes in restricted stock units subsequent to the Separation and Distribution were as follows:

| | RSUs *(in thousands)* | Weighted-Average Grant Date Fair Value |
|---|---|---|
| Outstanding and unvested as of April 3, 2020 | 5,622 | $ 21.37 |
| Granted | 523 | $ 21.43 |
| Vested | (483) | $ 19.74 |
| Cancelled | (88) | $ 23.29 |
| Outstanding and unvested as of December 31, 2020 | 5,574 | $ 21.57 |
| Granted | 286 | $ 46.49 |
| Vested | (2,168) | $ 21.45 |
| Cancelled | (122) | $ 25.39 |
| **Outstanding and unvested as of December 31, 2021** | **3,570** | **$ 23.33** |

**Performance Share Units**

The Company has a performance share program for key employees whereby awards are provided in the form of performance share units ("PSU") based on performance against pre-established objectives. The annual target level is expressed as shares of the Company's common stock based on the fair value of its stock on the date of grant. Awards are earned over a three-year performance period based equally on a performance condition, measured by the compound annual growth rate of the Company's earnings per share and on a market condition, measured by the Company's relative total shareowner return compared to the total shareowner return of a subset of industrial companies in the S&P 500 Index. The fair value of the market condition is estimated using a Monte Carlo simulation approach. The fair value of the PSU awards are expensed over the

required service period, which is generally a three-year vesting period. In the event of retirement, performance share units held for at least one year remain eligible to vest based on actual performance relative to pre-established metrics. Dividends do not accrue on the performance share units during the performance period.

Changes in PSUs subsequent to the Separation and Distribution were as follows:

| | PSUs *(in thousands)* | Weighted-Average Grant Date Fair Value |
|---|---|---|
| Outstanding and unvested as of April 3, 2020 | 68 | $ 21.23 |
| Granted | 728 | $ 18.23 |
| Forfeited | (24) | $ 19.25 |
| Outstanding and unvested as of December 31, 2020 | 772 | $ 18.46 |
| Granted | 821 | $ 41.48 |
| Vested | (20) | $ 23.72 |
| Forfeited | (152) | $ 27.28 |
| **Outstanding and unvested as of December 31, 2021** | **1,421** | **$ 30.75** |

**Compensation Expense**

Stock-based compensation expense, net of estimated forfeitures, is included in *Cost of products sold* , *Selling, general and administrative* and *Research and development*, in the accompanying Consolidated Statement of Operations.

Stock-based compensation cost by award type are as follows:

| ***(In millions)*** | **2021** | **2020** [1] | **2019** [1] |
|---|---|---|---|
| Equity compensation costs - equity settled | $ 92 | $ 77 | $ 52 |
| Equity compensation costs - cash settled [2] | 19 | 11 | 6 |
| **Total stock-based compensation cost** | **$ 111** | **$ 88** | **$ 58** |
| | | | |
| **Income tax benefit** | **$ 13** | **$ 9** | **$ 11** |

[1] The stock-based compensation cost for 2020 and 2019 include amounts allocated to Carrier by UTC related to its direct employees.
[2] The cash settled awards are classified as liability awards and are measured at fair value at each balance sheet date.

Prior to the Separation and the Distribution, the Company participated in UTC's long-term incentive plans, which authorized various types of market and performance-based incentive awards. Stock-based compensation expense was allocated to the Company from UTC based upon direct employee headcount. In connection with the Separation and the Distribution, all awards were converted to Carrier stock-based awards with unvested awards converted to preserve the aggregate intrinsic value immediately before and after the Separation.

As of December 31, 2021 and 2020, there were $77 million and $91 million of unrecognized stock-based compensation costs related to non-vested awards granted under the plan, respectively, which will be recognized ratably over the awards weighted-average vesting period of 2 years.

## NOTE 15: RESTRUCTURING COSTS

The Company incurs costs associated with restructuring initiatives intended to improve operating performance, profitability and working capital levels. Actions associated with these initiatives may include improving productivity, workforce reductions and the consolidation of facilities.
The Company recorded net pre-tax restructuring costs for new and ongoing restructuring actions as follows:

| *(In millions)* | 2021 | 2020 | 2019 |
|---|---|---|---|
| HVAC | $ 33 | $ 7 | $ 56 |
| Refrigeration | 25 | 12 | 14 |
| Fire & Security | 26 | 28 | 53 |
| **Total Segment** | 84 | 47 | 123 |
| General corporate expenses | 5 | 2 | 3 |
| **Total restructuring costs** | **$ 89** | **$ 49** | **$ 126** |
| | | | |
| Cost of sales | $ 28 | $ 20 | $ 36 |
| Selling, general and administrative | 60 | 29 | 90 |
| Other income (expense), net | 1 | — | — |
| **Total restructuring costs** | **$ 89** | **$ 49** | **$ 126** |

The following table summarizes the reserves and charges related to the restructuring reserve:

| *(In millions)* | 2021 | 2020 |
|---|---|---|
| Balance as of January 1, | $ 49 | $ 66 |
| Net pre-tax restructuring costs | 89 | 49 |
| Utilization, foreign exchange and other | (76) | (66) |
| Reclassified to held for sale | (8) | — |
| **Balance as of December 31,** | **$ 54** | **$ 49** |

During the year ended December 31, 2021, charges associated with restructuring initiatives related to cost reduction efforts. Amounts recognized primarily related to severance due to workforce reductions and exit costs due to the consolidation of field operations. As of December 31, 2021, the Company had $54 million accrued for costs associated with its announced restructuring initiatives, all of which is expected to be paid within one year.

## NOTE 16: OTHER INCOME (EXPENSE), NET

Other income (expense), net consisted of the following:

| *(In millions)* | 2021 | 2020 | 2019 |
|---|---|---|---|
| Transaction gains [1] | $ — | $ 1,123 | $ — |
| Impairment charge on minority-owned joint venture investments [1] | (2) | (72) | (108) |
| Other | 41 | (45) | 106 |
| **Other income (expense), net** | **$ 39** | **$ 1,006** | **$ (2)** |

[1] See Note 22 - Related Parties for additional information.

*Other income (expense), net* primarily includes the impact of gains and losses related to the sale of interests in equity method investments, foreign currency gains and losses on transactions that are denominated in a currency other than the entity's functional currency and hedging-related activities.

## NOTE 17: INCOME TAXES

### Income Before Income Taxes

The sources of *Income from operations before income taxes* are as follows:

| *(In millions)* | 2021 | 2020 | 2019 |
|---|---|---|---|
| United States | $ 1,528 | $ 915 | $ 1,460 |
| Foreign | 872 | 1,940 | 1,212 |
| **Total** | **$ 2,400** | **$ 2,855** | **$ 2,672** |

### Provision for Income Taxes

The income tax expense (benefit) consisted of the following components:

| *(In millions)* | 2021 | 2020 | 2019 |
|---|---|---|---|
| **Current:** | | | |
| United States: | | | |
| Federal | $ 336 | $ 434 | $ 262 |
| State | 83 | 74 | 72 |
| Foreign | 354 | 244 | 305 |
| | 773 | 752 | 639 |
| **Future:** | | | |
| United States: | | | |
| Federal | (125) | 13 | (14) |
| State | (14) | 6 | (2) |
| Foreign | 65 | 78 | (106) |
| | (74) | 97 | (122) |
| **Income tax expense** | **$ 699** | **$ 849** | **$ 517** |

### Reconciliation of Effective Income Tax Rate

The differences between the effective income tax rate and the statutory U.S. federal income tax rate are as follows:

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| Statutory U.S. federal income tax rate | 21.0 % | 21.0 % | 21.0 % |
| State income tax | 1.9 | 1.7 | 2.5 |
| Tax on international activities | 7.2 | 4.2 | 3.3 |
| Separation impact | — | 3.4 | (0.7) |
| Tax audit settlements | — | — | (5.6) |
| Other | (1.0) | (0.6) | (1.1) |
| **Effective income tax rate** | **29.1 %** | **29.7 %** | **19.4 %** |

The effective tax rate for the year ended December 31, 2021 includes a net tax charge of $157 million primarily relating to the re-organization and disentanglement of certain Chubb subsidiaries executed in advance of the planned divestiture of Chubb, a $43 million deferred tax charge as a result of the tax rate increase from 19% to 25% in the United Kingdom, partially offset by a favorable tax adjustment of $70 million due to foreign tax credits generated and expected to be utilized in the current year and $21 million resulting from the re-organization of a German subsidiary.

The effective tax rate for the year ended December 31, 2020 reflects a $51 million charge related to a valuation allowance recorded against a United Kingdom tax loss and credit carryforward and a charge of $46 million resulting from the Company's decision to no longer permanently reinvest certain pre-2018 unremitted non-U.S. earnings. These items were impacted by the Separation and are included in "Separation impact" in the previous table.

The effective tax rate for the year ended December 31, 2019 reflects a net tax benefit of $149 million as a result of the filing by a subsidiary of the Company to participate in an amnesty program offered by the Italian Tax Authority and the conclusion of an audit by the IRS for UTC's 2014, 2015 and 2016 tax years.

**Deferred Tax Assets and Liabilities**

Future income taxes represent the tax effects of transactions, which are reported in different periods for tax and GAAP purposes. These amounts consist of the tax effects of differences between tax and GAAP that are expected to be reversed in the future and tax carryforwards. Future income tax benefits and payables within the same tax paying component of a particular jurisdiction are offset for presentation in the Consolidated Balance Sheet.

The tax effects of temporary differences and tax carryforwards which give rise to future income tax benefits and payables as of December 31, 2021 and 2020 are as follows:

| ***(In millions)*** | **2021** | **2020** |
|---|---|---|
| Future income tax benefits: | | |
| Insurance and employee benefits | $ 198 | $ 109 |
| Other assets basis differences | 166 | 152 |
| Other liabilities basis differences | 512 | 487 |
| Tax loss carryforward | 175 | 258 |
| Tax credit carryforward | 24 | 63 |
| Valuation allowances | (90) | (231) |
| **Future income tax benefit** | **$ 985** | **$ 838** |
| | | |
| Future income tax payables: | | |
| Goodwill and intangible assets | $ (270) | $ (411) |
| Other asset basis differences | (307) | (336) |
| **Future income tax payables** | **$ (577)** | **$ (747)** |

Valuation allowances have been established primarily for tax credit carryforwards, tax loss carryforwards and certain foreign temporary differences to reduce future income tax benefits to expected realizable amounts. As of December 31, 2021, future income tax benefits and future income tax payables exclude a net liability of $266 million classified as held for sale. See Note 20 - Divestitures for additional information.

Changes to valuation allowances consisted of the following:

| *(In millions)* | |
|---|---|
| Balance as of January 1, 2019 | $ 107 |
| Additions charged to income tax expense | 41 |
| Reduction credited to income tax expense | (16) |
| Other adjustments | (4) |
| Balance as of December 31, 2019 | $ 128 |
| Additions charged to income tax expense [1] | 112 |
| Reduction credited to income tax expense | (13) |
| Other adjustments | 4 |
| Balance as of December 31, 2020 | $ 231 |
| Additions charged to income tax expense | 32 |
| Reduction credited to income tax expense | (22) |
| Other adjustments | (41) |
| Reclassified to held for sale | (110) |
| **Balance as of December 31, 2021** | **$ 90** |

[1] Includes $89 million relating to "Separation impact" discussed in section "Reconciliation of Effective Income Tax Rate."

### Tax Credit and Loss Carryforwards

As of December 31, 2021, tax credit carryforwards and tax loss carryforwards, excluding amounts associated with Chubb entities, were as follows:

| *(In millions)* | Tax Loss Carryforwards | Tax Credit Carryforwards |
|---|---|---|
| Expiration period: | | |
| 2022-2026 | $ 100 | $ 7 |
| 2027-2031 | 58 | 5 |
| 2032-2041 | 32 | 4 |
| Indefinite | 599 | 8 |
| **Total** | **$ 789** | **$ 24** |

The Company assesses the realizability of its deferred tax assets on a quarterly basis through an analysis of potential sources of future taxable income, including prior year taxable income available to absorb a carryback of tax losses, reversals of existing taxable temporary differences, tax planning strategies and forecasts of taxable income. The Company considers all negative and positive evidence, including the weight of the evidence, to determine if valuation allowances against deferred tax assets are required. The Company maintains valuation allowances against certain deferred tax assets, primarily in non-U.S. jurisdictions.

**Unrecognized Tax Benefits**

As of December 31, 2021, the Company had unrecognized tax benefits of $251 million, all of which, if recognized, would impact its effective tax rate. A reconciliation of the beginning and ending amounts of unrecognized tax benefits and related interest expense is as follows:

| *(In millions)* | 2021 | 2020 | 2019 |
|---|---|---|---|
| Balance at beginning of period | $ 162 | $ 166 | $ 316 |
| Additions for tax positions related to the current year | 86 | 22 | 30 |
| Additions for tax positions of prior years [1] | 24 | 14 | 14 |
| Reductions for tax positions of prior years [2] | (1) | (40) | (19) |
| Settlements | (18) | — | (175) |
| Reclassified as held for sale | (2) | — | — |
| Balance at end of period | **$ 251** | **$ 162** | **$ 166** |
| Gross interest expense related to unrecognized tax benefits | **$ 8** | **$ 6** | **$ 8** |
| Total accrued interest balance at end of period | **$ 35** | **$ 25** | **$ 25** |

[1] Includes $14 million related to acquisitions during the year ended December 31, 2021.
[2] Includes an adjustment of $37 million recorded in UTC Net investment for the year ended December 31, 2020 for tax positions of prior years.

The Company conducts business globally and, as a result, the Company and its subsidiaries file income tax returns in the U.S. federal, various state and foreign jurisdictions. In certain jurisdictions, the Company's operations were included in UTC's combined tax returns for the periods through the Separation and the Distribution. The IRS commenced an audit of UTC's tax years 2017 and 2018 in the second quarter of 2020. In the normal course of business, the Company is subject to examination by taxing authorities throughout the world, including the U.S., Australia, Belgium, Canada, China, Czech Republic, France, Germany, Hong Kong, India, Italy, Mexico, the Netherlands, Singapore and the United Kingdom. The Company is no longer subject to U.S. federal income tax examination for years prior to 2017 and, with few exceptions, is no longer subject to U.S. state and local and foreign income tax examinations for tax years before 2012.

During the second quarter of 2019, a subsidiary of the Company that was engaged in litigation before the Italian Supreme Court filed to participate in the Italian amnesty program. In addition, during the second quarter of 2019, the IRS completed its review of UTC’s 2014, 2015 and 2016 tax years and certain U.S. state income tax exams concluded. As a result of the amnesty filing in Italy and the conclusion of the IRS and U.S. state audits, the Company recognized a non-cash gain of approximately $166 million, including pre-tax interest of approximately $16 million.

In the ordinary course of business, there is inherent uncertainty in quantifying the Company's income tax positions. The Company assesses its income tax positions and records tax benefits for all years subject to examination based upon management’s evaluation of the facts, circumstances and information available at the reporting date. It is reasonably possible that a net decrease in unrecognized tax benefits from $10 million to $65 million may occur within 12 months as a result of additional worldwide uncertain tax positions, the revaluation of uncertain tax positions arising from examinations, appeals, court decisions or the closure of tax statutes.

As a result of the Tax Cuts and Jobs Act ("TCJA"), the Company no longer intends to reinvest certain undistributed earnings of its international subsidiaries that have been previously taxed in the U.S. As such, the Company has recorded the taxes associated with the future remittance of these earnings. In addition, the Company no longer intends to permanently reinvest the book and tax basis difference including the undistributed earnings of the Company's Chubb business due to its divestiture. For the remainder of the Company's undistributed international earnings, unless tax effective to repatriate, the Company intends to continue to permanently reinvest these earnings. As of December 31, 2021 such undistributed earnings were approximately $6.0 billion, excluding other comprehensive income amounts. It is not practicable to estimate the amount of tax that might be payable on the remaining amounts. In addition, the TCJA subjects the Company to a tax on global intangible low-taxed income ("GILTI"). GILTI is a tax on foreign income in excess of a deemed return on tangible assets of foreign corporations which the Company has elected to account for as a period cost.

## NOTE 18: EARNINGS PER SHARE

Earnings per share is computed by dividing *Net income attributable to common shareowners* by the weighted-average number of shares of common stock outstanding during the period (excluding treasury stock). Diluted earnings per share is computed by giving effect to all potentially dilutive stock awards that are outstanding. The computation of diluted earnings per share excludes the effect of the potential exercise of stock-based awards, including stock appreciation rights and stock options, when the effect of the potential exercise would be anti-dilutive.

| *(In millions, except per share amounts)* | 2021 | 2020 | 2019 |
|---|---|---|---|
| **Net income attributable to common shareowners** | **$ 1,664** | **$ 1,982** | **$ 2,116** |
| Basic weighted-average number of shares outstanding | 867.7 | 866.5 | 866.2 |
| Stock awards and equity units (share equivalent) | 22.6 | 13.7 | — |
| **Diluted weighted-average number of shares outstanding** | **890.3** | **880.2** | **866.2** |
| Antidilutive shares excluded from computation of diluted earnings per share | 0.1 | 0.2 [1] | — |
| **Earnings Per Share** | | | |
| Basic | $ 1.92 | $ 2.29 | $ 2.44 |
| Diluted | $ 1.87 | $ 2.25 | $ 2.44 |

[1] The weighted-average number of common shares outstanding for basic and diluted earnings per share for the year ended December 31, 2020 was based on the weighted-average number of common shares outstanding for the period beginning after the Distribution Date.

On the Distribution Date, 866,158,910 shares of the Company's common stock, par value $0.01 per share, were distributed to UTC shareowners of record as of March 19, 2020. This share amount is utilized for the calculation of basic and diluted earnings per share for all periods presented prior to the Separation and the Distribution and such shares are treated as issued and outstanding for purposes of calculating historical earnings per share. It is assumed that there are no dilutive equity instruments for periods prior to the Separation and Distribution because there were no Carrier stock-based awards outstanding prior to the Separation and the Distribution.

## NOTE 19: ACQUISITIONS

During the year ended December 31, 2021, the Company acquired consolidated and minority-owned businesses. The aggregate cash paid, net of cash acquired, totaled $366 million and was funded through cash on hand. Acquisitions are recorded using the acquisition method of accounting in accordance with ASC 805, *Business Combinations* ("ASC 805"). As a result, the aggregate purchase price has been allocated to assets acquired and liabilities assumed based on the estimate of fair market value of such assets and liabilities at the date of acquisition. Intangible assets associated with these transactions totaled $146 million and primarily related to customer relationships, technology assets and a non-compete agreement. The excess purchase price over the estimated fair value of net assets acquired was recognized as goodwill and totaled $320 million.

### Acquisition of Guangdong Giwee Group Co.

On June 1, 2021, the Company acquired a 70% controlling stake in Guangdong Giwee Group Co. and its subsidiaries ("Giwee") and subsequently acquired the remaining 30% ownership in Giwee on September 7, 2021. Giwee is a China-based manufacturer offering a portfolio of HVAC products including variable refrigerant flow, modular chillers and light commercial air conditioners. The results of Giwee are reported within the HVAC segment as of the date of acquisition. The Company has not included pro forma financial information required under ASC 805 as the pro forma impact was not deemed significant.

The excess of the purchase price over the estimated fair value of the net assets acquired was recognized as goodwill and totaled $182 million, which is not deductible for tax purposes. Accounts receivable and current liabilities were stated at their historical carrying value, which approximates fair value given the short-term nature of these assets and liabilities. The estimate of fair value for inventory and property, plant and equipment was based on an assessment of the acquired assets' condition as well as an evaluation of the current market value of such assets.

The Company recorded intangible assets which consisted of the following:

| *(In millions)* | Estimated Useful Life (in years) | Intangible Assets Acquired |
|---|---|---|
| Customer relationships | 14 | $ 52 |
| Technology | 10 | 34 |
| Non-compete agreement | 5 | 8 |
| **Total intangible assets acquired** | | **$ 94** |

The valuation of intangible assets was determined using an income approach methodology including the multi-period excess earnings method and the relief from royalty method. Key assumptions used in estimating future cash flows included projected revenue growth rates, customer attrition rates and royalty rates. The projected future cash flows are discounted to present value using an appropriate discount rate. As of December 31, 2021, the Company has finalized the process of allocating the purchase price and valuing the acquired assets and liabilities for the Giwee acquisition.

**NOTE 20: DIVESTITURES**

On July 26, 2021, the Company entered into a stock purchase agreement to sell its Chubb business to APi. Chubb, reported within the Company's Fire & Security segment, delivers essential fire safety and security solutions from design and installation to monitoring, service and maintenance across more than 17 countries around the globe.

The assets and liabilities of Chubb have been reclassified as held for sale in the accompanying Consolidated Balance Sheet as of December 31, 2021 and recorded at the lower of their carrying value or fair value less estimated cost to sell. In addition, depreciation and amortization was ceased in accordance with ASC 360. Based on the carrying amount of Chubb's net assets, foreign currency translation rates and other assumptions as of December 31, 2021, the Company expects to recover the carrying value of the disposal group upon completion of the transaction.

The components of Chubb's assets and liabilities recorded as held for sale were as follows:

| *(In millions)* | | 2021 |
|---|---|---|
| Cash and cash equivalents | $ | 60 |
| Accounts receivable, net | | 445 |
| Inventories, net | | 73 |
| Contract assets, current | | 184 |
| Other assets, current | | 27 |
| Fixed assets, net | | 67 |
| Intangible assets, net | | 545 |
| Goodwill | | 940 |
| Operating lease right-of-use assets | | 193 |
| Pension and post-retirement assets | | 614 |
| Other assets | | 20 |
| **Total assets held for sale** | **$** | **3,168** |
| | | |
| Accounts payable | $ | (190) |
| Accrued liabilities | | (248) |
| Contract liabilities, current | | (162) |
| Future pension and post-retirement obligations | | (69) |
| Future income tax obligations | | (273) |
| Operating lease liabilities | | (175) |
| Other long-term liabilities | | (17) |
| **Total liabilities held for sale** | **$** | **(1,134)** |

On January 3, 2022, the Company completed the sale of Chubb for an enterprise value of $3.1 billion, subject to working capital and other adjustments as provided in the Chubb Sale Agreement. Consistent with the Company's capital allocation strategy, the net proceeds of approximately $2.6 billion will be used to fund investments in organic and inorganic growth initiatives and capital returns to its shareowners as well as for general corporate purposes.

**NOTE 21: SEGMENT FINANCIAL DATA**

The Company conducts its operations through three reportable operating segments: HVAC, Refrigeration and Fire & Security. In accordance with ASC 280 - *Segment Reporting*, the Company’s segments maintain separate financial information for which results of operations are evaluated on a regular basis by the Company’s CODM in deciding how to allocate resources and in assessing performance. Inter-company sales between segments are immaterial.

- The HVAC segment provides products, controls, services and solutions to meet the heating, cooling and ventilation needs of residential and commercial customers while enhancing building performance, health, energy efficiency and sustainability. Products include air conditioners, heating systems, controls and aftermarket components as well as aftermarket repair and maintenance services and building automation solutions. Products and solutions are sold directly to building contractors and owners and indirectly through joint ventures, independent sales representatives, distributors, wholesalers, dealers and retail outlets.

- The Refrigeration segment provides a healthier, safer, more sustainable and more intelligent cold chain through the reliable transport and preservation of food, medicine and other perishable cargo. Refrigeration and monitoring products services and digital solutions strengthen the connected cold chain and are designed for trucks, trailers, shipping containers, intermodal applications, food retail and warehouse monitoring. Commercial refrigeration solutions include refrigerated cabinets, freezers, systems and controls incorporating next-generation technologies to preserve freshness, ensure safety and enhance the appearance of retail food and beverage. Products and services are sold directly to transportation companies and retail stores and indirectly through joint ventures, independent sales representatives, distributors, wholesalers and dealers.

- The Fire & Security segment provides a wide range of residential, commercial and industrial technologies designed to help protect people and property. Products include fire, flame, gas, smoke and carbon monoxide detection, portable fire extinguishers, fire suppression systems, intruder alarms, access control systems and video management systems and electronic controls. Other fire and security offerings include audit, design, installation and system integration as well as aftermarket maintenance and repair and monitoring services. Products and solutions are sold directly to end customers as well as through manufacturers' representatives, distributors, dealers, value-added resellers and retail distribution.

Segment information are as follows:

| | Net Sales | | | Operating Profit | | |
|---|---|---|---|---|---|---|
| ***(In millions)*** | **2021** | **2020** | **2019** | **2021** | **2020** | **2019** |
| HVAC | $ 11,390 | $ 9,478 | $ 9,712 | $ 1,738 | $ 2,462 | $ 1,563 |
| Refrigeration | 4,127 | 3,333 | 3,792 | 476 | 357 | 532 |
| Fire & Security | 5,515 | 4,985 | 5,500 | 662 | 584 | 708 |
| Total segment | 21,032 | 17,796 | 19,004 | 2,876 | 3,403 | 2,803 |
| Eliminations and other | (419) | (340) | (396) | (96) | (184) | (156) |
| General corporate expenses | — | — | — | (135) | (136) | (156) |
| **Consolidated** | **$ 20,613** | **$ 17,456** | **$ 18,608** | **$ 2,645** | **$ 3,083** | **$ 2,491** |

Total assets are not presented for each segment as they are not presented to or reviewed by the CODM. Segment assets in the following table represent *Accounts receivable, net* , *Contract assets, current* and *Inventories, net.* These assets are regularly reviewed by management and are therefore reported in the following table as segment assets. All other remaining assets and liabilities for all periods presented are managed on a company-wide basis.

| | Segment Assets | | Capital Expenditures | | | Depreciation & Amortization | | |
|---|---|---|---|---|---|---|---|---|
| ***(In millions)*** | **2021** | **2020** | **2021** | **2020** | **2019** | **2021** | **2020** | **2019** |
| HVAC | $ 2,375 | $ 2,150 | $ 225 | $ 188 | $ 150 | $ 186 | $ 163 | $ 160 |
| Refrigeration | 1,285 | 1,125 | 39 | 26 | 30 | 36 | 39 | 34 |
| Fire & Security | 1,203 | 1,788 | 49 | 51 | 50 | 83 | 108 | 123 |
| Total Segment | 4,863 | 5,063 | 313 | 265 | 230 | 305 | 310 | 317 |
| Eliminations and other | 13 | 3 | 31 | 47 | 13 | 33 | 26 | 18 |
| Consolidated | **$ 4,876** | **$ 5,066** | **$ 344** | **$ 312** | **$ 243** | **$ 338** | **$ 336** | **$ 335** |
| Cash and cash equivalents | 2,987 | 3,115 | | | | | | |
| Other assets, current | 376 | 343 | | | | | | |
| Assets held for sale | 3,168 | — | | | | | | |
| Total current assets | **$ 11,407** | **$ 8,524** | | | | | | |

**Geographic External Sales**

Geographic external sales and operating profits are attributed to the geographic regions based on their location of origin. With the exception of the U.S. as presented in the following table, there were no individually significant countries with sales exceeding 10% of total sales for the years ended December 31, 2021, 2020 and 2019.

| | External Sales | | | Long-Lived Assets | |
|---|---|---|---|---|---|
| ***(In millions)*** | **2021** | **2020** | **2019** | **2021** | **2020** |
| United States Operations | $ 10,492 | $ 9,105 | $ 9,594 | $ 772 | $ 782 |
| International Operations | | | | | |
| Europe | 5,776 | 4,935 | 5,327 | 476 | 490 |
| Asia Pacific | 3,464 | 2,655 | 2,813 | 279 | 249 |
| Other | 881 | 761 | 874 | 299 | 289 |
| **Consolidated** | **$ 20,613** | **$ 17,456** | **$ 18,608** | **$ 1,826** | **$ 1,810** |

## NOTE 22: RELATED PARTIES

### Equity Method Investments

The Company sells products to and purchases products from unconsolidated entities accounted for under the equity method, and therefore, these entities are considered to be related parties. The Company has 30 directly owned unconsolidated domestic and foreign affiliates as of December 31, 2021 and 2020, respectively, of which 99% of such investments are in its HVAC segment. Amounts attributable to equity method investees are as follows:

| ***(In millions)*** | **2021** | **2020** | **2019** |
|---|---|---|---|
| Sales to equity method investees included in *Product sales* | $ 2,258 | $ 1,758 | $ 1,807 |
| Purchases from equity method investees included in *Cost of products sold* | $ 357 | $ 292 | $ 368 |

The Company had receivables from and payables to equity method investees as follows:

| ***(In millions)*** | **2021** | **2020** |
|---|---|---|
| Receivables from equity method investees included in *Accounts receivable, net* | $ 150 | $ 161 |
| Payables to equity method investees included in *Accounts payable* | $ 51 | $ 38 |

The Company periodically reviews the carrying value of its equity method investments to determine if there has been an other-than-temporary decline in fair value. In 2020, the Company determined that indicators of impairment existed for a minority owned joint venture investment and performed a valuation of this investment using a discounted cash flow method. The Company determined that the loss in value was other-than-temporary due to a reduction in sales and earnings that were primarily driven by a deterioration in the oil and gas industry (the joint venture's primary market) and by the impact of the COVID-19 pandemic. As a result, the Company recorded a non-cash, other-than-temporary impairment charge of $71 million on this investment in 2020, which is included in *Other income (expense), net* on the accompanying Consolidated Statement of Operations. In 2019, the Company determined that indicators of impairment existed for a minority owned joint venture investment and performed a valuation of this investment using a discounted cash flow method. The Company determined that the loss in value was other-than-temporary. As a result, the Company recorded a non-cash, other-than-temporary impairment charge of $108 million on this investment in 2019, which is included in *Other income (expense), net* on the accompanying Consolidated Statement of Operations.

In September 2020, the Company sold 9.25 million B shares of Beijer for SEK290 ($32.38) per share equal to approximately 7.9% of the outstanding B shares in Beijer, through an accelerated equity offering. The Company received proceeds of approximately $300 million and recognized a pre-tax gain on the sale of $252 million, which is included in *Other income (expense), net* on the Consolidated Statement of Operations. Subsequently, in December 2020, the Company sold all of its remaining A and B shares of Beijer for SEK245 ($29.03) per share. The Company received proceeds of approximately $1.1 billion and recognized a pre-tax gain on the sale of $871 million, which is included in *Other income (expense), net* on the Consolidated Statement of Operations. Prior to the sale of the Company's remaining shares, Beijer was reported as an equity method investment.

***Summarized Financial Information.*** Pursuant to Rule 3-10 and Rule 4-08(g) of Regulation S-X under the Securities Act, the Company is required to present summarized financial information of the combined accounts of its non-consolidated joint

ventures accounted for by the equity method. Summarized unaudited financial information for equity method investments is as follows:

| *(In millions)* | 2021 | 2020 |
|---|---|---|
| Current assets | $ 4,275 | $ 3,671 |
| Non-current assets | 2,140 | 2,035 |
| Total assets | 6,415 | 5,706 |
| | | |
| Current liabilities | (2,596) | (2,223) |
| Non-current liabilities | (329) | (298) |
| Total liabilities | (2,925) | (2,521) |
| **Total net equity of investees** | **$ 3,490** | **$ 3,185** |

| *(In millions)* | 2021 | 2020 | 2019 |
|---|---|---|---|
| Net sales | $ 9,471 | $ 9,299 | $ 9,622 |
| Gross profit | $ 1,907 | $ 1,722 | $ 1,741 |
| Income from continuing operations | $ 650 | $ 544 | $ 578 |
| Net income | $ 650 | $ 544 | $ 578 |

## NOTE 23: COMMITMENTS AND CONTINGENT LIABILITIES

The Company is involved in various litigation, claims and administrative proceedings, including those related to environmental and legal matters (including asbestos). In accordance with ASC 450, the Company records accruals for loss contingencies when it is probable that a liability will be incurred and the amount of the loss can be reasonably estimated. These accruals are generally based upon a range of possible outcomes. If no amount within the range is a better estimate than any other, the Company accrues the minimum amount. In addition, these estimates are reviewed periodically and adjusted to reflect additional information when it becomes available. The Company is unable to predict the final outcome of the following matters based on the information currently available, except as otherwise noted. However, the Company does not believe that the resolution of any of these matters will have a material adverse effect upon the Company's competitive position, results of operations, cash flows or financial condition.

### Environmental Matters

The Company’s operations are subject to environmental regulation by various authorities. The Company has accrued for the costs of environmental remediation activities, including but not limited to, investigatory, remediation, operating and maintenance costs and performance guarantees. The most likely cost to be incurred is accrued based on an evaluation of currently available facts with respect to individual sites, including the technology required to remediate, current laws and regulations and prior remediation experience.

As of December 31, 2021 and 2020, the outstanding liability for environmental obligations are as follows:

| *(In millions)* | 2021 | 2020 |
|---|---|---|
| Environmental reserves included in *Accrued liabilities* | $ 29 | $ 26 |
| Environmental reserves included in *Other long-term liabilities* | 191 | 213 |
| **Total environmental reserves** | **$ 220** | **$ 239** |

For sites with multiple responsible parties, the Company considers its likely proportionate share of the anticipated remediation costs and the ability of other parties to fulfill their obligations in establishing a provision for those costs. Accrued environmental liabilities are not reduced by potential insurance reimbursements and are undiscounted.

**Asbestos Matters**

The Company has been named as a defendant in lawsuits alleging personal injury as a result of exposure to asbestos allegedly integrated into certain Carrier products or business premises. While the Company has never manufactured asbestos and no longer incorporates it into any currently-manufactured products, certain products that the Company no longer manufactures contained components incorporating asbestos. A substantial majority of these asbestos-related claims have been dismissed without payment or have been covered in full or in part by insurance or other forms of indemnity. Additional cases were litigated and settled without any insurance reimbursement. The amounts involved in asbestos-related claims were not material individually or in the aggregate in any period.

The Company had asbestos liabilities and related insurance recoveries as follows:

| ***(In millions)*** | **2021** | **2020** |
|---|---|---|
| Asbestos liabilities included in *Accrued liabilities* | $ 17 | $ 17 |
| Asbestos liabilities included in *Other long-term liabilities* | 220 | 228 |
| **Total asbestos liabilities** | **$ 237** | **$ 245** |
| | | |
| Asbestos-related recoveries included in *Other assets, current* | $ 5 | $ 6 |
| Asbestos-related recoveries included in *Other assets* | 93 | 97 |
| **Total asbestos-related recoveries** | **$ 98** | **$ 103** |

The amounts recorded for asbestos-related liabilities are based on currently available information and assumptions that the Company believes are reasonable and are made with input from outside actuarial experts. In connection with the recognition of liabilities for asbestos-related matters, the Company records asbestos-related insurance recoveries that are deemed probable. These amounts are undiscounted and exclude the Company's legal fees to defend the asbestos claims, which are expensed as incurred. As of December 31, 2021, the estimated range of liability to resolve all pending and unasserted potential future asbestos claims through 2059 is approximately $237 million to $258 million.

**UTC Equity Awards Conversion Litigation**

On August 12, 2020, several former employees of UTC or its subsidiaries filed a putative class action complaint (the "Complaint") in the United States District Court for the District of Connecticut against RTX, Carrier, Otis, the former members of the UTC Board of Directors and the members of the Carrier and Otis Boards of Directors (*Geraud Darnis, et al. v. Raytheon Technologies Corporation, et al.*). The Complaint challenges the method by which UTC equity awards were converted to RTX, Carrier and Otis equity awards following the Separation and the Distribution. Defendants moved to dismiss the Complaint. Plaintiffs amended their Complaint on September 13, 2021 (the "Amended Complaint"). The Amended Complaint, now with RTX, Carrier and Otis as the only defendants, asserts that the defendants are liable for breach of certain equity compensation plans and for breach of the implied covenant of good faith and fair dealing. The Amended Complaint also seeks specific performance. Carrier believes that the claims against the Company are without merit. Defendants moved to dismiss the Amended Complaint on October 13, 2021.

**Aqueous Film Forming Foam Litigation**

As of December 31, 2021, the Company has been named as a defendant in over 1,800 lawsuits filed by individuals in or removed to the federal courts of the United States alleging that the historic use of AFFF caused personal injuries and/or property damage. The Company has also been named as a defendant in over 160 lawsuits filed by several U.S. states, municipalities and water utilities in or removed to U.S. federal courts alleging that the historic use of AFFF caused contamination of property and water supplies. In December 2018, the U.S. Judicial Panel on Multidistrict Litigation transferred and consolidated all AFFF cases pending in the U.S. federal courts against the Company and others to the MDL Court for MDL Proceedings. The individual plaintiffs in the MDL Proceedings generally seek damages for alleged personal injuries, medical

monitoring and diminution in property value and injunctive relief to remediate alleged contamination of water supplies. The U.S. state, municipal and water utility plaintiffs in the MDL Proceedings generally seek damages and costs related to the remediation of public property and water supplies.

AFFF is a firefighting foam, developed beginning in the late 1960s pursuant to U.S. military specification, used to extinguish certain types of hydrocarbon-fueled fires primarily at military bases and airports. AFFF was manufactured by several companies, including National Foam and Angus Fire. UTC first entered the AFFF business with the acquisition of National Foam and Angus Fire in 2005 as part of the acquisition of Kidde. In 2013, Kidde divested the National Foam and Angus Fire businesses to a third party. The Company acquired Kidde as part of its separation from UTC in April 2020. During the eight year period of its operation by Kidde, National Foam manufactured AFFF for sale to government (including the U.S. federal government) and non-government customers in the U.S. at a single facility located in West Chester, Pennsylvania ("Pennsylvania Site"). During the same period, Angus Fire manufactured AFFF for sale outside the United States at a single facility located in Bentham, England.

The key components of AFFF that contribute to its fire-extinguishing capabilities are known as fluorosurfactants. National Foam and Angus Fire did not manufacture fluorosurfactants but instead purchased these substances from unrelated third parties. Plaintiffs in the MDL Proceedings allege that the fluorosurfactants used by various manufacturers in producing AFFF contained, or over time degraded into, compounds known as PFOS and/or PFOA. Plaintiffs further allege that, as a result of the use of AFFF, PFOS and PFOA were released into the environment and, in some instances, ultimately reached drinking water supplies.

Plaintiffs in the MDL Proceedings allege that PFOS and PFOA contamination has resulted from the use of AFFF containing fluorosurfactants manufactured using a process known as ECF. They also allege that PFOA contamination has resulted from the use of AFFF containing fluorosurfactants manufactured using a different process, known as telomerization. Plaintiffs further allege that 3M was the only AFFF manufacturer that used fluorosurfactants relying on the ECF process and that all other foam manufacturers (including National Foam and Angus Fire) relied solely on fluorosurfactants produced via telomerization. Compounds containing PFOS and PFOA (as well as many other per- and polyfluoroalkyl substances known collectively as "PFAS") have also been used for decades by many third parties in a number of different industries to manufacture carpets, clothing, fabrics, cookware, food packaging, personal care products, cleaning products, paints, varnishes and other consumer and industrial products.

Plaintiffs in the MDL Proceedings have named multiple defendants, including four suppliers of chemicals and raw materials used to manufacture fluorosurfactants, four fluorosurfactant manufacturers, two toll manufacturers of fluorosurfactants and seven current (including National Foam and Angus Fire) and former (including the Company) AFFF manufacturers.

General liability discovery in the MDL Proceedings continues. Preliminary stage discovery in ten "bellwether" water provider cases was concluded and three of these cases were selected for tier two site-specific discovery. That discovery is ongoing. The MDL Court has established a briefing schedule with respect to certain aspects of the government contractor defense, potentially applicable to AFFF sold to or used by the U.S. government or other customers requiring product manufactured to meet military specification, such that all briefs were filed at the end of January 2022 with a hearing to follow.

Outside of the MDL Proceedings, the Company and other defendants are also party to six lawsuits in U.S. state courts brought by oil refining companies alleging product liability claims related to legacy sales of AFFF and seeking damages for the costs to replace the product and for property damage. In addition, the Company and other defendants are party to two actions related to the Pennsylvania Site in which the plaintiff water utility company seeks remediation costs related to the alleged contamination of the local water supply.

The Company believes that it has meritorious defenses to the claims in the MDL Proceedings and the other AFFF lawsuits. Based on the 2013 agreement for the sale of National Foam and Angus Fire, the Company is pursuing indemnification against these claims from the purchaser and current owner of National Foam and Angus Fire. The Company is also pursuing insurance coverage for these claims. At this time, however, given the numerous factual, scientific and legal issues to be resolved relating to these claims, the Company is unable to assess the probability of liability or to reasonably estimate the damages, if any, to be allocated to the Company, if one or more plaintiffs were to prevail in these cases, and there can be no assurance that any such future exposure will not be material in any period.

**Income Taxes**

Under the TMA, the Company is responsible to UTC for its share of the TCJA transition tax associated with foreign undistributed earnings as of December 31, 2017. As a result, a liability of $417 million is included within the accompanying Consolidated Balance Sheet within *Other Long-Term Liabilities* as of December 31, 2021. This obligation is expected to be settled in annual installments ending in April 2026 with the next installment of $34 million due in 2023. The Company believes that the likelihood of incurring losses materially in excess of this amount is remote.

**Self-Insurance**

The Company maintains self-insurance for a number of risks, including but not limited to, workers' compensation, general liability, automobile liability, property and employee-related healthcare benefits. It has obtained insurance coverage for amounts exceeding individual and aggregate loss limits. The Company accrues for known future claims and incurred but not reported losses.

The Company's self-insurance liabilities were as follows:

| ***(In millions)*** | **2021** | **2020** |
|---|---|---|
| Self-insurance liabilities included in *Accrued liabilities* | $ 154 | $ 164 |
| Self-insurance liabilities included in *Other long-term liabilities* | 72 | 85 |
| **Total self-insurance liabilities** | **$ 226** | **$ 249** |

The Company incurred expenses related to self-insured risks of $155 million, $145 million and $177 million for the years ended December 31, 2021, 2020 and 2019, respectively.

**Other Matters**

The Company has other commitments and contingent liabilities related to legal proceedings, self-insurance programs and matters arising in the ordinary course of business. The Company accrues for contingencies generally based upon a range of possible outcomes. If no amount within the range is a better estimate than any other, the Company accrues the minimum amount.

In the ordinary course of business, the Company is also routinely a defendant in, party to or otherwise subject to many pending and threatened legal actions, claims, disputes and proceedings. These matters are often based on alleged violations of contract, product liability, warranty, regulatory, environmental, health and safety, employment, intellectual property, tax and other laws. In some of these proceedings, claims for substantial monetary damages are asserted against the Company and could result in fines, penalties, compensatory or treble damages or non-monetary relief. The Company does not believe that these matters will have a material adverse effect upon its competitive position, results of operations, cash flows or financial condition.

**NOTE 24: SUPPLEMENTAL CASH FLOW INFORMATION**

Supplemental cash flow information was as follows:

| ***(In millions)*** | **2021** | **2020** | **2019** |
|---|---|---|---|
| Interest paid, net of amounts capitalized | $ 317 | $ 196 | $ 28 |
| Interest paid - related party | $ — | $ — | $ 55 |
| Income taxes paid for - related party | $ — | $ — | $ 475 |
| Income taxes paid, net of refunds | $ 675 | $ 819 | $ 284 |
| | | | |
| **Non-cash financing activity:** | | | |
| Common stock dividends payable | $ 130 | $ 108 | $ — |

**NOTE 25: SUBSEQUENT EVENTS**

***Share Repurchase Program***

On January 4, 2022, the Company announced that it has entered into an accelerated share repurchase agreement to repurchase $500 million of the Company's common stock pursuant to the Company's existing share repurchase program. The final settlement of the accelerated share repurchase is expected to be completed in the first quarter of 2022.

***Toshiba Carrier Corporation Acquisition Agreement***

On February 6, 2022, the Company entered into a binding agreement to acquire a majority ownership stake in Toshiba Carrier Corporation (“TCC”) for approximately $900 million. TCC, a variable refrigerant flow ("VRF") and light commercial HVAC joint venture between Carrier and Toshiba Corporation, designs and manufactures flexible, energy-efficient and high-performance VRF and light commercial HVAC systems as well as commercial products, compressors and heat pumps. The acquisition will include all of TCC’s advanced research and development centers and global manufacturing operations, product pipeline and the long-term use of Toshiba’s iconic brand. The transaction is expected to close before the end of the third quarter of 2022, subject to customary closing conditions, including regulatory approvals. Upon closing, Toshiba Corporation will retain a 5% ownership in TCC.

**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

**ITEM 9A. CONTROLS AND PROCEDURES**

***Evaluation of Disclosure Controls and Procedures*** — Our management, with the participation of our CEO and Senior Vice President and Chief Financial Officer ("CFO"), has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2021. Based on that evaluation, the Company's CEO and CFO have concluded that, as of December 31, 2021, the Company's disclosure controls and procedures were effective in recording, processing, summarizing and reporting, within the time periods specified in the SEC's rules and forms, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act, and that information is accumulated and communicated to the Company's management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosures.

***Management’s Report on Internal Control Over Financial Reporting*** — The Company’s management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). The Company’s management, with the participation of the Company’s CEO and CFO, has evaluated the effectiveness of the Company’s internal control over financial reporting based on the criteria described in *Internal Control-Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, the Company’s management has concluded that, as of December 31, 2021, the Company’s internal control over financial reporting was effective.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP, an independent registered public accounting firm, has audited the Company’s effectiveness of internal control over financial reporting as of December 31, 2021 as stated in their report which appears herein.

***Changes in Internal Control Over Financial Reporting*** — There were no changes in our internal control over financial reporting during the three months ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**ITEM 9B. OTHER INFORMATION**

None.

**ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

Not applicable.

**PART III.**

**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.**

The information required by Item 10 with respect to directors, the Audit Committee of the Board of Directors and audit committee financial experts is incorporated herein by reference to the sections of our Proxy Statement for the 2022 Annual Meeting of Shareowners entitled "Proposal 1: Election of Directors" (under the subheading "Nominees for the 2022 Annual Meeting") and "Corporate Governance" (including under the subheading "Committee Meetings and Composition").

On December 16, 2021, Patrick Goris, Senior Vice President and Chief Financial Officer, terminated the Rule 10b5-1 stock trading plan (the "Plan") adopted in accordance with Rule 10b5-1 under the Exchange Act and the guidelines specified by the Company's insider trading policy during 2021.

***Information about our Executive Officers***

The following persons are executive officers of Carrier Global Corporation:

| Name | Position | Age as of February 8, 2022 |
|---|---|---|
| David Gitlin | Chairman and Chief Executive Officer | 52 |
| Ajay Agrawal | Senior Vice President, Global Services and Healthy Buildings | 58 |
| Kyle Crockett | Vice President, Controller | 48 |
| Patrick Goris | Senior Vice President and Chief Financial Officer | 50 |
| Christopher Nelson | President, HVAC | 51 |
| Kevin J. O'Connor | Senior Vice President, Chief Legal Officer | 54 |
| Jurgen Timperman | President, Fire & Security | 49 |
| Nadia Villeneuve | Senior Vice President, Chief Human Resources Officer | 49 |
| Timothy White | President, Refrigeration | 48 |

***David Gitlin.*** Mr. Gitlin was elected Chairman of the Board in April 2021 and was appointed President and Chief Executive Officer of Carrier in June 2019. Mr. Gitlin also held the position of President, HVAC from December 2019 to March 2020. He most recently served as President and Chief Operating Officer of Collins Aerospace from 2018 to 2019 and President of UTC Aerospace Systems from 2015 to 2018. Between 2013 and 2015, Mr. Gitlin was President, Aircraft Systems, UTC Aerospace Systems. Mr. Gitlin joined UTC in 1997 and held various senior positions, including the following with Hamilton Sundstrand: President of Aerospace Customers & Business Development; Vice President of Auxiliary Power, Engine & Control Systems; Vice President and General Manager Power Systems; Vice President of Pratt & Whitney programs; and General Manager of Rolls-Royce/General Electric programs. Before joining Hamilton Sundstrand, he served in roles at UTC headquarters and Pratt & Whitney.

***Ajay Agrawal.*** Mr. Agrawal was appointed Senior Vice President, Global Services & Healthy Buildings in March 2021 and served as Senior Vice President, Strategy & Services of Carrier from October 2019 to March 2021. He most recently served as Vice President, Aftermarket Services, and Vice President responsible for Rockwell Collins integration for Collins Aerospace, a UTC company, from August 2015 to September 2019 and as Vice President, Aftermarket and Programs at the Pratt & Whitney division of UTC from 2009 to July 2015. Prior to that he served in a variety of leadership roles in UTC from 2005 to 2009, including head of Financial Planning and Analysis for UTC, Vice President of Strategy and Business Development at Hamilton Sundstrand and Senior Director of Strategy and Development at UTC.

***Kyle Crockett.*** Mr. Crockett was appointed Vice President, Controller of Carrier in January 2020. He joined Carrier from General Motors where he held several positions, including Director, Global Business Solutions – Finance from 2017 to 2020.

***Patrick Goris.*** Mr. Goris was appointed Senior Vice President and Chief Financial Officer of Carrier effective November 2020. Prior to joining Carrier, Mr. Goris served as Senior Vice President and Chief Financial Officer of Rockwell Automation, Inc., from 2017 to 2020.

***Christopher Nelson.*** Mr. Nelson was appointed President, HVAC in March 2020. Previously, he held many roles at Carrier including President, HVAC − Commercial from 2018 to March 2020; President, North American HVAC from 2012 to 2018; Vice President, Sales & Marketing for Residential & Commercial Systems from 2008 to 2012; Vice President and General Manager, Light Commercial Systems from 2006 to 2008; and Director of Residential Ducted System Platforms from 2004 to 2006.

***Kevin J. O'Connor.*** Mr. O'Connor was appointed Senior Vice President, Chief Legal Officer in March 2020. He joined Carrier from Point72 Asset Management where he served as Chief Legal Officer from 2015 through 2019 and as Vice President, General Counsel & Government Relations of Carrier from January 2020 to March 2020. Prior to that he served as Vice President, Global Ethics and Compliance for UTC from 2012 to 2015.

***Jurgen Timperman.*** Mr. Timperman was appointed President, Fire & Security of Carrier in February 2019. Prior to that, he held several other roles within UTC's fire and security business, including President, Global Fire & Security Products from 2017 to 2019, President, Global Security Products from 2015 to 2017, President, Security & Access Solutions from 2012 to 2015, President, Fire & Security Operations from 2011 to 2012 and Regional General Manager, Global Security Products, Middle East and Africa from 2009 to 2011.

***Nadia Villeneuve.*** Ms. Villeneuve was appointed Senior Vice President, Chief Human Resources Officer of Carrier in 2015. Prior to that, she served as Vice President and Chief Human Resources Officer for the Pratt & Whitney division of UTC from 2012 to 2015 and as Vice President, Human Resources, Asia for the UTC Fire & Security division of UTC, located in Shanghai, China, from 2010 to 2012.

***Timothy White.*** Mr. White was appointed President, Refrigeration of Carrier effective August 16, 2021. Prior to joining Carrier, Mr. White served as CEO, Onshore Wind Americas for General Electric from 2020 to 2021. He was previously with UTC for 24 years where he held a number of senior leadership roles, including President, Power & Controls and President, Electric Systems, for UTC's Collins Aerospace division.

Information concerning Section 16(a) compliance is incorporated herein by reference to the section of our Proxy Statement for the 2022 Annual Meeting of Shareowners entitled "Other Important Information" under the heading "Delinquent Section 16(a) Reports." We have adopted a code of ethics that applies to all our directors, officers, employees and representatives. This code is publicly available on our website at https://www.corporate.carrier.com/corporate-responsibility/governance. Amendments to the code of ethics and any grant of a waiver from a provision of the code requiring disclosure under applicable SEC rules will be disclosed on our website. Our Corporate Governance Guidelines and the charters of our Board of Directors' Audit Committee, Compensation Committee, and Governance Committee are available on our website at https://www.corporate.carrier.com. These materials may also be requested in print free of charge by writing to our Investor Relations Department at Carrier Global Corporation, 13995 Pasteur Boulevard, Palm Beach Gardens, Florida 33418.

**ITEM 11. EXECUTIVE COMPENSATION**

The information required by Item 11 is incorporated herein by reference to the sections of our Proxy Statement for the 2022 Annual Meeting of Shareowners entitled "Compensation Discussion and Analysis," "Compensation of Directors," "Report of the Compensation Committee," "Compensation Tables" and "CEO Pay Ratio."

**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREOWNER MATTERS**

The information relating to security ownership of certain beneficial owners and management is incorporated herein by reference to the section of our Proxy Statement for the 2022 Annual Meeting of Shareowners titled "Share Ownership."

***Equity Compensation Plan Information***

The following table provides information as of December 31, 2021 concerning Common Stock issuable under Carrier's equity

compensation plans.

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) | Weighted-average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
|---|---|---|---|
| Equity compensation plans approved by shareowners | 24,063,000 (1) | $ 22.03 | 30,709,000 (2) |

(1) Consists of the following issuable shares of common stock awarded under the Carrier Global Corporation 2020 Long-Term Incentive Plan (the "2020 LTIP"): (i) shares of common stock issuable upon the exercise of outstanding non-qualified stock options; (ii) shares of common stock issuable upon the exercise of outstanding Stock Appreciation Rights ("SAR"); (iii) shares of common stock issuable pursuant to outstanding restricted stock unit and performance share unit awards, assuming performance at the target level (up to an additional 1,583,200 shares of common stock could be issued if performance goals are achieved above target); and (iv) shares of common stock issuable upon the settlement of outstanding deferred stock units awarded under the 2020 LTIP. Under the 2020 LTIP, each SAR referred to in clause (ii) is exercisable for a number of shares of common stock having a value equal to the increase in the market price of a share of such stock from the date the SAR was granted. For purposes of determining the total number of shares to be issued in respect of outstanding SARs as reflected in column (a) above, we have used the NYSE closing price for a share of common stock on December 31, 2021 of $54.24. The weighted-average exercise price of outstanding options, warrants and rights shown in column (b) takes into account only the shares identified in clauses (i) and (ii).

(2) Represents the maximum number of shares of common stock available to be awarded under the 2020 LTIP as of December 31, 2021. Performance share units and restricted stock units (Full Share Awards) will result in a reduction in the number of shares of Common Stock available for delivery under the 2020 LTIP in an amount equal to 2 times the number of shares to which the award corresponds. Stock options and stock appreciation rights do not constitute Full Share Awards and will result in a reduction in the number of shares of common stock available for delivery under the 2020 LTIP on a one-for-one basis.

## ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 is incorporated herein by reference to the sections of our Proxy Statement for the 2022 Annual Meeting of Shareowners entitled "Nominees for the 2022 Annual Meeting" (under the subheading "Director Independence") and "Other Important Information" (under the subheading "Transactions with Related Persons").

## ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 14 is incorporated by reference to the sections of our Proxy Statement for the 2022 Annual Meeting of Shareowners entitled "Proposal 3: Ratify Appointment of Independent Auditor for 2022," including the information provided in that section with regard to "Audit Fees," "Audit-Related Fees," "Tax Fees" and "All Other Fees."

## PART IV

## ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

### (a) Financial Statements, Financial Statement Schedules and Exhibits

**1. Financial Statements**

See Index appearing on page 1.

**2. Financial Statement Schedules**

Schedules not filed herewith called for under Regulation S-X are omitted because of the absence of conditions under which they are required, they are included in the Consolidated Financial Statements, Notes to the Consolidated Financial Statements, elsewhere in this Annual Report on Form 10-K or are not material.

**3. Exhibits**

The exhibits listed on the accompanying Exhibit Index are filed or incorporated by reference as part of this report.

**Exhibit Index**

| Exhibit Number | Exhibit Description |
|---|---|
| 2.1 | Separation and Distribution Agreement, dated as of April 2, 2020, by and among United Technologies Corporation, Otis Worldwide Corporation and Carrier Global Corporation (incorporated by reference to Exhibit 2.1 of Carrier Global Corporation's Current Report on Form 8-K filed with the SEC on April 3, 2020, File No. 001-39220) |

| | |
|---|---|
| 2.2 | Stock Purchase Agreement, dated as of July 26, 2021, among Carrier Global Corporation, Carrier Investments UK Limited, Chubb Limited and APi Group Corporation (incorporated by reference to Exhibit 2.1 of Carrier Global Corporation's Current Report on Form 8-K filed with the SEC on July 30, 2021, File No. 001-39220) |
| 3.1 | Amended and Restated Certificate of Incorporation of Carrier Global Corporation (incorporated by reference to Exhibit 3.1(b) of Carrier Global Corporation's Current Report on Form 8-K filed with the SEC on April 3, 2020, File No. 001-39220) |
| 3.2 | Amended and Restated Bylaws of Carrier Global Corporation* |
| 4.1 | Indenture, dated February 27, 2020, between Carrier Global Corporation and The Bank of New York Mellon Trust Company, N.A (incorporated by reference to Exhibit 4.1 of Amendment No. 1 to Carrier Global Corporation's Registration Statement on Form 10 filed with the SEC on March 11, 2020, File No. 001-39220) |
| 4.2 | Supplemental Indenture No. 1, dated February 27, 2020, between Carrier Global Corporation and The Bank of New York Mellon Trust Company, N.A. (incorporated by reference to Exhibit 4.2 of Amendment No. 1 to Carrier Global Corporation's Registration Statement on Form 10 filed with the SEC on March 11, 2020, File No. 001-39220) |
| 4.3 | Registration Rights Agreement, dated February 27, 2020, by and among Carrier Global Corporation, United Technologies Corporation and Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC (incorporated by reference to Exhibit 4.3 of Amendment No. 1 to Carrier Global Corporation's Registration Statement on Form 10 filed with the SEC on March 11, 2020, File No. 001-39220) |
| 4.4 | Supplemental Indenture No. 2, dated June 19, 2020, between Carrier Global Corporation and The Bank of New York Mellon Trust Company, N.A. (incorporated by reference to Exhibit 4.2 of Carrier Global Corporation's Current Report on Form 8-K filed with the SEC on June 19, 2020, File No. 001-39220) |
| 4.5 | Registration Rights Agreement, dated June 19, 2020, by and among Carrier Global Corporation, J.P. Morgan Securities LLC, BofA Securities, Inc. and Citigroup Global Markets Inc. (incorporated by reference to Exhibit 4.4 of Carrier Global Corporation's Current Report on Form 8-K filed with the SEC on June 19, 2020, File No. 001-39220) |
| 4.6 | Description of Securities* |
| 10.1 | Amendment No. 2 dated as of November 15, 2021 to the Revolving Credit Agreement, dated as of February 10, 2020, among Carrier Global Corporation, the subsidiary borrowers party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent* |
| 10.2 | Transition Services Agreement, dated as of April 2, 2020, by and among United Technologies Corporation, Otis Worldwide Corporation and Carrier Global Corporation (incorporated by reference to Exhibit 10.1 of Carrier Global Corporation's Current Report on Form 8-K filed with the SEC on April 3, 2020, File No. 001-39220) |
| 10.3 | Tax Matters Agreement, dated as of April 2, 2020, by and among United Technologies Corporation, Otis Worldwide Corporation and Carrier Global Corporation (incorporated by reference to Exhibit 10.2 of Carrier Global Corporation's Current Report on Form 8-K filed with the SEC on April 3, 2020, File No. 001-39220) |
| 10.4 | Employee Matters Agreement, dated as of April 2, 2020, by and among United Technologies Corporation, Otis Worldwide Corporation and Carrier Global Corporation (incorporated by reference to Exhibit 10.3 of Carrier Global Corporation's Current Report on Form 8-K filed with the SEC on April 3, 2020, File No. 001-39220) |
| 10.5 | Intellectual Property Agreement, dated as of April 2, 2020, by and among United Technologies Corporation, Otis Worldwide Corporation and Carrier Global Corporation (incorporated by reference to Exhibit 10.4 of Carrier Global Corporation's Current Report on Form 8-K filed with the SEC on April 3, 2020, File No. 001-39220) |
| 10.6 | Carrier Global Corporation 2020 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.5 of Carrier Global Corporation's Current Report on Form 8-K filed with the SEC on April 3, 2020, File No. 001-39220) |
| 10.7 | Carrier Global Corporation Change in Control Severance Plan (incorporated by reference to Exhibit 10.6 of Carrier Global Corporation's Current Report on Form 8-K filed with the SEC on April 3, 2020, File No. 001-39220) |
| 10.8 | Carrier Global Corporation Executive Annual Bonus Plan (incorporated by reference to Exhibit 10.7 of Carrier Global Corporation's Current Report on Form 8-K filed with the SEC on April 3, 2020, File No. 001-39220) |
| 10.9 | Carrier Global Corporation Deferred Compensation Plan (incorporated by reference to Exhibit 10.8 of Carrier Global Corporation's Current Report on Form 8-K filed with the SEC on April 3, 2020, File No. 001-39220) |
| 10.10 | Carrier Global Corporation Company Automatic Contribution Excess Plan (incorporated by reference to Exhibit 10.9 of Carrier Global Corporation's Current Report on Form 8-K filed with the SEC on April 3, 2020, File No. 001-39220) |
| 10.11 | Carrier Global Corporation LTIP Performance Share Unit Deferral Plan (incorporated by reference to Exhibit 10.10 of Carrier Global Corporation's Current Report on Form 8-K filed with the SEC on April 3, 2020, File No. 001-39220) |

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| 10.12 | Carrier Global Corporation Pension Preservation Plan (incorporated by reference to Exhibit 10.11 of Carrier Global Corporation's Current Report on Form 8-K filed with the SEC on April 3, 2020, File No. 001-39220) |
| 10.13 | French Sub-Plan for Restricted Stock Granted Under the Carrier Global Corporation 2020 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.13 of Carrier Global Corporation's Current Report on Form 8-K filed with the SEC on April 3, 2020, File No. 001-39220) |
| 10.14 | Carrier Global Corporation Amended and Restated Savings Restoration Plan (incorporated by reference to Exhibit 10.14 of Carrier Global Corporation's Current Report on Form 8-K filed with the SEC on April 3, 2020, File No. 001-39220) |
| 10.15 | Schedule of Terms for Carrier Founders Grant Performance Share Unit Awards granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.17 of Carrier Global Corporation's Quarterly Report on Form 10-Q filed with the SEC on July 31, 2020, File No. 001-39220) |
| 10.16 | Schedule of Terms for Stock Appreciation Right Awards (Founders Grant) granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.18 of Carrier Global Corporation's Quarterly Report on Form 10-Q filed with the SEC on July 31, 2020, File No. 001-39220) |
| 10.17 | Schedule of Terms for Restricted Stock Unit Awards granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.8 to Carrier Global Corporation's Registration Statement on Form 10 filed with the SEC on February 7, 2020, File No. 001-39220) |
| 10.18 | Schedule of Terms for Stock Appreciation Right Awards granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.10 to Carrier Global Corporation's Registration Statement on Form 10 filed with the SEC on February 7, 2020, File No. 001-39220) |
| 10.19 | Schedule of Terms for Restricted Stock Unit Awards (Off-Cycle) granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.9 to Carrier Global Corporation's Registration Statement on Form 10 filed with the SEC on February 7, 2020, File No. 001-39220) |
| 10.20 | Special Addendum to Schedule of Terms for Restricted Stock Unit Award (Off-Cycle) granted to David Appel under the Carrier Global Corporation 2020 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.22 of Carrier Global Corporation's Quarterly Report on Form 10-Q filed with the SEC on July 31, 2020, File No. 001-39220) |
| 10.21 | Schedule of Terms for Stock Appreciation Right Awards (Off-Cycle) granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.11 to Carrier Global Corporation's Registration Statement on Form 10 filed with the SEC on February 7, 2020, File No. 001-39220) |
| 10.22 | Schedule of Terms for Performance Share Unit Awards granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.12 to Carrier Global Corporation's Registration Statement on Form 10 filed with the SEC on February 7, 2020, File No. 001-39220) |
| 10.23 | Schedule of Terms for Non-Qualified Stock Option Awards granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.13 to Carrier Global Corporation's Registration Statement on Form 10 filed with the SEC on February 7, 2020, File No. 001-39220) |
| 10.24 | Offer Letter with Patrick Goris, dated October 13, 2020 (incorporated by reference to Exhibit 10.27 of Carrier Global Corporation's Annual Report on Form 10-K filed with the SEC on February 9, 2021, File No. 001-39220) |
| 10.25 | Carrier Global Corporation Board of Directors Deferred Stock Unit Plan (amended and restated effective October 15, 2020) (incorporated by reference to Exhibit 10.28 of Carrier Global Corporation's Annual Report on Form 10-K filed with the SEC on February 9, 2021, File No. 001-39220) |
| 10.26 | Carrier Summary of Compensation and Benefits for Directors (2022-2023 Board Cycle)* |
| 10.27 | Form of Award Agreement for Carrier Founders Performance Share Unit and Stock Appreciation Right Awards granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.30 of Carrier Global Corporation's Annual Report on Form 10-K filed with the SEC on February 9, 2021, File No. 001-39220) |
| 10.28 | Share Purchase Agreement, dated December 7, 2020, between Carrier Refrigeration ECR Holding Luxembourg S.à.r.l., and Breeze TopCo S.à r.l. (incorporated by reference to Exhibit 10.31 of Carrier Global Corporation's Annual Report on Form 10-K filed with the SEC on February 9, 2021, File No. 001-39220) |
| 10.29 | Carrier Global Corporation Senior Executive Severance Plan, effective April 19, 2021 (incorporated by reference to Exhibit 10.1 of Carrier Global Corporation's Current Report on Form 8-K filed with the SEC on April 22, 2021, File No. 001-39220) |
| 10.30 | Schedule of Terms for 2021 Performance Share Unit Awards granted under the Carrier Global Corporation 2020 Long Term Incentive Plan (incorporated by reference to Exhibit 10.1 to Carrier Global Corporation's Quarterly Report on Form 10-Q filed with the SEC on April 29, 2021, File No. 001-39220) |

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| 10.31 | Form of Award Agreement for 2021 Performance Share Unit Awards granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.2 to Carrier Global Corporation's Quarterly Report on Form 10-Q filed with the SEC on April 29, 2021, File No. 001-39220) |
| 10.32 | Letter Agreement, dated April 19, 2021, by and between Carrier Corporation and John V. Faraci (incorporated by reference to Exhibit 10.3 to Carrier Global Corporation's Quarterly Report on Form 10-Q filed with the SEC on April 29, 2021, File No. 001-39220) |
| 14 | Code of Ethics. The Carrier Global Corporation Code of Ethics may be accessed via Carrier Global Corporation's website at https://www.corporate.carrier.com/corporate-responsibility/governance/ethics-compliance/ |
| 21 | Subsidiaries of the Registrant* |
| 23 | Consent of PricewaterhouseCoopers LLP* |
| 31.1 | Rule 13a-14(a)/15d-14(a) Certification* |
| 31.2 | Rule 13a-14(a)/15d-14(a) Certification* |
| 31.3 | Rule 13a-14(a)/15d-14(a) Certification* |
| 32 | Section 1350 Certifications* |
| 101.INS | XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.*<br>(File name: carr-20211231.xml) |
| 101.SCH | XBRL Taxonomy Extension Schema Document.*<br>(File name: carr-20211231.xsd) |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document.*<br>(File name: carr-20211231_cal.xml) |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document.*<br>(File name: carr-20211231_def.xml) |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document.*<br>(File name: carr-20211231_lab.xml) |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document.*<br>(File name: carr-20211231_pre.xml) |
| 104 | The cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2021, formatted in Inline XBRL and contained in Exhibit 101. |

**Notes to Exhibits List:**

* Submitted electronically herewith.

Attached as Exhibit 101 to this report are the following formatted in extensible Business Reporting Language ("XBRL"): (i) Consolidated Statement of Operations for the years ended December 31, 2021, 2020 and 2019, (ii) Consolidated Statement of Comprehensive Income (Loss) for the years ended December 31, 2021, 2020 and 2019, (iii) Consolidated Balance Sheet as of December 31, 2021 and 2020, (iv) Consolidated Statement of Cash Flows for the years ended December 31, 2021, 2020 and 2019, (v) Consolidated Statement of Changes in Equity for the years ended December 31, 2021, 2020 and 2019 and (vi) Notes to the Consolidated Financial Statements.

**ITEM 16. FORM 10-K SUMMARY**

None.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**CARRIER GLOBAL CORPORATION**
**(Registrant)**

Dated: February 8, 2022

by: /s/PATRICK GORIS

**Patrick Goris**
**Senior Vice President and Chief Financial Officer**

(on behalf of the Registrant and as the Registrant's Principal Financial Officer)

Dated: February 8, 2022

by: /s/KYLE CROCKETT

**Kyle Crockett**
**Vice President, Controller**

(on behalf of the Registrant and as the Registrant's Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

| Signature | Title | Date |
|---|---|---|
| /s/David Gitlin | Chairman and Chief Executive Officer | February 8, 2022 |
| David Gitlin | (Principal Executive Officer) | |
| /s/Patrick Goris | Senior Vice President and Chief Financial Officer | February 8, 2022 |
| Patrick Goris | (Principal Financial Officer) | |
| /s/Kyle Crockett | Vice President, Controller | February 8, 2022 |
| Kyle Crockett | (Principal Accounting Officer) | |
| /s/John V. Faraci | Director | February 8, 2022 |
| John V. Faraci | | |
| /s/Jean-Pierre Garnier | Director | February 8, 2022 |
| Jean-Pierre Garnier | | |
| /s/John J. Greisch | Director | February 8, 2022 |
| John J. Greisch | | |
| /s/Charles M. Holley, Jr. | Director | February 8, 2022 |
| Charles M. Holley, Jr. | | |
| /s/Michael M. McNamara | Director | February 8, 2022 |
| Michael M. McNamara | | |
| /s/Michael A. Todman | Director | February 8, 2022 |
| Michael A. Todman | | |
| /s/Virginia M. Wilson | Director | February 8, 2022 |
| Virginia M. Wilson | | |
| /s/Beth A. Wozniak | Director | February 8, 2022 |
| Beth A. Wozniak | | |

**AMENDED AND RESTATED**
**BYLAWS**
**OF**
**CARRIER GLOBAL CORPORATION**

**Incorporated under the Laws of the State of Delaware**

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These Amended and Restated Bylaws (the "Bylaws") of Carrier Global Corporation, a Delaware corporation, are effective as of November 23, 2021.

## ARTICLE I

## SHAREOWNERS

SECTION 1.1. Annual Meeting. The annual meeting of the shareowners of Carrier Global Corporation (the "Corporation") shall be held at such date and time and in such manner as may be fixed by resolution of the Board of Directors of the Corporation (the "Board of Directors"). "Shareowners" means the stockholders of the Corporation as set forth on its stock ledger unless otherwise indicated.

SECTION 1.2. Special Meeting.

(A) Subject to the rights of the owners of any series of Preferred Stock (as used herein, such term shall have the meaning given in the Certificate of Incorporation of the Corporation (as amended, restated or otherwise modified from time to time, the "Certificate of Incorporation")) with respect to such series, special meetings of the shareowners may be called only by or at the direction of: (1) the Chairman of the Board of Directors or the Chief Executive Officer; (2) the Board of Directors pursuant to a resolution adopted by a majority of the total number of directors which the Corporation would have if there were no vacancies (the "Whole Board"); or (3) the Secretary of the Corporation at the written request of a shareowner who owns, or is acting on behalf of one or more beneficial owners who own, capital stock representing at least fifteen percent (15%) of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors (the "Special Meeting Request Required Shares"), and who continue to own the Special Meeting Request Required Shares at all times between the record date fixed in accordance with these Bylaws to determine who may deliver a written request to call such special meeting and the date of the applicable meeting of shareowners. For purposes of this Section 1.2, a record or beneficial owner shall be deemed to "own" shares of capital stock of the Corporation that such record or beneficial owner would be deemed to own in accordance with clause (3) of the first paragraph of Section 1.16 (without giving effect to any reference to Constituent Owner or any shareowner fund comprising a Qualifying Fund contained therein).

(B) Any shareowner may, by written notice to the Secretary, demand that the Board of Directors fix a record date to determine the shareowners who are entitled to deliver a written request to call a special meeting (such record date, the "Ownership Record Date"). A written demand to fix an Ownership Record Date shall include all of the information set forth in paragraph (D) of this Section 1.2. The Board of Directors may fix the Ownership Record Date within ten (10) days of the Secretary's receipt of a valid demand to fix the Ownership Record Date. The Ownership Record Date shall not precede, and shall not be more than ten (10) days after, the date upon which the resolution fixing the Ownership Record Date is adopted by the Board of Directors. If an Ownership Record Date is not fixed by the Board of Directors within the period set forth above, the Ownership Record Date shall be the date that the first written request to call a special meeting in accordance with the requirements of this Section 1.2 is received by the Secretary.

(C) If a shareowner is the nominee for more than one beneficial owner of stock, the shareowner may deliver a written request to call a special meeting solely with respect to the capital stock of the Corporation beneficially owned by the beneficial owner who is directing the shareowner to sign such written request.

(D) Each written request to call a special meeting shall be delivered to the Secretary of the Corporation and shall include the following: (i) the signature of the shareowner submitting such request and the date such request was signed; (ii) the text of each business proposal desired to be submitted for shareowner approval at the special meeting; and (iii) as to the beneficial owner, if any, directing such shareowner to sign the written request and as to such shareowner (unless such shareowner is acting solely as a nominee for a beneficial

owner) (each such beneficial owner and each shareowner who is not acting solely as a nominee, a "Disclosing Party"):

(1) all of the information required to be disclosed pursuant to Section 1.9(C)(1) of these Bylaws (which information shall be supplemented by delivery to the Secretary) by each Disclosing Party: (a) not later than ten (10) days after the record date for determining the shareowners entitled to notice of the special meeting (such record date, the "Meeting Record Date"), as of the Meeting Record Date; and (b) not later than the fifth (5th) day before the special meeting, as of the date that is ten (10) days prior to the special meeting or any adjournment or postponement thereof;

(2) with respect to each business proposal to be submitted for shareowner approval at the special meeting, a statement whether any Disclosing Party will deliver a proxy statement and form of proxy to owners (including beneficial owners) of at least the percentage of voting power of all of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors ("Voting Stock") required under applicable law, rule or regulation to carry such proposal (such statement, a "Solicitation Statement"); and

(3) any additional information reasonably requested by the Board of Directors to verify the Voting Stock ownership position of such Disclosing Party.

Each time the Disclosing Party's Voting Stock ownership position decreases following the delivery of the foregoing information to the Secretary, such Disclosing Party shall notify the Corporation of the decreased Voting Stock ownership position, together with any information reasonably requested by the Board of Directors to verify such position, within ten (10) days of such decrease or as of the fifth (5th) day before the special meeting, whichever is earlier.

(E) The Secretary shall not accept, and shall consider ineffective, a written request to call a special meeting pursuant to clause (A)(3) of this Section 1.2:

(1) that does not comply with the provisions of this Section 1.2;

(2) that relates to an item of business that is not a proper subject for shareowner action under applicable law, rule or regulation;

(3) if such written request is delivered between the time beginning on the sixty first (61st) day after the earliest date of signature on a written request to call a special meeting, that has been delivered to the Secretary, relating to an identical or substantially similar item (as determined by the Board of Directors, a "Similar Item"), other than the election or removal of directors, and ending on the one (1)-year anniversary of such earliest date;

(4) if a Similar Item will be submitted for shareowner approval at any shareowner meeting to be held on or before the ninetieth (90th) day after the Secretary receives such written request or if a Similar Item has been presented at any meeting of shareowners held within ninety (90) days prior to receipt by the Secretary of such written request (for purposes of this clause (4), the election of directors shall be deemed to be a Similar Item with respect to all items of business involving the election or removal of directors, changing the size of the Board of Directors and the filling of vacancies or newly created directorships resulting from any increase in the authorized number of directors); or

(5) if such written request is delivered between the time beginning on the ninetieth (90th) day prior to the date of the next annual meeting and ending on the date of the next annual meeting.

(F) Revocations:

(1) A shareowner may revoke a request to call a special meeting at any time before the special meeting by sending written notice to the Secretary of the Corporation;

(2) All written requests for a special meeting shall be deemed revoked:

(a) upon the first date that, after giving effect to revocation(s) and notices of ownership position decreases, the aggregate Voting Stock ownership position of all the Disclosing Parties listed

on the unrevoked written requests with respect to a Similar Item decreases to a number of shares of Voting Stock less than the Special Meeting Request Required Shares;

(b) if any Disclosing Party who has provided a Solicitation Statement does not act in accordance with the representations set forth therein; or

(c) if any Disclosing Party does not provide the supplemental information required by Section 1.2(D)(3) or by the final sentence of Section 1.2(D);

(3) If a deemed revocation of all written requests to call a special meeting has occurred after the special meeting has been called by the Secretary, the Board of Directors shall have the discretion to determine whether to proceed with the special meeting.

(G) The Board of Directors may submit its own proposal or proposals for consideration at a special meeting called at the request of one or more shareowners.

SECTION 1.3. Time and Place of Meeting. The Board of Directors or the Chairman of the Board of Directors, as the case may be, may designate the place, date and time of any annual or special meeting of the shareowners or may designate that the meeting be held by means of remote communication; provided, that the date of any special meeting called at the request of one or more shareowners shall not be more than one hundred twenty (120) days after the date on which valid special meeting request(s) from owners of the Special Meeting Request Required Shares are delivered to the Secretary of the Corporation. If no designation as to place is so made, the place of meeting shall be the principal office of the Corporation.

SECTION 1.4. Notice of Meeting. Written or printed notice, stating the place, if any, date and hour of the meeting, the means of remote communications, if any, by which shareowners and proxy holders may be deemed to be present in person and vote at such meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered by the Corporation not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally, by electronic transmission in the manner provided in Section 232 of the General Corporation Law of the State of Delaware (as amended, the "DGCL") (except to the extent prohibited by Section 232(e) of the DGCL) or by mail, to each shareowner entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, addressed to the shareowner at such shareowner's address as it appears on the records of the Corporation. If notice is given by electronic transmission, such notice shall be deemed to be given at the times provided in the DGCL. Such further notice shall be given as may be required by applicable law, rule or regulation. Meetings may be held without notice if all shareowners entitled to vote are present and participate at the meeting without objecting to the holding of the meeting, or if notice is waived by those not present in accordance with Section 6.3 of these Bylaws. Any previously scheduled meeting of the shareowners may be postponed, and unless the Certificate of Incorporation otherwise provides, any special meeting of the shareowners may be cancelled, by resolution of the Board of Directors upon public notice given prior to the date previously scheduled for such meeting of shareowners.

SECTION 1.5. Quorum and Adjournment. Except as otherwise provided by law or by the Certificate of Incorporation, the shareowners of a majority of the Voting Stock, represented in person or by proxy, shall constitute a quorum at a meeting of shareowners, except that when specified business is to be voted on by a class or series of stock voting as a class, the owners of a majority of the shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. The Chairman of the Board of Directors or the Chief Executive Officer or the shareowners of a majority of the shares present in person or by proxy and entitled to vote may adjourn the meeting from time to time, whether or not there is a quorum. No notice of the time, date and place, if any, of adjourned meetings need be given except as required by applicable law, rule or regulation. The shareowners present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareowners to leave less than a quorum. Any business which might have been transacted at the original meeting may be transacted at any adjourned meeting at which a quorum is present.

SECTION 1.6. Organization. Meetings of shareowners shall be presided over by the Chairman of the Board of Directors, if present, or such other person as the Board of Directors may designate as chairman of the meeting, or in the absence of the foregoing, by a chairman to be chosen by the owners of a majority of the shares entitled to vote who are present in person or by proxy at the meeting. The Secretary, or in the Secretary's absence, an Assistant Secretary, shall act as secretary of every meeting, but if neither the Secretary nor an Assistant Secretary is present, the presiding officer of the meeting shall appoint any person present to act as secretary of the meeting. The Board of Directors shall be entitled to make such rules or regulations for the conduct

of meetings of shareowners as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in the meeting to shareowners of , their duly authorized and constituted proxies and such other persons as the chairman of the meeting shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting and matters which are to be voted on by ballot.

SECTION 1.7. Proxies and List of Shareowners. At all meetings of shareowners, a shareowner may vote by proxy executed in writing (or in such manner prescribed by the DGCL) by the shareowner, or by such shareowner's duly authorized attorney in fact. A complete list of the shareowners entitled to vote at each meeting of shareowners, arranged in alphabetical order, and showing the address and number of shares registered in the name of each shareowner, shall be prepared and made available for examination during regular business hours by any shareowner for any purpose germane to the meeting. The list shall be available for such examination at the principal place of business of the Corporation for a period of not less than ten (10) days prior to the meeting and during the whole time of the meeting.

SECTION 1.8. Order of Business.

(A) Annual Meetings of Shareowners. At any annual meeting of the shareowners, only such nominations of individuals for election to the Board of Directors shall be made, and only such other business shall be conducted or considered, as shall have been properly brought before the meeting. For nominations to be properly made at an annual meeting, and proposals of other business to be properly brought before an annual meeting, nominations and proposals of other business must be: (1) specified in the Corporation's notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors; (2) otherwise properly made at the annual meeting, by or at the direction of the Board of Directors; or (3) otherwise properly requested to be brought before the annual meeting by a shareowner of the Corporation in accordance with these Bylaws. For nominations of individuals for election to the Board of Directors or proposals of other business to be properly requested by a shareowner to be made at an annual meeting, a shareowner must: (a) be a shareowner at the time of giving of notice of such annual meeting by or at the direction of the Board of Directors and at the time of the annual meeting; (b) be entitled to vote at such annual meeting; and (c) comply with the procedures set forth in these Bylaws as to such business or nomination. Subject to Section 1.16 of these Bylaws, the immediately preceding sentence shall be the exclusive means for a shareowner to make nominations or other business proposals (other than matters properly brought under Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and included in the Corporation's notice of meeting) before an annual meeting of shareowners.

(B) Special Meetings of Shareowners. At any special meeting of the shareowners, only such business shall be conducted or considered as shall have been properly brought before the meeting pursuant to the Corporation's notice of meeting. To be properly brought before a special meeting, proposals of business must be: (1) specified in the Corporation's notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors; (2) otherwise properly brought before the special meeting, by or at the direction of the Board of Directors; or (3) specified in the Corporation's notice of meeting (or any supplement thereto) given by the Corporation pursuant to a valid shareowner request in accordance with Section 1.2 of these Bylaws, it being understood that business transacted at such a special meeting shall be limited to the matters stated in such valid shareowner request; provided, that nothing herein shall prohibit the Board of Directors from submitting additional matters to shareowners at any such special meeting.

Nominations of individuals for election to the Board of Directors may be made at a special meeting of shareowners at which directors are to be elected pursuant to the Corporation's notice of meeting: (a) by or at the direction of the Board of Directors; or (b) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any shareowner who: (i) is a shareowner at the time of giving of notice of such special meeting and at the time of the special meeting; (ii) is entitled to vote at the meeting; and (iii) complies with the procedures set forth in these Bylaws as to such nomination. Subject to Section 1.16 of these Bylaws, this Section 1.8(B) shall be the exclusive means for a shareowner or beneficial owner to make nominations or other business proposals (other than matters properly brought under Rule 14a-8 under the Exchange Act and included in the Corporation's notice of meeting) before a special meeting of shareowners.

(C) General. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the chairman of any annual or special meeting shall have the power to determine whether a nomination or

any other business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with these Bylaws and, if any proposed nomination or other business is not in compliance with these Bylaws, to declare that no action shall be taken on such nomination or other proposal and such nomination or other proposal shall be disregarded.

SECTION 1.9. Advance Notice of Shareowner Business and Nominations.

(A) Annual Meeting of Shareowners. Without qualification or limitation, subject to Section 1.9(C)(4) of these Bylaws, for any nominations or any other business to be properly brought before an annual meeting by a shareowner pursuant to Section 1.8(A) of these Bylaws, the shareowner must have given timely notice thereof (including, in the case of nominations, the completed and signed questionnaire, representation and agreement required by Section 1.10 of these Bylaws), and timely updates and supplements thereof, in each case in proper form, in writing to the Secretary, and such other business must otherwise be a proper matter for shareowner action.

To be timely, a shareowner's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120th) day and not later than the close of business on the ninetieth (90th) day prior to the first anniversary of the preceding year's annual meeting; provided, that in the event that the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, notice by the shareowner must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to the date of such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to the date of such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation. For the avoidance of doubt, a shareowner shall not be entitled to make additional or substitute nominations following the expiration of the time periods set forth in this Section 1.9(A) and in these Bylaws. In no event shall any adjournment or postponement of an annual meeting, or the public announcement thereof, commence a new time period for the giving of a shareowner's notice as described above.

Notwithstanding anything in the immediately preceding paragraph to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased by the Board of Directors and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a shareowner's notice required by this Section 1.9(A) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

In addition, to be considered timely, a shareowner's notice shall further be updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for the meeting in the case of the update and supplement required to be made as of the record date, and not later than eight (8) business days prior to the date for the meeting or any adjournment or postponement thereof in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof. For the avoidance of doubt, the obligation to update and supplement as set forth in this paragraph or any other Section of these Bylaws shall not limit the Corporation's rights with respect to any deficiencies in any notice provided by a shareowner, extend any applicable deadlines hereunder or under any other provision of the Bylaws or enable or be deemed to permit a shareowner who has previously submitted notice hereunder or under any other provision of the Bylaws to amend or update any proposal or to submit any new proposal, including by changing or adding nominees, matters, business and or resolutions proposed to be brought before a meeting of the shareowners.

(B) Special Meetings of Shareowners. Only such business shall be conducted at a special meeting of shareowners as shall have been brought before the meeting pursuant to the Corporation's notice of meeting, subject to the provisions of Section 1.8(B) of these Bylaws.

Subject to Section 1.9(C)(4) of these Bylaws, in the event the Corporation calls a special meeting of shareowners for the purpose of electing one or more directors to the Board of Directors, any shareowner may nominate an individual or individuals (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, provided, that the shareowner gives timely notice thereof (including the completed and signed questionnaire, representation and agreement required by Section 1.10 of these Bylaws), and timely updates and supplements thereof in each case in proper form, in writing, to the Secretary. To be timely, a

shareowner's notice pursuant to the preceding sentence shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120th) day prior to the date of such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to the date of such special meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. For the avoidance of doubt, a shareowner shall not be entitled to make additional or substitute nominations following the expiration of the time periods set forth in this Section 1.9(B) and in these Bylaws. In no event shall any adjournment or postponement of a special meeting of shareowners, or the public announcement thereof, commence a new time period for the giving of a shareowner's notice as described above. In addition, to be considered timely, a shareowner's notice pursuant to the first sentence of this paragraph shall further be updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for the meeting in the case of the update and supplement required to be made as of the record date, and not later than eight (8) business days prior to the date for the meeting or any adjournment or postponement thereof in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof.

(C) Disclosure Requirements.

(1) To be in proper form, a shareowner's notice (whether given pursuant to Section 1.2, Section 1.8, this Section 1.9 or Section 1.10) to the Secretary must include the following, as applicable:

(a) As to the shareowner giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal, as applicable, is made: (i) the name and address of such shareowner, as they appear on the Corporation's books, of such beneficial owner, if any, and of their respective affiliates or associates or others acting in concert therewith; (ii) (A) the class or series and number of shares of the Corporation which are, directly or indirectly, owned beneficially and of record by such shareowner, such beneficial owner and their respective affiliates or associates or others acting in concert therewith; (B) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, or any contract, derivative, swap or other transaction or series of transactions designed to produce economic benefits and risks corresponding substantially to the ownership of any class or series of shares of the Corporation, whether such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise, and without regard to any transaction to hedge or mitigate the economic effect thereof, or any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation (any of the foregoing, a "Derivative Instrument") directly or indirectly owned beneficially by such shareowner, the beneficial owner, if any, or any affiliates or associates or others acting in concert therewith; (C) any proxy, contract, arrangement, understanding, or relationship pursuant to which such shareowner, such beneficial owner and their respective affiliates or associates or others acting in concert therewith have any right to vote any class or series of shares of the Corporation; (D) any agreement, arrangement, understanding, relationship or otherwise, including any repurchase or similar so-called "stock borrowing" agreement or arrangement, presently or within the last twelve (12) months, involving such shareowner, such beneficial owner and their respective affiliates or associates or others acting in concert therewith, directly or indirectly, the purpose or effect of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) of any class or series of the shares of the Corporation by, manage the risk of share price changes for, or increase or decrease the voting power of, such shareowner, such beneficial owner and their respective affiliates or associates or others acting in concert therewith with respect to any class or series of the shares of the Corporation, or which provides, directly or indirectly, the opportunity to profit or share in any profit derived from any decrease in the price or value of any class or series of the shares of the Corporation (any of the foregoing, a "Short Interest"); (E) any rights to dividends on the shares of the Corporation owned beneficially by such shareowner, such beneficial owner and their respective affiliates or associates or others acting in concert therewith that are separated or separable from the underlying shares of the Corporation; (F) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such shareowner, such beneficial owner and their respective affiliates or associates or others acting in concert therewith is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership; (G) any performance-related fees (other than an asset-based fee) that such shareowner, such beneficial owner and their respective affiliates or associates or others acting in concert therewith are entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, including without limitation any such interests held by members of the immediate family sharing the same household of such shareowner, such beneficial owner and their respective affiliates or associates

or others acting in concert therewith; (H) any significant equity interests or any Derivative Instruments or Short Interests in any principal competitor of the Corporation held by such shareowner, such beneficial owner and their respective affiliates or associates or others acting in concert therewith; and (I) any direct or indirect interest of such shareowner, such beneficial owner and their respective affiliates or associates or others acting in concert therewith in any contract with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement); (iii) all information that would be required to be set forth in a Schedule 13D filed pursuant to Rule 13d-1(a) or an amendment pursuant to Rule 13d-2(a) if such a statement were required to be filed under the Exchange Act and the rules and regulations promulgated thereunder by such shareowner, such beneficial owner and their respective affiliates or associates or others acting in concert therewith, if any; and (iv) any other information relating to such shareowner, such beneficial owner and their respective affiliates or associates or others acting in concert therewith, if any, that would be required to be disclosed in a proxy statement and form of proxy or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder;

(b) If the notice relates to any business other than a nomination of a director or directors that the shareowner proposes to bring before the meeting, a shareowner's notice must, in addition to the matters set forth in paragraph (a) above, also set forth: (i) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest of such shareowner, such beneficial owner and each of their respective affiliates or associates or others acting in concert therewith, if any, in such business; (ii) the text of the proposal or business (including the text of any resolutions proposed for consideration); and (iii) a description of all agreements, arrangements and understandings between such shareowner, such beneficial owner and any of their respective affiliates or associates or others acting in concert therewith, if any, and any other person or persons (including their names) in connection with the proposal of such business by such shareowner;

(c) As to each individual, if any, whom the shareowner proposes to nominate for election or reelection to the Board of Directors, a shareowner's notice must, in addition to the matters set forth in paragraph (a) above, also include: (i) all information relating to such individual that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (including such individual's written consent to being named in the Corporation's proxy statement as a nominee and to serving as a director if elected); (ii) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three (3) years, and any other material relationships, between or among such shareowner and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 or any successor provision promulgated under Regulation S-K if the shareowner making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant; and (iii) a completed and signed questionnaire, representation and agreement required by Section 1.10 of these Bylaws; and

(d) The Corporation may, as a condition of such nomination or business being deemed properly brought before an annual meeting, require shareowner or any proposed nominee to furnish to the Secretary, within five (5) business days, any other information as may reasonably be required by the Corporation, in its sole discretion, including such other information as may reasonably be requested by the Board of Directors, in its sole discretion: (i) to determine the eligibility of such proposed nominee to serve as a director of the Corporation; or (ii) to determine whether such nominee qualifies as an "independent director" or "audit committee financial expert" under applicable law, securities exchange rule or regulation, or any publicly disclosed corporate governance guidelines or committee charter of the Corporation; or (iii) that could be material to a reasonable shareowner's understanding of the independence, or lack thereof, of such nominee. Notwithstanding anything to the contrary, only persons who are nominated in accordance with the procedures set forth in these Bylaws, including without limitation Section 1.8, Section 1.9 and Section 1.10 hereof, shall be eligible for election as directors.

(2) For purposes of these Bylaws, (i) "business day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in Palm Beach Gardens, Florida or New York City, New York are authorized or obligated by law or executive order to close; (ii) "close of business" shall mean 5:00 p.m. local time at the principal executive offices of the Corporation, and if an applicable deadline under this Section 1.9 falls on the close of business on a day that is not a business day, then the applicable

deadline shall be deemed to be the close of business on the immediately preceding business day; (iii) Delivery of materials by a shareowner to the Corporation as required under this Section 1.9 shall be made by hand delivery, overnight courier service, or by certified or registered mail, return receipt required; and (iv) "public announcement" shall mean disclosure (A) in a press release reported by a national news service or (B) in a document publicly filed by the Corporation with the Securities and Exchange Commission (the "SEC") pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(3) Notwithstanding the provisions of these Bylaws, a shareowner shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Bylaw; provided, that any references in these Bylaws to the Exchange Act or the rules promulgated thereunder are not intended to and shall not limit the separate and additional requirements set forth in these Bylaws with respect to nominations or proposals as to any other business to be considered.

(4) Nothing in this Section 1.9 shall be deemed to affect any rights: (a) of shareowners to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act; or (b) of the owners of any series of Preferred Stock if and to the extent provided for under law, the Certificate of Incorporation or these Bylaws. Subject to Rule 14a-8 under the Exchange Act, nothing in this Section 1.9 shall be construed to permit any shareowner, or give any shareowner the right, to include or have disseminated or described in the Corporation's proxy statement any nomination of director or directors or any other business proposal.

SECTION 1.10. Submission of Questionnaire, Representation and Agreement. To be eligible to be a nominee for election or reelection as a director of the Corporation, a person nominated by a shareowner for election or reelection to the Board of Directors must deliver (in accordance with the time periods prescribed for delivery of notice under Section 1.9 of these Bylaws) to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such individual and the background of any other person or entity on whose behalf, directly or indirectly, the nomination is being made (which questionnaire shall be provided by the Secretary upon written request of any shareowner of record identified by name within five (5) business days of such request), and a written representation and agreement (in the form provided by the Secretary upon written request of any shareowner of record identified by name within five (5) business days of such request) that such individual: (A) is not and will not become a party to: (1) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation; or (2) any Voting Commitment that could limit or interfere with such individual's ability to comply, if elected as a director of the Corporation, with such individual's fiduciary duties under applicable law, rule or regulation; (B) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein; (C) will comply with the Corporation's corporate governance guidelines and other policies applicable to its directors, and has disclosed therein whether all or any portion of securities of the Corporation which are owned of record and beneficially by such individual were purchased with any financial assistance provided by any other person and whether any other person has any interest in such securities; (D) in such individual's personal capacity and on behalf of any person or entity on whose behalf, directly or indirectly, the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply, with the Corporation's Code of Ethics and all applicable corporate governance, conflict of interest, confidentiality, stock ownership, and trading policies and guidelines and any other code of conduct, policies and guidelines of the Corporation or any rules, regulations and listing standards, in each case as applicable to other members of the Board of Directors; (E) consents to being named as a nominee in the Corporation's proxy statement pursuant to Rule 14a-4(d) under the Exchange Act and any associated proxy card of the Corporation and agrees to serve if elected as a director; and (F) will abide by the requirements of Section 1.11 of these Bylaws.

SECTION 1.11. Procedure for Election of Directors; Required Vote.

(A) Except as set forth below, election of directors at all meetings of the shareowners at which directors are to be elected shall be by ballot, and, subject to the rights of the owners of any series of Preferred Stock to elect directors, a majority of the votes cast at any meeting for the election of directors at which a quorum is present shall elect directors. For purposes of this Bylaw, a majority of votes cast shall mean that the number of shares voted "for" a director's election exceeds fifty percent (50%) of the number of votes cast with respect to that director's election. Votes cast shall include votes against in each case and exclude abstentions and broker nonvotes with respect to that director's election. Notwithstanding the foregoing, in the event of a "contested election" of directors, directors shall be elected by the vote of a plurality of the votes cast at any meeting for the election of directors at which a quorum is present. For purposes of this Bylaw, a "contested election" shall mean any election of directors in which the number of candidates for election as directors exceeds

the number of directors to be elected, with the determination thereof being made by the Secretary as of the later of: (1) the close of the applicable notice of nomination period set forth in Section 1.9 of these Bylaws or under applicable law, rule or regulation; and (2) the last day on which a Proxy Access Notice may be delivered in accordance with the procedures set forth in Section 1.16, based on whether one or more notice(s) of nomination or Proxy Access Notice(s) were timely filed in accordance with said Section 1.9 and/or Section 1.16, as applicable; provided, that the determination that an election is a "contested election" shall be determinative only as to the timeliness of a notice of nomination and not otherwise as to such notice's validity. If, prior to the tenth (10th) day before the Corporation mails its initial proxy statement in connection with such election of directors, one or more notices of nomination are withdrawn such that the number of candidates for election as director no longer exceeds the number of directors to be elected, the election shall not be considered a contested election, but in all other cases, once an election is determined to be a contested election, directors shall be elected by the vote of a plurality of the votes cast.

(B) Except as otherwise provided by law, the Certificate of Incorporation, or these Bylaws, in all matters other than the election of directors, the affirmative vote of the shareowners of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the matter shall be the act of the shareowners.

(C) Any individual who is nominated for election to the Board of Directors and included in the Corporation's proxy materials for an annual meeting, including pursuant to Section 1.16, shall tender an irrevocable resignation, effective immediately, upon a determination by the Board of Directors or any committee thereof that: (1) the information provided to the Corporation by such individual or, if applicable, by the Eligible shareowner (or any shareowner, fund comprising a Qualifying Fund and/or beneficial owner whose stock ownership is counted for the purposes of qualifying as an Eligible shareowner) who nominated such individual, was untrue in any material respect or omitted to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (2) such individual or, if applicable, the Eligible shareowner (including each shareowner, fund comprising a Qualifying Fund and/or beneficial owner whose stock ownership is counted for the purposes of qualifying as an Eligible shareowner) who nominated such individual, shall have breached any representations or obligations owed to the Corporation under these Bylaws.

SECTION 1.12. Inspectors of Elections; Opening and Closing the Polls. The Board of Directors shall appoint one or more inspectors, which inspector or inspectors may, but does not need to, include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of shareowners and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of shareowners, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by law.

The chairman of the meeting shall fix and announce at the meeting the date and time of the opening and the closing of the polls for the matters upon which the shareowners will vote at a meeting.

SECTION 1.13. Shareowner Action by Written Consent; Request for Record Date, Votes Required and Contents of Written Request. All actions required or permitted to be taken by shareowners at an annual or special meeting of shareowners may be effected by the written consent of the shareowners entitled to vote, in accordance with this Article I and applicable law, rule or regulation. Such action shall be evidenced by a consent or consents in writing, setting forth the action so taken, which shall be: (A) signed and delivered to the Secretary of the Corporation; and (B) unless revoked by shareowners having the requisite votes, filed with the records of the meetings of shareowners. Such consents shall be treated for all purposes as a vote at a meeting. The record date for determining shareowners entitled to consent to corporate action in writing without a meeting shall be as fixed by the Board of Directors or as otherwise established under this Article I. Any shareowner seeking to have the shareowners authorize or take corporate action by written consent without a meeting shall submit a written notice to the Secretary of the Corporation requesting that the Board of Directors fix a record date (a "Written Request") signed by shareowners of at least twenty-five percent (25%) of the aggregate voting power of the Voting Stock. In determining whether a record date has been requested by shareowners representing at least twenty-five percent (25%) of the aggregate voting power of the Voting Stock, multiple Written Requests delivered to the Secretary of the Corporation will be considered together only if: (1) each identifies substantially the same proposed action and includes substantially the same text of the proposal (in each case as determined in good faith by the Board of Directors); and (2) such Written Requests have been dated and delivered to the Secretary of the Corporation within sixty (60) days of the earliest Written Request. A Written Request shall be signed and dated by each shareowner, or duly authorized agent of such shareowner, submitting the Written Request and shall be accompanied by: (a) the name and address, as they appear in the Corporation's books, of each shareowner signing

such Written Request and the class or series and number of shares of the Corporation which are owned of record and beneficially by each such shareowner, and a statement of the purpose or purposes of the action or actions proposed to be taken by written consent; and (b) an acknowledgment that any disposition of shares described in the information provided constitutes a revocation of the Written Request with respect to such disposed shares. In addition, the shareowners shall promptly provide any other information reasonably requested by the Corporation. Following delivery of the Written Request, the Board of Directors shall, by the later of: (i) twenty (20) days after delivery of a valid Written Request; and (ii) ten (10) days after delivery of any information requested by the Corporation to determine the validity of the Written Request or to determine whether the action to which the Written Request relates may be effected by written consent, determine the validity of the Written Request pursuant to this Article I and whether the Written Request relates to an action that may be taken by written consent and, if appropriate, adopt a resolution fixing the record date for such purpose. The record date for such purpose shall be no more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors and shall not precede the date such resolution is adopted. If the Written Request has been determined to be valid pursuant to this Article I and to relate to an action that may be effected by written consent or if no such determination shall have been made by the date required by this Section 1.13, and in either event no record date has been fixed by the Board of Directors, the record date shall be the first date on which a signed written consent relating to the action taken or proposed to be taken by written consent is delivered to the Corporation in the manner described in Section 1.14; provided, that, if prior action by the Board of Directors is required under the DGCL, the record date shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action. Any shareowner may revoke a Written Request with respect to such shareowner's shares at any time by written revocation delivered to the Secretary of the Corporation.

SECTION 1.14. Shareowner Action by Written Consent; Date and Delivery of Consents and Inspectors of Election. Every written consent purporting to take or authorize the taking of corporate action (each such written consent is referred to in this Section 1.14 as a "Consent") must bear the date of signature of each shareowner who signs the Consent, and no Consent shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated Consent delivered in the manner required by this Section 1.14, but in no event later than one hundred and twenty (120) days after the record date, Consents signed by a sufficient number of shareowners to take such action are so delivered to the Corporation. No Consents may be dated or delivered to the Corporation until sixty (60) days after the delivery of a valid Written Request, satisfying all applicable requirements of this Section 1.14. Consents must be delivered to the Corporation at the principal executive offices of the Corporation, attention Secretary. Delivery must be made by hand or by certified or registered mail, return receipt requested. In the event of the delivery, in the manner provided by this Article I and applicable law, rule or regulation, to the Corporation of the requisite Consent or Consents to take action and any related revocation or revocations, the Board of Directors shall appoint, or shall authorize an officer of the Corporation to appoint, one or more inspectors in accordance with the provisions of Section 1.12 for the purpose of promptly performing a ministerial review of the validity of the Consents and revocations. For the purpose of permitting the inspector or inspectors to perform such review, no action by written consent without a meeting shall be effective until such date as the inspector or inspectors certify to the Corporation that the Consents delivered to the Corporation in accordance with this Article I and applicable law, rule or regulation represent not less than the minimum number of votes necessary to take the action at a meeting at which all shareowners entitled to vote on the action are present and voting. Nothing contained in this Article I shall in any way be construed to suggest or imply that the Board or any shareowner shall not be entitled to contest the validity of any Consent or revocation thereof, whether before or after such certification by the inspector or inspectors, or to take any other action with respect thereto.

SECTION 1.15. Shareowner Action by Written Consent; Effectiveness of Written Consent. Notwithstanding anything in these Bylaws to the contrary, no action may be taken by the shareowners by less than unanimous written consent except in accordance with these Bylaws. The Board of Directors shall not be obligated to set a record date for an action by written consent and any such purported action by written consent shall be null and void to the fullest extent permitted by applicable law, rule or regulation if: (A) the Written Request does not comply with these Bylaws; (B) the action relates to an item of business that is not a proper subject for shareowner action under applicable law, rule or regulation; (C) the Written Request is received by the Corporation during the period commencing ninety (90) days prior to the first anniversary of the date of the immediately preceding annual meeting and ending on the date of the next annual meeting; (D) an annual or special meeting of shareowners that included an item of business substantially the same as or substantially similar to (a "Written Consent Similar Item") such action was held not more than one hundred twenty (120) days before such Written Request was received by the Corporation; (E) a Written Consent Similar Item is to be included in the Corporation's notice as an item of business to be brought before a meeting of the shareowners to be called within forty (40) days after the Written Request is received and held as soon as practicable thereafter; (F) such Written Request was made in a manner that involved a violation of Regulation 14A under the Exchange Act; or (G) the shareowner or shareowners seeking to take action by written consent do not otherwise comply with these Bylaws, the Certificate of Incorporation or applicable law, rule or regulation. shareowners may take action by written consent only if consents are solicited by

the shareowner or group of shareowners seeking to take action by written consent of shareowners from all owners of capital stock of the Corporation entitled to vote on the matter pursuant to and in accordance with this Article I and applicable law, rule or regulation. In addition to the requirements of these Bylaws with respect to shareowners seeking to take an action by written consent, any shareowner seeking to have the shareowners authorize or take corporate action by written consent shall comply with all requirements of applicable law, rule or regulation, including all requirements of the Exchange Act, with respect to such action. Notwithstanding anything in these Bylaws to the contrary, the Board of Directors shall be entitled to solicit shareowner action by written consent in accordance with applicable law, rule or regulation, and where written consents are solicited by or at the direction of the Board of Directors, shareowners may act without a meeting if the action is taken by shareowners having not less than the minimum number of votes necessary to take that action at a meeting at which all shareowners entitled to vote on the action are present and voting, and none of the foregoing provisions shall apply to such action. Any action by written consent must be a proper subject for shareowner action by written consent under applicable law, rule or regulation.

SECTION 1.16. Inclusion of Shareowner Director Nominations in the Corporation's Proxy Materials. Subject to the terms and conditions set forth in these Bylaws, the Corporation shall include in its proxy statement for annual meetings of shareowners the name, together with the Required Information (as defined in paragraph (A) below), of an eligible person nominated for election (the "Shareowner Nominee") to the Board of Directors pursuant to this Section 1.16 by a shareowner or group of shareowners that satisfy the requirements of this Section 1.16, including qualifying as an Eligible shareowner (as defined in paragraph (D) below) and that expressly elects at the time of providing the written notice required by this Section 1.16 (a "Proxy Access Notice") to have its nominee(s) included in the Corporation's proxy statement pursuant to this Section 1.16. For the purposes of this Section 1.16:

(1) "Constituent Owner" shall mean any shareowner, investment fund included within a Qualifying Fund (as defined in paragraph (D) below) or beneficial owner whose stock ownership is counted for the purposes of qualifying as holding the Proxy Access Request Required Shares (as defined in paragraph (D) below) or qualifying as an Eligible Shareowner (as defined in paragraph (D) below);

(2) "affiliate" and "associate" shall have the meanings ascribed thereto in Rule 405 under the Securities Act of 1933, as amended; provided, that the term "partner" as used in the definition of "associate" shall not include any limited partner that is not involved in the management of the relevant partnership; and

(3) a shareowner (including any Constituent Owner) shall be deemed to "own" only those outstanding shares of Voting Stock as to which the shareowner itself (or such Constituent Owner itself) possesses both: (a) the full voting and investment rights pertaining to the shares; and (b) the full economic interest in (including the opportunity for profit and risk of loss on) such shares. The number of shares calculated in accordance with the foregoing clauses (a) and (b) shall be deemed not to include (and to the extent any of the following arrangements have been entered into by affiliates of the shareowner (or of any Constituent Owner), shall be reduced by) any shares: (i) sold by such shareowner or Constituent Owner (or any of either's affiliates) in any transaction that has not been settled or closed, including any short sale; (ii) borrowed by such shareowner or Constituent Owner (or any of either's affiliates) for any purposes or purchased by such shareowner or Constituent Owner (or any of either's affiliates) pursuant to an agreement to resell; or (iii) subject to any option, warrant, forward contract, swap, contract of sale, other derivative or similar agreement entered into by such shareowner or Constituent Owner (or any of either's affiliates), whether any such instrument or agreement is to be settled with shares or with cash based on the notional amount or value of Voting Stock, in any such case which instrument or agreement has, or is intended to have, or if exercised by either party thereto would have, the purpose or effect of: (x) reducing in any manner, to any extent or at any time in the future, such shareowner's or Constituent Owner's (or either's affiliate's) full right to vote or direct the voting of any such shares; and/or (y) hedging, offsetting or altering to any degree gain or loss arising from the full economic ownership of such shares by such shareowner or Constituent Owner (or either's affiliate), other than any such arrangements solely involving an exchange listed multi-industry market index fund in which Voting Stock represents at the time of entry into such arrangement less than ten percent (10%) of the proportionate value of such index. For purposes of this Section 1.16, a shareowner (including any Constituent Owner) will be deemed to "own" shares held in the name of a nominee or other intermediary so long as the shareowner itself (or such Constituent Owner itself) retains the right to instruct how the shares are voted with respect to the election of directors and the right to direct the disposition thereof and possesses the full economic interest in the shares. For purposes of this Section 1.16, a shareowner's (including any Constituent Owner's) ownership of shares shall be deemed to: (I) continue during any period in which such person has loaned such shares in the ordinary course of its business so long as such shareowner retains the unrestricted power to recall such shares on no more than five (5) business days' notice or delegated any

voting power over such shares by means of a proxy, power of attorney or other instrument or arrangement so long as such delegation is revocable at any time by the shareowner; and (II) include, for purposes of measuring ownership for any applicable time period, ownership of Voting Stock of the Corporation's immediate predecessor. The terms "owned," "owning" and other variations of the word "own" shall have correlative meanings.

(A) For purposes of this Section 1.16, the "Required Information" that the Corporation shall include in its proxy statement is (1) the information concerning the shareowner Nominee and the Eligible shareowner that the Corporation determines is required to be disclosed in the Corporation's proxy statement by the regulations promulgated under the Exchange Act; and (2) if the Eligible shareowner so elects, a Statement (as defined in paragraph (F) below). The Corporation shall also include the name of the qualifying shareowner Nominee in its proxy card. For the avoidance of doubt, and any other provision of these Bylaws notwithstanding, the Corporation may in its sole discretion solicit against, and include in the proxy statement its own statements or other information relating to, any Eligible shareowner and/or shareowner Nominee, including any information provided to the Corporation with respect to the foregoing.

(B) To be timely, a shareowner's Proxy Access Notice must be delivered to the principal executive offices of the Corporation no earlier than one hundred and fifty (150) days and no later than one hundred and twenty (120) days before the one (1)-year anniversary of the date that the Corporation commenced mailing of its definitive proxy statement (as stated in such proxy statement) for the immediately preceding annual meeting with the SEC. In no event shall any adjournment or postponement of an annual meeting, the date of which has been announced by the Corporation, commence a new time period for the giving of a Proxy Access Notice.

(C) The number of Shareowner Nominees (including Shareowner Nominees that were submitted by an Eligible Shareowner for inclusion in the Corporation's proxy materials pursuant to this Section 1.16 but either are subsequently withdrawn or that the Board of Directors decides to nominate as Board of Directors' nominees or otherwise appoint to the Board of Directors) appearing in the Corporation's proxy materials with respect to an annual meeting of shareowners may not exceed the greater of: (1) two (2); and (2) the largest whole number that does not exceed twenty percent (20%) of the number of directors in office as of the last day on which a Proxy Access Notice may be delivered in accordance with the procedures set forth in this Section 1.16 (such greater number, the "Permitted Number"); provided, that the Permitted Number shall be reduced by the number of directors in office with respect to whom a Proxy Access Notice was previously provided to the Corporation pursuant to this Section 1.16, other than: (a) any such director whose term of office will expire at such annual meeting and who is not nominated by the Corporation at such annual meeting for another term of office and who is not seeking or agreeing to be nominated at such meeting for another term of office; and (b) any such director who at the time of such annual meeting will have served as a director continuously for at least two (2) years; provided, further, that in no circumstance shall the Permitted Number exceed the number of directors to be elected at the applicable annual meeting as noticed by the Corporation; and provided, further, that in the event the Board of Directors resolves to reduce the size of the Board of Directors effective on or prior to the date of the annual meeting, the Permitted Number shall be calculated based on the number of directors in office as so reduced. Any Eligible Shareowner submitting more than one Shareowner Nominee for inclusion in the Corporation's proxy statement pursuant to this Section 1.16 shall: (i) rank such Shareowner Nominees based on the order that the Eligible Shareowner desires such Shareowner Nominees to be selected for inclusion in the Corporation's proxy statement in the event that the number of Shareowner Nominees submitted by Eligible Shareowners pursuant to this Section 1.16 exceeds the Permitted Number; and (ii) explicitly specify and include the respective rankings referred to in the foregoing clause (i) in the Proxy Access Notice delivered to the Corporation with respect to all Shareowner Nominees submitted pursuant thereto. In the event that the number of Shareowner Nominees submitted by Eligible Shareowners pursuant to this Section 1.16 exceeds the Permitted Number, each Eligible Shareowner will have its highest ranking Shareowner Nominee (as ranked pursuant to the preceding sentence) who meets the requirements of this Section 1.16 selected for inclusion in the Corporation's proxy materials until the Permitted Number is reached, going in order of the amount (largest to smallest) of shares of Voting Stock each Eligible Shareowner disclosed as owned in its Proxy Access Notice submitted to the Corporation (with the understanding that an Eligible Shareowner may not ultimately have any of its Shareowner Nominees included if the Permitted Number has previously been reached). If the Permitted Number is not reached after each Eligible Shareowner has had one (1) Shareowner Nominee selected, this selection process shall continue as many times as necessary, following the same order each time, until the Permitted Number is reached. After reaching the Permitted Number of Shareowner Nominees, if any Shareowner Nominee who satisfies the eligibility requirements in this Section 1.16 thereafter withdraws, has his or her nomination withdrawn or is thereafter not submitted for director election, no other nominee or nominees shall be required to be substituted for such Shareowner Nominee and included in the Corporation's proxy statement or otherwise submitted for director election pursuant to this Section 1.16.

(D) An "Eligible Shareowner" is one or more shareowners who own and have owned, or are acting on behalf of one or more beneficial owners who own and have owned (in each case as defined above), in each case continuously for at least three (3) years as of both the date that the Proxy Access Notice is received by the Corporation pursuant to this Section 1.16, and as of the record date for determining shareowners eligible to vote at the annual meeting, at least three percent (3%) of the aggregate voting power of the Voting Stock (the "Proxy Access Request Required Shares"), and who continue to own the Proxy Access Request Required Shares at all times between the date such Proxy Access Notice is received by the Corporation and the date of the applicable annual meeting; provided, that the aggregate number of shareowners, and, if and to the extent that a shareowner is acting on behalf of one or more beneficial owners, of such beneficial owners, whose stock ownership is counted for the purpose of satisfying the foregoing ownership requirement may not exceed twenty (20). Two or more investment funds that are: (1) under common management and investment control; (2) under common management and funded primarily by the same employers; or (3) a "group of investment companies" as such term is defined in Section 12(d)(1)(G)(ii) of the Investment Company Act of 1940 (a "Qualifying Fund") will be treated as one shareowner for the purpose of determining the aggregate number of shareowners in this paragraph (D); provided, that each fund included within a Qualifying Fund otherwise meets the requirements set forth in this Section 1.16. No shares may be attributed to more than one group constituting an Eligible Shareowner under this Section 1.16 (and, for the avoidance of doubt, no Shareowner may be a member of more than one group constituting an Eligible Shareowner). A shareowner acting on behalf of one or more beneficial owners will not be counted separately as a shareowner with respect to the shares owned by beneficial owners on whose behalf such shareowner has been directed in writing to act, but each such beneficial owner will be counted separately, subject to the other provisions of this paragraph (D), for purposes of determining the number of shareowners whose holdings may be considered as part of an Eligible shareowner's holdings. For the avoidance of doubt, Proxy Access Request Required Shares will qualify as such if and only if the beneficial owner of such shares as of the date of the Proxy Access Notice has itself individually beneficially owned such shares continuously for the three (3)-year period ending on that date and through the other applicable dates referred to above (in addition to the other applicable requirements being met).

(E) No later than the final date when a Proxy Access Notice pursuant to this Section 1.16 may be timely delivered to the Corporation, an Eligible Shareowner (including each Constituent Owner) must provide the following in writing to the Secretary of the Corporation:

(1) with respect to each Constituent Owner, the information, representations and agreements that would be required to be provided in a shareowner's notice of nomination pursuant to the requirements of Section 1.9(C) and Section 1.10 of these Bylaws;

(2) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three (3) years, and any other material relationships, between or among the Eligible Shareowner (including any Constituent Owner) and its or their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each of such Eligible Shareowner's Shareowner Nominee(s), and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the Eligible Shareowner (including any Constituent Owner), or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the Shareowner Nominee were a director or executive officer of such registrant;

(3) one or more written statements from the record owner of the shares (and from each intermediary through which the shares are or have been held during the requisite three (3)-year holding period) verifying that, as of a date within seven (7) calendar days prior to the date the Proxy Access Notice is delivered to the Corporation, such person owns, and has owned continuously for the preceding three (3) years, the Proxy Access Request Required Shares, and such person's agreement to provide:

(a) within ten (10) days after the record date for the annual meeting, written statements from the shareowner and intermediaries verifying such person's continuous ownership of the Proxy Access Request Required Shares through the record date, together with any additional information reasonably requested to verify such person's ownership of the Proxy Access Request Required Shares; and

(b) immediate notice if the Eligible shareowner ceases to own any of the Proxy Access Request Required Shares prior to the date of the applicable annual meeting of shareowners;

(4) a representation that such person:

(a) acquired the Proxy Access Request Required Shares in the ordinary course of business and not with the intent to change or influence control of the Corporation, and that neither the Eligible Shareowner, the Shareowner Nominee(s) nor their respective affiliates and associates have such intent;

(b) has not nominated and will not nominate for election to the Board of Directors at the annual meeting any person other than the Shareowner Nominee(s) being nominated pursuant to this Section 1.16;

(c) has not engaged and will not engage in, and has not and will not be a "participant" in another person's, "solicitation" within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a director at the annual meeting other than its Shareowner Nominee(s) or a nominee of the Board of Directors;

(d) will not distribute to any shareowner or beneficial owner any form of proxy for the annual meeting other than the form distributed by the Corporation; and

(e) will provide facts, statements and other information in all communications with the Corporation and its shareowners and beneficial owners that are and will be true and correct in all material respects and do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and will otherwise comply with all applicable laws, rules and regulations in connection with any actions taken pursuant to this Section 1.16;

(5) in the case of a nomination by a group of shareowners and beneficial owners that together is such an Eligible Shareowner, the designation by all group members of one group member that is authorized to act on behalf of all members of such Eligible Shareowner group with respect to the nomination and matters related thereto, including withdrawal of the nomination; and

(6) an undertaking that such person agrees to:

(a) assume all liability stemming from, and indemnify and hold harmless the Corporation and its affiliates and each of its and their directors, officers, and employees individually against any liability, loss or damages in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the Corporation or any of its affiliates, or any of its or their directors, officers or employees arising out of any legal or regulatory violation arising out of the Eligible Shareowner's communications with the shareowners or out of the information that the Eligible Shareowner (including such person) provided to the Corporation in connection with the nomination of the Shareowner Nominee(s) or efforts to elect such Shareowner Nominee(s) or out of any failure of the Eligible Shareowner to comply with, or any breach of, its obligations, agreements or representations pursuant to these Bylaws;

(b) comply with all laws, rules, regulations and listing standards applicable to nominations or solicitations in connection with the annual meeting of shareowners, and promptly provide the Corporation with such other information as the Corporation may reasonably request; and

(c) file with the SEC any solicitation by the Eligible Shareowner of shareowners of the Corporation relating to the annual meeting at which the Shareowner Nominee will be nominated.

In addition, no later than the final date when a Proxy Access Notice pursuant to this Section 1.16 may be timely delivered to the Corporation, a Qualifying Fund whose stock ownership is counted for purposes of qualifying as an Eligible Shareowner must provide to the Secretary of the Corporation documentation reasonably satisfactory to the Board of Directors that demonstrates that the funds included within the Qualifying Fund satisfy the definition thereof. In order to be considered timely, any information required by this Section 1.16 to be provided to the Corporation must be supplemented (by delivery to the Secretary of the Corporation): (1) no later than ten (10) days following the record date for the applicable annual meeting, as of such record date; and (2) no later than the fifth day before the annual meeting, as of the date that is no earlier than ten (10) days prior to such annual meeting. For the avoidance of doubt, the requirement to update and supplement such information shall not permit any Eligible Shareowner or other person to change or add any proposed Shareowner Nominee or be deemed to cure any defects or limit the remedies (including without limitation under these Bylaws) available to the Corporation relating to any defect.

(F) The Eligible Shareowner may provide to the Secretary of the Corporation, at the time the information required by this Section 1.16 is originally provided, a written statement for inclusion in the Corporation's proxy statement for the annual meeting, not to exceed five hundred (500) words, in support of the candidacy of such Eligible Shareowner's Shareowner Nominee (the "Statement"). Notwithstanding anything to the contrary contained in this Section 1.16, the Corporation may omit from its proxy materials any information or Statement that it, in good faith, believes is materially false or misleading, omits to state any material fact, or would violate any applicable law, rule or regulation.

(G) No later than the final date when a Proxy Access Notice pursuant to this Section 1.16 may be timely delivered to the Corporation, each Shareowner Nominee must:

(1) provide an executed agreement, in a form deemed satisfactory by the Board of Directors or its designee (which form shall be provided by the Corporation reasonably promptly upon written request of a shareowner), that such Shareowner Nominee consents to being named in the Corporation's proxy statement and form of proxy card (and will not agree to be named in any other person's proxy statement or form of proxy card with respect to the Corporation) as a nominee;

(2) complete, sign and submit all questionnaires, representations and agreements required by these Bylaws, including Section 1.9(C) and Section 1.10 of these Bylaws, or of the Corporation's directors generally; and

(3) provide such additional information as necessary to permit the Board of Directors to determine if such Shareowner Nominee:

(a) is independent (including with respect to any heightened independence requirements applicable to committee members) under the listing standards of each principal U.S. exchange upon which the common stock of the Corporation is listed, any applicable rules of the SEC and any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of the Corporation's directors;

(b) has any direct or indirect relationship with the Corporation other than those relationships that have been deemed categorically immaterial pursuant to the Corporation's corporate governance principles;

(c) would, by serving on the Board of Directors, violate or cause the Corporation to be in violation of these Bylaws, the Certificate of Incorporation, the rules and listing standards of each principal U.S. exchange upon which the common stock of the Corporation is listed or any applicable law, rule or regulation; and

(d) is or has been subject to any event specified in Item 401(f) of Regulation S-K (or successor rule) of the SEC.

In the event that any information or communications provided by the Eligible Shareowner (or any Constituent Owner) or the Shareowner Nominee to the Corporation or its Shareowners ceases to be true and correct in all material respects or omits a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, each Eligible Shareowner or Shareowner Nominee, as the case may be, shall promptly notify the Secretary of the Corporation of any defect in such previously provided information and of the information that is required to correct any such defect; it being understood for the avoidance of doubt that providing any such notification will not be deemed to cure any such defect or limit the remedies (including without limitation under these Bylaws) available to the Corporation relating to any such defect.

(H) Any Shareowner Nominee who is included in the Corporation's proxy materials for a particular annual meeting of Shareowners but withdraws from or becomes ineligible or unavailable for election at that annual meeting (other than by reason of such Shareowner Nominee's disability or other health reason) shall be ineligible to be a Shareowner Nominee pursuant to this Section 1.16 for the next two annual meetings. Any Shareowner Nominee who is included in the Corporation's proxy statement for a particular annual meeting of shareowners, but subsequently is determined not to satisfy the eligibility requirements of this Section 1.16 or any other provision of these Bylaws, the Certificate of Incorporation or other applicable rules or regulation any time before the annual meeting of shareowners, shall not be eligible for election at the relevant annual meeting of shareowners.

(I) The Corporation will not be required to include, pursuant to this Section 1.16, any Shareowner Nominee in its proxy materials for any annual meeting of shareowners, and if the proxy statement already has been filed, any Shareowner Nominee will cease to be eligible for nomination as a Shareowner Nominee, notwithstanding that proxies in respect of such vote may have been received by the Corporation, if:

(1) such Shareowner Nominee is not independent (including with respect to any heightened independence requirements applicable to committee members) under the listing standards of each principal U.S. exchange upon which the common stock of the Corporation is listed, any applicable rules of the SEC and any publicly disclosed standards used by the Board of Directors in determining and disclosing independence of the Corporation's directors, in each case as determined by the Board of Directors;

(2) such Shareowner Nominee's service as a member of the Board of Directors would violate or cause the Corporation to be in violation of these Bylaws, the Certificate of Incorporation, the rules and listing standards of each principal U.S. exchange upon which the common stock of the Corporation is traded, or any applicable law, rule or regulation;

(3) such Shareowner Nominee is or has been, within the past three (3) years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, 15 U.S.C. §19;

(4) such Shareowner Nominee is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) or has been convicted in such a criminal proceeding within the past ten (10) years;

(5) such Shareowner Nominee is subject to any order of the type specified in Rule 506(d) of Regulation D promulgated under the Securities Act of 1933;

(6) the Eligible Shareowner (or any Constituent Owner) or applicable Shareowner Nominee otherwise breaches or fails to comply in any material respect with its obligations pursuant to this Section 1.16 or any agreement, representation or undertaking required by this Section;

(7) the Eligible Shareowner ceases to be an Eligible Shareowner for any reason, including, without limitation, not owning the Proxy Access Request Required Shares through the date of the applicable annual meeting; or

(8) the Secretary of the Corporation receives a notice that any Shareowner has nominated or intends to nominate a person for election to the Board of Directors at such annual meeting pursuant to Section 1.9 of these Bylaws.

For the purposes of this paragraph (I), clauses (1), (2), (3), (4), (5) and (8) and, to the extent related to a breach or failure by the Shareowner Nominee, clause (6) will result in the exclusion from the proxy materials pursuant to this Section 1.16 of the specific Shareowner Nominee to whom the ineligibility applies, or, if the proxy statement already has been filed, the ineligibility of such Shareowner Nominee to be nominated pursuant to this Section 1.16; provided, that clause (7) and, to the extent related to a breach or failure by an Eligible Shareowner (or any Constituent Owner), clause (6) will result in the Voting Stock owned by such Eligible Shareowner (or Constituent Owner) being excluded from the Proxy Access Request Required Shares (and, if as a result the Proxy Access Notice will no longer have been filed by an Eligible Shareowner, the exclusion from the proxy materials pursuant to this Section 1.16 of all of the applicable Shareowner's Shareowner Nominees from the applicable annual meeting of shareowners or, if the proxy statement has already been filed, the ineligibility of all of such shareowner's Shareowner Nominees to be nominated).

Notwithstanding anything to the contrary set forth herein, the Board of Directors or the chairman of the applicable annual meeting shall declare a nomination by an Eligible Shareowner to be invalid, and the nominated Shareowner Nominee shall cease to be eligible for nomination pursuant to this Section 1.16, notwithstanding that proxies in respect of such vote may have been received by the Corporation, if: (1) the Eligible Shareowner (or a qualified representative thereof) does not appear at the annual meeting to present any nomination pursuant to this Section 1.16; or (2) the Eligible Shareowner (or any Constituent Owner) becomes ineligible to nominate a director for inclusion in the Corporation's proxy materials pursuant to this Section 1.16 or withdraws its nomination or a Shareowner Nominee becomes unwilling, unavailable or ineligible to serve on the Board of Directors, whether before or after the Corporation's issuance of the definitive proxy statement.

## ARTICLE II

## BOARD OF DIRECTORS

SECTION 2.1. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authorities by these Bylaws expressly conferred upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by applicable law, rule or regulation or by the Certificate of Incorporation or by these Bylaws required to be exercised or done by the shareowners.

SECTION 2.2. Number. The number of directors shall not be less than five (5) nor more than fourteen (14). Subject to the rights of the owners of any series of Preferred Stock to elect directors, the number of directors, within those limits, shall be fixed from time to time exclusively pursuant to a resolution adopted by a majority of the Whole Board. No decrease in the number of authorized directors constituting the Whole Board shall shorten the term of any incumbent director.

SECTION 2.3. Election of Directors and Tenure. The directors shall be elected at the annual meetings of shareowners as specified in the Certificate of Incorporation to hold office until the annual meeting of shareowners held in the following fiscal year, and, except as otherwise provided in the Certificate of Incorporation and in these Bylaws, each director of the Corporation shall hold office until such director's successor is elected and qualified or until such director's earlier death, resignation or removal.

SECTION 2.4. Organizational and Stated Meetings. As promptly as practicable after each annual meeting of shareowners, and more frequently if the Board of Directors determines, the Board of Directors shall hold an organizational meeting for the purpose of organization and the transaction of other business. The Board of Directors may provide for stated meetings of the Board.

SECTION 2.5. Special Meetings. Special meetings of the Board of Directors may be called at the request of the Chairman of the Board of Directors, the Lead Independent Director (if applicable), the Chief Executive Officer or any four directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix the place, if any, date and time of the meetings.

SECTION 2.6. Notice of Meeting. No notice need be given of any organizational or stated meeting of the Board of Directors for which the Board of Directors has fixed the date, hour and place. Notice of the date, hour and place of all other organizational and stated meetings, and of all special meetings, shall be given to each director personally, by telephone, by mail or by electronic transmission. If given by mail, the notice shall be sent to the director at his or her residence or usual place of business as the same appears on the books of the Corporation not later than four (4) days before the meeting. If given by electronic transmission, the notice shall be sent to the director not later than at any time during the day before the meeting. If given personally or by telephone, the notice shall be given not later than at any time during the day before the meeting. Neither the business to be transacted at, nor the purpose of, any organizational and stated or special meeting of the Board of Directors need be specified in the notice of such meeting. A meeting may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in accordance with Section 6.3 of these Bylaws.

SECTION 2.7. Action by Consent of Board of Directors. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing, or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors, or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

SECTION 2.8. Conference Telephone Meetings. Members of the Board of Directors, or any committee thereof, may participate in a meeting of the Board of Directors or such committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

SECTION 2.9. Quorum. Subject to Section 2.10 of these Bylaws, a whole number of directors equal to at least a majority of the Whole Board shall constitute a quorum for the transaction of business, but if at any meeting of the Board of Directors there shall be less than a quorum present, a majority of the directors present may adjourn the meeting from time to time without further notice. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. The directors present at a

duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

SECTION 2.10. Vacancies. Subject to Section 2.13, any applicable law, rule or regulation and the rights of the owners of any series of Preferred Stock with respect to such series of Preferred Stock, and unless the Board of Directors otherwise determines, vacancies resulting from death, resignation, retirement or disqualification or other cause, and newly created directorships resulting from any increase in the authorized number of directors, may be filled only by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, or by a sole remaining director, and directors so chosen shall hold office for a term expiring at the next annual meeting of shareowners and until such director's successor shall have been duly elected and qualified. No decrease in the number of authorized directors constituting the Whole Board shall shorten the term of any incumbent director.

SECTION 2.11. Chairman of the Board of Directors; Lead Independent Director. The Chairman of the Board of Directors shall be annually elected from among the directors and may be the Chief Executive Officer, and the Board of Directors shall fill any vacancy in the position at such time and in such manner as the Board of Directors shall determine. The Chairman of the Board of Directors shall preside over all meetings of the Board of Directors and shareowners at which he or she is present, and shall have such other powers and duties as may from time to time be committed to him or her by the Board of Directors. The Board of Directors may designate the Chairman of the Board of Directors as an executive or non-executive Chairman. In addition, the Board of Directors may select a non-management director as the Corporation's "lead independent director" (the "Lead Independent Director").

SECTION 2.12. Committees. The Board of Directors may designate any committee as the Board of Directors considers appropriate, which shall consist of one or more directors of the Corporation. Any such committee may to the extent permitted by law exercise such powers and shall have such responsibilities as shall be specified in the designating resolution. Each committee shall keep written minutes of its proceedings and shall report such proceedings to the Board of Directors as appropriate.

Each committee of the Board of Directors may provide for stated meetings of such committee. Special meetings of each committee may be called by any two members of the committee (or, if there is only one member, by that member in concert with the Chairman of the Board of Directors, except if that member is the Chairman of the Board of Directors then by the Chairman of the Board of Directors) or by the Chairman of the Board of Directors, in consultation with the Chief Executive Officer and/or the Lead Independent Director (if applicable). Notice of such meetings shall be given to each member of the committee in the manner provided for in Section 2.6 of these Bylaws. The Board of Directors shall have power at any time to fill vacancies in, to designate alternate members of, to change the membership of, or to dissolve, any such committee. Nothing herein shall be deemed to prevent the Board of Directors from appointing one or more committees consisting in whole or in part of persons who are not directors of the Corporation; provided, that no such committee shall have or may exercise any authority of the Board of Directors.

A majority of the members of any committee of the Board of Directors shall constitute a quorum for the transaction of business at meetings of the committee, and the act of a majority of the members present at any meeting at which a quorum is present shall be the act of the committee.

So far as practicable, members of the committees of the Board of Directors and their alternates (if any) shall be appointed at each organizational meeting of the Board of Directors and, unless sooner discharged by an affirmative vote of the majority of the Whole Board, shall hold office until the next organizational meeting of the Board of Directors and until their respective successors are appointed. In the absence or disqualification of any member of a committee of the Board of Directors, the member or members (including alternates) present at any meeting of the committee and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another director to act at the meeting in place of any absent or disqualified member.

No committee of the Board of Directors shall take any action to amend the Corporation's Certificate of Incorporation or these Bylaws, adopt any agreement to merge or consolidate the Corporation, declare any dividend or recommend to the shareowners a sale, lease or exchange of all or substantially all of the assets and property of the Corporation, a dissolution of the Corporation or a revocation of a dissolution of the Corporation. No committee of the Board of Directors shall take any action which is required in these Bylaws, in the Corporation's Certificate of Incorporation or by applicable law, rule or regulation to be taken by a vote of a specified proportion of the Whole Board.

SECTION 2.13. Removal. Subject to the rights of the owners of any series of Preferred Stock with respect to such series of Preferred Stock, any director, or the entire Board of Directors, may be removed from office at any time by the shareowners, with or without cause, by the affirmative vote of the shareowners of a majority of the then-outstanding shares of Voting Stock, voting together as a single class, at a meeting of the shareowners called for such purpose, and the vacancy or vacancies on the Board of Directors caused by any such removal may be filled by the shareowners at any such meeting at which removal occurs or at any subsequent meeting; provided, that no director elected by a class vote of less than all the outstanding shares of the Corporation may, so long as the right to such a class vote continues in effect, be removed pursuant to this Section 2.13, except for cause and by the affirmative vote of the shareowners of a majority of the outstanding shares of such class at a meeting called for the purpose, and the vacancy in the Board of Directors caused by the removal of any such director may, so long as the right to such class vote continues in effect, be filled by the shareowners of the outstanding shares of such class at such meeting or at any subsequent meeting.

SECTION 2.14. Compensation of Directors. Each director of the Corporation who is not a salaried officer or employee of the Corporation, or of a subsidiary of the Corporation, may receive compensation for serving as a director and for serving as a member of any committee of the Board of Directors, and may also receive fees for attendance at any meetings of the Board of Directors or any committee of the Board of Directors, and the Board of Directors may from time to time fix the amount and method of payment of such compensation and fees. The Board of Directors may also, by vote of a majority of disinterested directors, provide for and pay fair compensation to directors rendering services to the Corporation not ordinarily rendered by directors as such.

## ARTICLE III

## OFFICERS

SECTION 3.1. Elected Officers. The elected officers of the Corporation shall be a Chief Executive Officer, President, one or more Vice Presidents, including a Chief Financial Officer and a Chief Legal Officer, a Controller, a Treasurer, a Secretary and such other officers or assistant officers as the Board of Directors from time to time may deem proper. Any number of offices may be held by the same person. All officers and assistant officers elected by the Board of Directors shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article III. Such officers and assistant officers shall also have such powers and duties as from time to time may be conferred by the Board of Directors or by any committee thereof. The Board of Directors or any committee thereof may from time to time elect such other officers and assistant officers (including one or more Assistant Vice Presidents, Assistant Secretaries, Assistant Treasurers and Assistant Controllers) and such agents, as may be necessary or desirable for the conduct of the business of the Corporation. Assistant officers and agents also may be appointed by the Chief Executive Officer. Such other officers, assistant officers and agents shall have such duties and shall hold their offices for such terms as shall be provided in these Bylaws or as may be prescribed by the Board of Directors or such committee or by the Chief Executive Officer, as the case may be.

SECTION 3.2. Election and Term of Office. The elected officers of the Corporation shall be elected by the Board of Directors. Each officer shall hold office until such officer's successor shall have been duly elected and shall have qualified or until such officer's earlier death, resignation or removal.

SECTION 3.3. Chief Executive Officer. Under the general supervision of the Board of Directors, the Chief Executive Officer shall be responsible for the general management of the affairs of the Corporation and shall perform all duties incident to the office which may be required by applicable law, rule or regulation and all such other duties as are properly required of the Chief Executive Officer by the Board of Directors, and, except to the extent otherwise provided in these Bylaws or by the Board of Directors, shall have general authority to execute any and all documents in the name of the Corporation and general and active supervision and control of all of the business and affairs of the Corporation. The Chief Executive Officer of the Corporation may also serve as President, if so elected by the Board of Directors. In the absence of the Chief Executive Officer, his or her duties shall be performed and his or her powers may be exercised by such other officer as shall be designated either by the Chief Executive Officer in writing or (failing such designation) by the Board of Directors.

SECTION 3.4. Duties of Other Officers. The other officers of the Corporation shall have such powers and duties not inconsistent with these Bylaws as may from time to time be conferred upon them in or pursuant to resolutions of the Board of Directors, and shall have such additional powers and duties not inconsistent with such resolutions as may from time to time be assigned to them by any competent superior officer. The Board of Directors shall assign to one or more of the officers of the Corporation the duty to record the proceedings of the meetings of the shareowners and the Board of Directors in a book to be kept for that purpose.

SECTION 3.5. Compensation of Officers. The compensation of the officers of the Corporation shall be fixed by or under the direction of the Board of Directors.

SECTION 3.6. Removal. Elected officers may be removed at any time, either for or without cause, by the affirmative vote of a majority of the Whole Board at a meeting called for that purpose.

SECTION 3.7. Term of Office and Vacancies. So far as practicable, the elected officers shall be elected at each organizational meeting of the Board of Directors, and shall hold office until the next organizational meeting of the Board of Directors and until their respective successors are elected and qualified. If a vacancy shall occur in any elected office, the Board of Directors may elect a successor for the remainder of the term. Appointed officers shall hold office at the pleasure of the Board of Directors or of the officer or officers authorized by the Board of Directors to make such appointments.

## ARTICLE IV

## STOCK AND TRANSFERS

SECTION 4.1. Stock; Transfers. Unless otherwise determined by the Board of Directors, the interest of each shareowner will be uncertificated.

The shares of the stock of the Corporation shall be transferred on the books of the Corporation, in the case of certificated shares of stock, if any, by the owner thereof in person or by such person's attorney duly authorized in writing, upon surrender for cancellation of certificates for at least the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require; and, in the case of uncertificated shares of stock, upon receipt of proper transfer instructions from the registered owner of the shares or by such person's attorney duly authorized in writing, and upon compliance with appropriate procedures for transferring shares in uncertificated form. No transfer of stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing from and to whom transferred.

The certificates of stock, if any, shall be signed, countersigned and registered in such manner as the Board of Directors may by resolution prescribe, which resolution may permit all or any of the signatures on such certificates to be in facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue.

Notwithstanding anything to the contrary in these Bylaws, at all times that the Corporation's stock is listed on a stock exchange, the shares of the stock of the Corporation shall comply with all direct registration system eligibility requirements established by such exchange, including any requirement that shares of the Corporation's stock be eligible for issue in book-entry form. All issuances and transfers of shares of the Corporation's stock shall be entered on the books of the Corporation with all information necessary to comply with such direct registration system eligibility requirements, including the name and address of the person to whom the shares of stock are issued, the number of shares of stock issued and the date of issue. The Board of Directors shall have the power and authority to make such rules and regulations as it may deem necessary or proper concerning the issue, transfer and registration of shares of stock of the Corporation in both the certificated (if any) and uncertificated form.

SECTION 4.2. Lost, Stolen or Destroyed Certificates. As applicable, no certificate for shares of stock in the Corporation shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of such evidence of such loss, destruction or theft and on delivery to the Corporation of a bond of indemnity in such amount, upon such terms and secured by such surety, as the Board of Directors or any financial officer may in its or such person's discretion require.

SECTION 4.3. Record Owners. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether it shall have express or other notice thereof, except as otherwise required by applicable law, rule or regulation.

SECTION 4.4. Transfer and Registry Agents. The Corporation may from time to time maintain one or more transfer offices or agencies and registry offices or agencies at such place or places as may be determined from time to time by the Board of Directors or by the Chief Executive Officer or the President.

## ARTICLE V

## INDEMNIFICATION

SECTION 5.1. Indemnification. The Corporation shall indemnify and hold harmless, in accordance with and to the full extent permitted by the laws of the State of Delaware as in effect at the time of the adoption of this Article V or as such laws may be amended from time to time (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), any person (and the heirs and legal representatives of any such person) made or threatened to be made a party to (or, in the case of directors and officers, otherwise involved in), any threatened, pending, or completed action, suit, arbitration, alternative dispute resolution procedure, legislative hearing or inquiry or proceeding, whether civil, criminal, administrative, or investigative (a "proceeding"), by reason of the fact that such person is or was a director, officer or employee of the Corporation, of any constituent corporation absorbed in a consolidation or merger or of a Subsidiary of the Corporation, or serves or served as such or in a fiduciary capacity with another enterprise at the request of the Corporation, any such constituent corporation or a Subsidiary, whether the basis of such proceeding is an alleged action in an official capacity as a director, officer or employee or in any other capacity while serving as a director, officer or employee, against all expenses, liabilities and losses (including, without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by any such person in connection with such proceeding.

SECTION 5.2. Advance of Expenses. In furtherance of the foregoing indemnification provisions and not in limitation thereof, the Corporation shall pay or reimburse all expenses (including attorneys' fees) reasonably incurred by any person who is or was a director or officer of the Corporation, any such constituent corporation or any Subsidiary and any such person who serves or served as such or in a fiduciary capacity at the request of one of the foregoing entities with another enterprise in advance of the final disposition of any such proceeding, promptly upon receipt by the Corporation of an undertaking of such person to repay such expenses if it shall ultimately be determined by final judicial decision from which there is no further right of appeal that such person is not entitled to be indemnified by the Corporation. Subject to the approval of either: (A) the Chief Executive Officer; or (B) the Chief Legal Officer and the Chief Financial Officer acting together and upon such terms and conditions as the approving officer or officers deem appropriate, the Corporation may provide independent legal counsel or pay or reimburse the expenses (including attorneys' fees) reasonably incurred by any person who is or was an employee of the Corporation, any constituent corporation or any Subsidiary and any such person who serves or served as such or in a fiduciary capacity at the request of one of the foregoing entities with another enterprise in advance of the final disposition of any such proceeding, promptly upon receipt by the Corporation of an undertaking of such person to repay such expenses if it shall ultimately be determined by final judicial decision from which there is no further right of appeal that such person is not entitled to be indemnified by the Corporation.

SECTION 5.3. Scope of Rights. The rights provided by this Article V to any person who serves or served as a director, officer or employee of the Corporation, a constituent corporation or a Subsidiary or as such or in a fiduciary capacity with another enterprise at the request of one of the foregoing entities shall be rights of contract enforceable against the Corporation by such person, who shall be presumed to have relied upon such rights in determining to serve or continuing to serve in such capacity, and shall vest at the time such person begins serving in such capacity. In addition, the rights provided to any such person by this Article V shall survive the termination of such person's service in any such capacity. Such rights shall continue as long as such person shall be subject to any possible proceeding. No amendment of this Article V shall impair the rights of any such person arising at any time with respect to events occurring prior to such amendment.

SECTION 5.4. Board Consent for Indemnification. Notwithstanding anything contained in this Article V, except for proceedings to enforce rights provided in this Article V, the Corporation shall not be obligated under this Article V to provide any indemnification or any payment or reimbursement of expenses to any director, officer, employee or other person in connection with a proceeding (or part thereof) initiated by such person (which shall not include counterclaims or cross-claims initiated by others) unless the Board of Directors has authorized or consented to such proceeding (or part thereof) in a resolution adopted by the Board of Directors.

SECTION 5.5. Certain Definitions. For purposes of this Article V, the term "Subsidiary" shall mean any corporation, partnership, limited liability company or other entity in which the Corporation owns, directly or indirectly, a majority of the economic or voting ownership interest or voting power to elect a majority of the directors of such entity; the term "ERISA" shall mean the Employee Retirement Income Security Act of 1974 (or any

successor legislation thereto), as amended and all of the rules and regulations promulgated thereunder; the term "other enterprise" shall include any corporation, partnership, limited liability company, joint venture, trust, association or other unincorporated organization or other entity and any employee benefit plan; service "at the request of the Corporation" shall include service as a director, officer, employee or fiduciary of the Corporation, a constituent corporation or a Subsidiary which imposes duties on, or involves services by, such person with respect to an employee benefit plan, its participants or beneficiaries; any excise taxes assessed on a person with respect to an employee benefit plan shall be deemed to be indemnifiable expenses; and action by a person with respect to an employee benefit plan which such person reasonably believes to be in the interest of the participants and beneficiaries of such plan shall be deemed to be action not opposed to the best interests of the Corporation.

SECTION 5.6. Non-Exclusivity of Rights. Nothing in this Article V shall limit the power of the Corporation or the Board of Directors to provide rights of indemnification and to make payment and reimbursement of expenses, including attorneys' fees, to directors, officers, employees, agents, fiduciaries and other persons otherwise than pursuant to this Article V. The rights to indemnification and to receive payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article V shall not be exclusive of any other rights which any person may have or hereafter acquire under any applicable law, rule or regulation, provision of the Certificate of Incorporation, these Bylaws, agreement or otherwise.

SECTION 5.7. Severability. If any provision or provisions of this Article V shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (A) the validity, legality and enforceability of the remaining provisions of this Article V (including, without limitation, each portion of any Section of this Article V containing any such provision held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (B) to the fullest extent possible, the provisions of this Article V (including, without limitation, each such portion of any Section of this Article V containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

SECTION 5.8. Extension of Rights. Subject to the approval of either: (A) the Chief Executive Officer: or (B) the Chief Legal Officer and the Chief Financial Officer acting together and upon such terms and conditions as the approving officer or officers deem appropriate, the Corporation may provide to any person who is or was an agent or fiduciary of the Corporation, a constituent corporation, a Subsidiary or an employee benefit plan of one of such entities rights of indemnification and to receive payment or reimbursement of expenses (including in advance of the final disposition of any proceeding), including attorneys' fees, to the fullest extent of the provisions of this Article V with respect to the indemnification of and payment or reimbursement of expenses of directors and officers of the Corporation, constituent corporations, Subsidiaries or other enterprises. Any such rights, if provided, shall have the same force and effect as they would have if they were conferred in this Article V.

SECTION 5.9. Insurance. Subject to the approval of either the Chief Financial Officer or the Treasurer, the Corporation may purchase and maintain insurance in such amounts as the Board of Directors deems appropriate to protect each of itself and any person who is or was a director, officer, employee, agent or fiduciary of the Corporation, a constituent corporation, or a Subsidiary or is or was serving at the request of one of such entities as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation shall have the power to indemnify such person against such liability under the provisions of this Article V and the laws of the State of Delaware. To the extent that the Corporation maintains any policy or policies providing such insurance, each such current or former director, officer or employee, and each such agent or fiduciary to which rights of indemnification have been provided pursuant to Section 5.8, shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage thereunder for any such current or former director, officer, employee, agent or fiduciary.

## ARTICLE VI

## MISCELLANEOUS PROVISIONS

SECTION 6.1. Fiscal Year. The fiscal year of the Corporation shall end on the thirty first (31st) day of December; provided, that the Board of Directors shall have the power, from time to time, to fix a different fiscal year of the Corporation by a duly adopted resolution.

SECTION 6.2. Seal. The corporate seal, if the Corporation shall have a corporate seal, shall have inscribed thereon the words "Corporate Seal, Delaware," the name of the Corporation and the year of its organization. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

SECTION 6.3. Waiver of Notice. Whenever any notice is required to be given to any shareowner or director of the Corporation under the provisions of the DGCL, the Certificate of Incorporation or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the shareowners or the Board of Directors or committee thereof need be specified in any waiver of notice of such meeting. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 6.4. Resignations. Any director or any officer, whether elected or appointed, may resign at any time by giving written notice of such resignation to the Chairman of the Board of Directors, the Chief Executive Officer, or the Secretary, and such resignation shall be deemed to be effective as of the close of business on the date said notice is received by the Chairman of the Board of Directors, the Chief Executive Officer, or the Secretary, or at such later time as is specified therein. Except to the extent specified in such notice, no formal action shall be required of the Board of Directors or the shareowners to make any such resignation effective.

SECTION 6.5. Independent Accountants. At each annual meeting, the shareowners shall ratify an independent public accountant or firm of independent public accountants to act as the Independent Accountants of the Corporation until the next annual meeting. Among other duties, it shall be the duty of the Independent Accountants so appointed to make periodic audits of the books and accounts of the Corporation. As soon as reasonably practicable after the close of the fiscal year, the shareowners shall be furnished with consolidated financial statements of the Corporation and its consolidated subsidiaries, as at the end of such fiscal year, duly certified by such Independent Accountants, subject to such notes or comments as the Independent Accountants shall deem necessary or desirable for the information of the shareowners. In case the shareowners shall at any time fail to appoint Independent Accountants or in case the Independent Accountants appointed by the shareowners shall decline to act or shall resign or otherwise become incapable of acting, the Board of Directors shall appoint Independent Accountants to discharge the duties provided for herein. Any Independent Accountants appointed pursuant to any of the provisions hereof shall be directly responsible to the shareowners, and the fees and expenses of any such Independent Accountants shall be paid by the Corporation.

SECTION 6.6. Forum and Venue. Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for: (A) any derivative action or proceeding brought on behalf of the Corporation; (B) any action asserting a claim for or based on a breach of a fiduciary duty owed by any current or former director or officer or other employee of the Corporation to the Corporation or to the Corporation's shareowners, including any claim alleging aiding and abetting of such a breach of fiduciary duty; (C) any action asserting a claim against the Corporation or any current or former director or officer or other employee of the Corporation arising pursuant to any provision of the DGCL or the Certificate of Incorporation or these Bylaws (as either may be amended from time to time); (D) any action asserting a claim related to or involving the Corporation that is governed by the internal affairs doctrine; or (E) any action asserting an "internal corporate claim" as that term is defined in Section 115 of the DGCL, shall be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware).

## ARTICLE VII

## CONTRACTS, PROXIES, ETC.

SECTION 7.1. Contracts. Except as otherwise required by applicable law, rule or regulation the Certificate of Incorporation or these Bylaws, any contracts or other instruments may be executed and delivered in the name and on behalf of the Corporation by such officer or officers of the Corporation as the Board of Directors may from time to time direct. Such authority may be general or confined to specific instances as the Board of Directors may determine. The Chairman of the Board of Directors, the Chief Executive Officer, the President, any Vice President, the Secretary, the Treasurer, the Chief Legal Officer, the Controller and any other officer of the Corporation elected by the Board of Directors may sign, acknowledge, verify, make, execute and/or deliver on behalf of the Corporation any agreement, application, bond, certificate, consent, guarantee, mortgage, power of attorney, receipt, release, waiver, contract, deed, lease and any other instrument, or any assignment or endorsement thereof. Subject to any restrictions imposed by the Board of Directors or the Chairman of the Board of Directors, the Chief Executive Officer, the President, any Vice President, the Secretary, the Treasurer, the Chief Legal Officer, the Controller or any other officer of the Corporation elected by the Board of Directors may delegate contractual powers to others under his or her jurisdiction, it being understood, however, that any such delegation of power shall not relieve such officer of responsibility with respect to the exercise of such delegated power.

SECTION 7.2. Proxies. Unless otherwise provided by resolution adopted by the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer, the President or any officer of the Corporation elected by the Board of Directors may from time to time appoint an attorney or attorneys or agent or agents of the Corporation, in the name and on behalf of the Corporation, to cast the votes which the Corporation may be entitled to cast as the owner of stock or other securities in any other entity, any of whose stock or other securities may be held by the Corporation, at meetings of the owners of the stock or other securities of such other entity, or to consent in writing, in the name of the Corporation as such owner, to any action by such other entity, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal or otherwise, all such written proxies or other instruments as he or she may deem necessary or proper in the premises.

## ARTICLE VIII

## AMENDMENTS

SECTION 8.1. By the Shareowners. Subject to the provisions of the Certificate of Incorporation, these Bylaws may be altered, amended or repealed, or new Bylaws enacted, at any special meeting of the Shareowners if duly called for that purpose (provided that in the notice of such special meeting, notice of such purpose shall be given), or at any annual meeting, by the affirmative vote of the owners of a majority of the Voting Stock.

SECTION 8.2. By the Board of Directors. Subject to the laws of the State of Delaware, the Certificate of Incorporation and these Bylaws, these Bylaws may also be altered, amended or repealed, or new Bylaws enacted, by the Board of Directors.

## ARTICLE IX

## EMERGENCY BYLAWS

SECTION 9.1. Emergency Bylaws.

(A) In the event of an emergency, disaster, catastrophe, or other similar condition (including, but not limited to, as referred to in Section 110 of the DGCL), as a result of which a quorum of the Board of Directors cannot readily be convened for action, the provisions of this Article IX shall apply notwithstanding anything to the contrary in these Bylaws.

(B) Whenever, during such emergency, disaster, catastrophe, or condition, and as a result thereof, a quorum of the Board of Directors or a standing or special committee thereof cannot readily be convened for action, a meeting of such Board of Directors or committee thereof may be called by any director or officer of the Corporation by a notice of the time and place given only to such of the directors as it may be feasible to reach at the time and by such means as may be feasible at the time, including publications or radio. Three (3) directors in attendance at the meeting shall constitute a quorum; provided, however, that if the available directors are less than three (3) in number, then the quorum shall consist of the available director or directors and either one or two of the three most senior officers of the Corporation who are available to serve. Such seniority shall be determined by the officers who have at that time the longest period of employment continuous to such date uninterrupted in the office or offices of the Corporation (in the following order) of: (1) President; (2) Senior Vice President; and (3) Vice President.

(C) To the extent not inconsistent with this Article IX, all other Articles of these Bylaws shall remain in effect during any emergency, disaster, catastrophe, or condition described in this Article IX and, upon termination of such emergency, disaster, catastrophe, or condition, the provisions of this Article IX shall cease to be operative; for avoidance of doubt, the commencement and termination of any such emergency, disaster, catastrophe, or condition shall be determined exclusively by the Board of Directors in its sole discretion.

**Exhibit 4.6**

**DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

As of the date of the Annual Report on Form 10-K of which this exhibit is a part, Carrier Global Corporation (the "Company," "Carrier," "we," "us," and "our") has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), our common stock, par value $0.01 per share.

**Common Stock**

*The following briefly summarizes certain terms of Carrier's common stock. This summary does not describe every aspect of our common stock and is subject, and is qualified in its entirety by reference, to all the provisions of our amended and restated certificate of incorporation and our amended and restated bylaws.*

Carrier's common stock is listed on the New York Stock Exchange under the symbol "CARR."

Holders of common stock are entitled to one vote for each share held on all matters submitted to a vote of shareowners.

Holders of common stock are entitled to share equally in the dividends, if any, that may be declared by Carrier's board of directors out of funds that are legally available to pay dividends, but only after payment of any dividends required to be paid on outstanding preferred stock. Upon any voluntary or involuntary liquidation, dissolution or winding up of Carrier, the holders of common stock will be entitled to share ratably in all assets of Carrier remaining after we pay:

- all of our debts and other liabilities and
- any amounts we may owe to the holders of our preferred stock.

Holders of common stock do not have any preemptive, subscription, redemption or conversion rights. The rights, preferences and privileges of holders of common stock are subject to the rights of the holders of any series of preferred stock that we may designate and issue.

Delaware law and our amended and restated bylaws permit us to issue uncertificated shares of common stock.

The rights, preferences and privileges of common shareowners may be affected by the rights, preferences and privileges granted to holders of preferred stock. The Carrier board of directors has the authority, without further action by the shareowners, to issue shares of preferred stock in one or more series, and to fix the rights, preferences and privileges (including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences) of each series, which may be greater than the rights of the common stock. It is not possible to state the actual effect of the issuance of any additional series of preferred stock upon the rights of

common shareowners until the board of directors determines the specific rights of the holders of that series. However, the effects might include, among other things (1) restricting dividends on the common stock, (2) diluting the voting power of the common stock, (3) impairing the liquidation rights of the common stock or (4) delaying or preventing a change in control of Carrier without further action by the shareowners.

At each annual meeting of shareowners, members of Carrier's board of directors are elected for terms of one year. Carrier's amended and restated bylaws provide that the board of directors may, from time to time, designate the number of directors; however, the number may not be less than five nor more than 14. Vacancies on the board (except in an instance where a director is removed by holders of common stock and the resulting vacancy is filled by holders of common stock) may be filled by a vote of the majority of the directors then in office, even if less than a quorum.

Carrier's amended and restated bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election of directors, other than nominations made by or at the direction of Carrier's board of directors. Eligible shareowners will be permitted to include their own director nominees in Carrier's proxy materials under the circumstances set forth in the amended and restated bylaws. Generally, a stockholder or a group of up to 20 shareowners, who has maintained continuous qualifying ownership of at least 3% of Carrier's outstanding common stock for at least three years, will be permitted to include director nominees constituting up to 20% of the board of directors in the proxy materials for an annual meeting of shareowners if such stockholder or group of shareowners complies with the other requirements set forth in the proxy access provision.

Carrier's amended and restated bylaws include an exclusive forum provision. This provision provides that, unless Carrier consents in writing to the selection of an alternative forum, the sole and exclusive forum for various types of suits will be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware). Such suits include (1) any derivative action or proceeding brought on behalf of Carrier, (2) any action asserting a claim of breach of a fiduciary duty owed by any current or former director or officer or other employee of Carrier to the company or to Carrier's shareowners, (3) any action asserting a claim against Carrier or any current or former director or officer or other employee of Carrier arising pursuant to any provision of the Delaware General Corporation Law (the "DGCL") or Carrier's amended and restated certificate of incorporation or amended and restated bylaws (as either may be amended from time to time), (4) any action asserting a claim against Carrier or any director or officer or other employee of Carrier governed by the internal affairs doctrine or (5) any action asserting an "internal corporate claim" as that term is defined in Section 115 of the DGCL. Under Carrier's amended and restated bylaws, to the fullest extent permitted by law, this exclusive forum provision applies to state and federal law claims, including claims under the federal securities laws, including the Exchange Act, although Carrier shareowners will not be deemed to have waived Carrier's compliance with the federal securities laws and the rules and regulations thereunder. The enforceability of exclusive forum provisions in other companies' organizational documents has been challenged in legal proceedings, and it is possible that, in connection with

claims subject to exclusive federal jurisdiction, a court could find the exclusive forum provision contained in Carrier's amended and restated bylaws to be inapplicable or unenforceable.

Carrier's amended and restated certificate of incorporation and amended and restated bylaws provide that any action permitted to be taken at an annual or special meeting of shareowners may be effected by the written consent of shareowners if shareowners representing 25% of the outstanding voting power of Carrier capital stock have requested a record date for such action and certain other conditions are satisfied in accordance with Carrier's amended and restated certificate of incorporation and amended and restated bylaws.

Carrier's amended and restated certificate of incorporation and amended and restated bylaws provide that special meetings of shareowners may be called only by the board of directors, the chairman of the board of directors, or the Chief Executive Officer. The Secretary may also call a special meeting of shareowners in response to a written request of a stockholder or a group of shareowners who own at least 15% of Carrier's outstanding common stock, subject to the provisions and conditions set forth in Carrier's amended and restated certificate of incorporation and amended and restated bylaws.

Under Delaware law, the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or bylaws, unless a corporation's certificate of incorporation or bylaws, as the case may be, requires a greater percentage.

Certain of the provisions of Carrier's amended and restated certificate of incorporation and amended and restated bylaws discussed above and below could discourage a proxy contest or the acquisition of control of a substantial block of our stock. These provisions could also have the effect of discouraging a third party from making a tender offer or otherwise attempting to obtain control of Carrier, even though an attempt to obtain control of Carrier might be beneficial to Carrier and its shareowners.

Carrier's amended and restated certificate of incorporation includes provisions eliminating the personal liability of our directors for monetary damages resulting from breaches of their fiduciary duty to the extent permitted by Delaware law. The amended and restated bylaws include provisions indemnifying our directors and officers to the fullest extent permitted by Delaware law, including under circumstances in which indemnification is otherwise discretionary. The amended and restated bylaws additionally include provisions permitting the Chief Executive Officer or the Chief Legal Officer and the Chief Financial Officer acting together to reimburse the expenses of our current and former employees, agents and fiduciaries in advance of the final disposition of any such proceeding.

Section 203 of the DGCL, under certain circumstances, may make it more difficult for a person who is an "Interested Stockholder," as defined in Section 203, to effect various business combinations with a corporation for a three-year period. Under Delaware law, a corporation's certificate of incorporation or bylaws may exclude a corporation from the restrictions imposed by

Section 203. However, Carrier’s amended and restated certificate of incorporation and amended and restated bylaws do not exclude us from these restrictions, and these restrictions apply to us.

EXECUTION VERSION

AMENDMENT NO. 2 dated as of November 15, 2021 (this "Agreement"), to the Revolving Credit Agreement dated as of February 10, 2020 (the "Existing Revolving Credit Agreement"), among CARRIER GLOBAL CORPORATION, a Delaware corporation (the "Company"), the SUBSIDIARY BORROWERS party thereto, the LENDERS party thereto and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

WHEREAS, a Benchmark Transition Event, as defined in the Existing Revolving Credit Agreement, has occurred, and, in accordance with Section 2.17(b) of the Existing Revolving Credit Agreement, the Administrative Agent and the Company desire, subject to the terms and conditions set forth below, to amend the Existing Revolving Credit Agreement on the terms set forth herein (the Existing Revolving Credit Agreement, as so amended, is referred to as the "Amended Revolving Credit Agreement").

WHEREAS, in accordance with Section 2.17(b) of the Existing Revolving Credit Agreement, this Agreement as it relates to a Benchmark Transition Event will become effective so long as the Administrative Agent has not received, by 5:00 p.m., New York City time, on the fifth Business Day after November 2, 2021 (the date the Administrative Agent has posted a copy of this Agreement to all Lenders and the Company), written notice of objection to this Agreement from Lenders comprising the Required Lenders.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Defined Terms. Capitalized terms used and not otherwise defined herein (including in the preliminary statements hereto) have the meanings assigned to them in the Amended Revolving Credit Agreement.

SECTION 2. Amendments to the Existing Revolving Credit Agreement. Effective as of the Amendment No. 2 Effective Date (as defined below):

(a) The Existing Revolving Credit Agreement is hereby amended by inserting the language indicated in single or double underlined text (indicated textually in the same manner as the following examples: single-underlined text or double-underlined text) in Exhibit A hereto and by deleting the language indicated by strikethrough text (indicated textually in the same manner as the following example: ~~stricken text~~) in Exhibit A hereto.

(b) Exhibit B to the Existing Revolving Credit Agreement is hereby amended and restated in its entirety to be in the form of Exhibit B attached hereto.

(c) Exhibit E to the Existing Revolving Credit Agreement is hereby amended and restated in its entirety to be in the form of Exhibit C attached hereto.

SECTION 3. Representations and Warranties. The Company represents and warrants to the other parties hereto that:

(a) This Agreement has been duly authorized, executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(b) On and as of the Amendment No. 2 Effective Date, (i) the representations and warranties of the Company set forth in Section 4.01 of the Existing Revolving Credit Agreement (other than Sections 4.01(e)(ii) and 4.01(f) thereof) are true and correct (x) in the case of the representations and warranties qualified by materiality or Material Adverse Effect in the text thereof, in all respects and (y) in the case of the representations and warranties other than those referenced in the foregoing clause (x), in all material respects and (ii) no Default or Event of Default has occurred and is continuing.

SECTION 4. Effectiveness of this Agreement. This Agreement and the amendment of the Existing Revolving Credit Agreement as set forth in Section 2 hereof shall become effective as of the first date (the "Amendment No. 2 Effective Date") on which each of the following conditions shall have been satisfied or waived:

(a) The Administrative Agent shall have executed a counterpart of this Agreement and shall have received from the Company either (i) a counterpart of this Agreement signed on behalf of the Company or (ii) written evidence satisfactory to the Administrative Agent (which may include email transmission of a signed signature page of this Agreement) that the Company has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have posted a copy of this Agreement to each of the Lenders and the Company, and the Administrative Agent shall not have received, by 5:00 p.m., New York City time, on the fifth Business Day after November 2, 2021 (the date the Administrative Agent has posted this Agreement to all Lenders and the Company), written notice of objection to this Agreement from Lenders comprising the Required Lenders.

(c) The Administrative Agent shall have received reimbursement of all reasonable out-of-pocket expenses incurred by it in connection with this Agreement that are required to be reimbursed or paid by the Company under the Existing Revolving Credit Agreement, to the extent invoiced not less than one Business Day before the Amendment No. 2 Effective Date.

The Administrative Agent shall promptly notify, in writing, the Company and the Lenders of the Amendment No. 2 Effective Date, and such notice shall be conclusive and binding.

SECTION 5. Effect of Amendment; No Novation. (a) Except as expressly set forth herein, this Agreement shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Administrative Agent or the Lenders under the Existing Revolving Credit Agreement or any other Loan Document and shall not alter,

modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Existing Revolving Credit Agreement or any other Loan Document, all of which shall continue in full force and effect in accordance with the provisions thereof. Nothing herein shall be deemed to entitle any of the Company or the Subsidiary Borrowers on any other occasion to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Amended Revolving Credit Agreement or any other Loan Document in similar or different circumstances. This Agreement constitutes a Loan Document for all purposes of the Amended Revolving Credit Agreement and the other Loan Documents.

(b) On and after the Amendment No. 2 Effective Date, each reference in the Existing Revolving Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import, as used in the Existing Revolving Credit Agreement, shall refer to the Amended Revolving Credit Agreement, and each reference in any other Loan Document to "the Credit Agreement" or words of like import shall refer to the Amended Revolving Credit Agreement.

SECTION 6. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 7. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 8. Incorporation by Reference. Sections 8.09(a), 8.10(b), 8.11, 8.12, 8.14 and 8.16 of the Existing Revolving Credit Agreement are hereby incorporated by reference herein, *mutatis mutandis*.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective authorized officers as of the day and year first above written.

CARRIER GLOBAL CORPORATION
By /s/Meena Dafesh
Name: Meena Dafesh
Title: Vice President, Treasurer

JPMORGAN CHASE BANK, N.A., as the Administrative Agent
By /s/Jonathan Bennett
Name: Jonathan Bennett
Title: Executive Director

EXHIBIT A

Amended Revolving Credit Agreement

[Attached]

EXHIBIT A

# REVOLVING CREDIT AGREEMENT

dated as of February 10, 2020,

among

CARRIER GLOBAL CORPORATION,

the SUBSIDIARY BORROWERS party hereto,

the LENDERS party hereto

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

JPMORGAN CHASE BANK, N.A.,
BOFA SECURITIES, INC.,
CITIBANK, N.A.
and
HSBC SECURITIES (USA) INC.,
as Joint Lead Arrangers and Joint Bookrunners

BANK OF AMERICA, N.A.,
CITIBANK, N.A.
and
HSBC BANK USA, NATIONAL ASSOCIATION,
as Syndication Agents

GOLDMAN SACHS BANK USA
and
MORGAN STANLEY BANK, N.A.,
as Documentation Agents

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SCHEDULES



EXHIBITS

REVOLVING CREDIT AGREEMENT dated as of February 10, 2020, among CARRIER GLOBAL CORPORATION, a Delaware corporation, CARRIER INTERCOMPANY LENDING DESIGNATED ACTIVITY COMPANY, a designated activity company organized under the laws of Ireland, each other SUBSIDIARY BORROWER party hereto, the LENDERS party hereto and JPMORGAN CHASE BANK, N.A., as administrative agent.

The Company (such term and each other capitalized term used and not otherwise defined herein having the meaning assigned to it in Article I) has requested the Lenders to extend Commitments in the amount of US$2,000,000,000, as such amount may be increased as set forth herein, under which the Borrowers may obtain Loans in US Dollars or in Alternative Currencies. The Lenders are willing to extend such credit to the Borrowers on the terms and subject to the conditions set forth herein.

Accordingly, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. Defined Terms As used in this Agreement, the following terms shall have the following meanings:

"2020 Term Credit Agreement" means the Term Loan Credit Agreement dated as of February 10, 2020, among UTC (prior to the UTC Release Date, as defined therein), the Company, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent, as amended, extended, restated or otherwise modified from time to time, or as refinanced or replaced with any other credit agreement.

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

**"Adjusted Daily Simple SONIA" means, with respect to any Borrowing denominated in Sterling, an interest rate per annum equal to (a) the Daily Simple SONIA plus (b) 0.0326%.**

"Adjusted LIBO Rate" means, with respect to any LIBOR Borrowing ~~denominated in US Dollars~~ for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to (a) the LIBO Rate ~~for US Dollars~~ for such Interest Period multiplied by (b) the Statutory Reserve Rate.

"Administrative Agent" means JPMorgan Chase Bank, N.A., in its capacity as administrative agent hereunder, and its successors in such capacity as provided in Article VII. Unless the context otherwise requires, the term "Administrative Agent" shall include any Affiliate of JPMorgan Chase Bank, N.A. through which it shall perform any of its obligations in such capacity hereunder.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affected Tranche" has the meaning assigned to that term in Section 8.01(b)(iii).

"Affiliate" means, with respect to any Person, another Person that directly or indirectly, through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agent" means any of the Administrative Agent, the Syndication Agents or the Documentation Agents.

"Agent Parties" has the meaning assigned to that term in Section 8.02(c).

"Aggregate Commitment" means, at any time, the sum of the Commitments of all the Lenders at such time.

"Aggregate Revolving Credit Exposure" means, at any time, the sum of the US Dollar Equivalents of the principal amounts of the Loans outstanding at such time.

"Agreement" means this Revolving Credit Agreement, as amended, supplemented or otherwise modified from time to time, including by any Incremental Facility Agreement, any Subsidiary Borrower Agreement or any Ineligible Subsidiary Designation Notice.

"Agreement Currency" has the meaning assigned to that term in Section 8.17(b).

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% and (c) the Adjusted LIBO Rate on such day (or, if such day is not a Business Day, the immediately preceding Business Day) for a deposit in US Dollars with a maturity of one month plus 1%. For purposes of clause (c) above, the Adjusted LIBO Rate on any day shall be based on the Screen Rate at approximately 11:00 a.m., London time, on such day for deposits in US Dollars with a maturity of one month; provided that if the Screen Rate shall not be available at such time for a maturity of one month with respect to US Dollars but the Screen Rate shall be available for maturities both longer and shorter than one month, then the Adjusted LIBO Rate shall be the Interpolated Screen Rate as of such time. Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate, respectively. If the Alternate Base Rate is being used as an alternate rate pursuant to Section 2.17 (for the avoidance of doubt, only until an amendment hereto has become effective pursuant to Section 2.17(b)), then, for purposes of clause (c) above, the Adjusted LIBO Rate shall be deemed to be zero.

"Alternative Currency" means Euro, Sterling and any other currency, other than US Dollars, (a) that is freely available, freely transferable and freely convertible into US Dollars, (b) in which dealings in deposits are carried on in the ~~London~~**relevant** interbank market and (c) that has been designated by the Company as an "Alternative Currency" and approved in writing as an "Alternate Currency" by each Lender; provided that if any Lender shall have failed to approve any such designated currency, then (i) the Company shall have the right to terminate the Commitment of such Lender in accordance with Section 2.06(b) or require such Lender to assign its interest in accordance with Section 2.18(b) or (ii) the Company may establish a New Tranche in accordance with Section 8.01(c) for those Lenders wishing to make loans in such designated currency.

"Amendment No. 1" means Amendment No. 1 dated as of June 2, 2020, to this Agreement.

"Amendment No. 1 Effective Date" has the meaning assigned to such term in Amendment No. 1.

"Anti-Corruption Laws" means all laws, rules and regulations of the United States applicable to the Company or any of its Subsidiaries from time to time concerning or relating to bribery or corruption.

"Applicable Creditor" has the meaning assigned to that term in Section 8.17(b).

"Applicable Rate" means, for any day, with respect to any Eurocurrency Loan, **any SONIA Loan,** any ABR Loan or any Commitment Fee, as the case may be, the applicable rate per annum set forth below under the caption "Eurocurrency Spread **and SONIA Spread**", "ABR Spread" or "Commitment Fee Rate", as the case may be, in each case based upon the Ratings applicable on such date:

| Level | Ratings (S&P / Moody's) | Eurocurrency Spread **and SONIA Spread** (basis points per annum) | ABR Spread (basis points per annum) | Commitment Fee Rate (basis points per annum) |
|---|---|---|---|---|
| 1 | A- / A3 or higher | 100.0 | 0.0 | 9.0 |
| 2 | BBB+ / Baa1 | 112.5 | 12.5 | 10.0 |
| 3 | BBB/Baa2 | 125.0 | 25.0 | 12.5 |
| 4 | BBB-/Baa3 | 137.5 | 37.5 | 17.5 |
| 5 | Lower than BBB-/Baa3 | 150.0 | 50.0 | 22.5 |

For purposes of the foregoing, (a) if either Moody's or S&P shall not have in effect a Rating (other than by reason of the circumstances referred to in the last sentence of this definition), then such rating agency shall be deemed to have established a Rating in Level 5; (b) if the Ratings established or deemed to have been established by Moody's and S&P shall fall within different Levels, the Applicable Rate shall be based upon the higher Rating unless the Ratings differ by two or more Levels, in which case the Applicable Rate will be based upon the Level one below that corresponding to the higher Rating; and (c) if the Ratings established or

deemed to have been established by Moody's and S&P shall be changed (other than as a result of a change in the rating system of Moody's or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency. Each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody's or S&P shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the Company and the Administrative Agent shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agency (it being understood that, in the discretion of the Administrative Agent, any such negotiation on the part of the Administrative Agent may be subject to prior consultation with one or more Lenders and any consent by the Administrative Agent to any such amendment may be subject to the Administrative Agent having obtained consent thereto from the Required Lenders), and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation. Notwithstanding the foregoing, prior to the Availability Date each of Moody's and S&P shall be deemed to have established a Rating in Level 2.

"Arrangers" means JPMorgan Chase Bank, N.A., BofA Securities, Inc., Citibank, N.A. and HSBC Securities (USA) Inc., in their capacities as the joint lead arrangers and joint bookrunners for the credit facility provided for herein.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee, with the consent of any Person whose consent is required by Section 8.06, and accepted by the Administrative Agent, substantially in the form of Exhibit A or any other form approved by the Administrative Agent and the Company.

"Attributable Debt" means, as to any particular lease under which any Person is at the time liable for a term of more than 12 months, at any date as of which the amount thereof is to be determined, the total net amount of rent required to be paid by such Person under such lease during the remaining term thereof (excluding any subsequent renewal or other extension options held by the lessee), discounted at the interest rate implicit in the terms of the relevant lease in accordance with GAAP. The net amount of rent required to be paid under any such lease for any such period shall be the aggregate amount of the rent payable by the lessee with respect to such period after excluding amounts required to be paid on account of maintenance and repairs, services, insurance, taxes, assessments, water rates and similar charges and contingent rents (such as those based on sales). In the case of any lease which is terminable by the lessee upon the payment of a penalty in an amount which is less than the total discounted net amount of rent required to be paid from the later of the first date upon which such lease may be so terminated or the date of the determination of such net amount of rent, as the case may be, such net amount shall also include the amount of such penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated.

"Availability Date" means the date on which the conditions specified in Section 3.02 are satisfied (or waived in accordance with Section 8.01).

"Availability Period" means the period from and including the Availability Date to but excluding the Commitment Termination Date.

"Average COF Rate" has the meaning assigned to that term in Section 2.17(a).

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of any Affected Financial Institution.

"Bail-In Legislation" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time that is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their Affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bank of England Program" has the meaning assigned to that term in the definition of "Commercial Paper".

"Benchmark Replacement" means the sum of: (a) the alternate benchmark rate (which may be a SOFR-Based Rate) that has been selected by the Administrative Agent and the Company giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body and/or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to the applicable Screen Rate for syndicated credit facilities denominated in US Dollars or the applicable Alternative Currency and (b) the Benchmark Replacement Adjustment; provided that if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for all purposes of this Agreement; provided further that any such Benchmark Replacement shall be administratively feasible as determined by the Administrative Agent in its reasonable discretion.

"Benchmark Replacement Adjustment" means the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero), that has been selected by the Administrative Agent and the Company giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the applicable Screen Rate with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body and/or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the applicable Screen Rate with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in US Dollars or the applicable

Alternative Currency at such time (for the avoidance of doubt, such Benchmark Replacement Adjustment shall not be in the form of a reduction to the Applicable Rate).

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Alternate Base Rate", the definition of "Interest Period", timing and frequency of determining rates and making payments of interest and other administrative matters) that the Administrative Agent decides in its reasonable discretion may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement).

"Benchmark Replacement Date" means the earlier to occur of the following events with respect to the LIBO Rate or the EURIBO Rate:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event", the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the applicable Screen Rate permanently or indefinitely ceases to provide the applicable Screen Rate; or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the LIBO Rate or the EURIBO Rate:

(a) a public statement or publication of information by or on behalf of the administrator of the applicable Screen Rate announcing that such administrator has ceased or will cease to provide the applicable Screen Rate, permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the applicable Screen Rate;

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the applicable Screen Rate, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for the applicable Screen Rate, a resolution authority with jurisdiction over the administrator for the applicable Screen Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the applicable Screen Rate, in each case which states that the administrator of the applicable Screen Rate has ceased or will cease to provide the applicable Screen Rate permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the applicable Screen Rate; and/or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of the applicable Screen Rate announcing that the applicable Screen Rate is no longer representative.

"Benchmark Transition Start Date" means (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by the Administrative Agent or the Required Lenders, as applicable, by notice to the Company, the Administrative Agent (in the case of such notice by the Required Lenders) and the Lenders.

"Benchmark Unavailability Period" means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the LIBO Rate or the EURIBO Rate and solely to the extent that the applicable Screen Rate has not been replaced with a Benchmark Replacement, the period (a) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the applicable Screen Rate for all purposes hereunder in accordance with Section 2.17 and (b) ending at the time that a Benchmark Replacement has replaced the applicable Screen Rate for all purposes hereunder pursuant to Section 2.17.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"Board of Governors" means the Board of Governors of the Federal Reserve System of the United States.

"Borrower" means the Company or any Subsidiary Borrower.

"Borrower Materials" has the meaning assigned to that term in Section 5.01.

"Borrowing" means Loans of the same Type and currency and to the same Borrower made, converted or continued on the same date and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect.

"Borrowing Minimum" means (a) in the case of a Borrowing denominated in US Dollars, US$25,000,000 and (b) in the case of a Borrowing denominated in an Alternative Currency, the smallest amount of such Alternative Currency that is a multiple of 1,000,000 units of such currency and that has a US Dollar Equivalent of US$25,000,000 or more.

"Borrowing Multiple" means (a) in the case of a Borrowing denominated in US Dollars, US$5,000,000 and (b) in the case of a Borrowing denominated in an Alternative Currency, the smallest amount of such Alternative Currency that is a multiple of 1,000,000 units of such currency and that has a US Dollar Equivalent of US$5,000,000 or more.

"Borrowing Request" means a request by a Borrower (or the Company on behalf of a Subsidiary Borrower) for a Borrowing in accordance with Section 2.02, which shall be substantially in the form of Exhibit B or any other form approved by the Administrative Agent and the Company.

"Business Day" means any day that is not a Saturday, a Sunday or any other day on which commercial banks in New York City are authorized or required by law to remain closed under the laws of, or do in fact remain closed in, the State of New York; provided that (a) when used in connection with a LIBOR Loan ~~denominated in any currency~~, the term "Business Day" shall also exclude any day that is not a London Banking Day ~~and~~ **,** (b) when used in connection with a EURIBOR Loan, the term "Business Day" shall also exclude any day that is not a TARGET Day **and (c) when used in connection with a SONIA Loan, the term "Business Day" shall also exclude any day on which banks are closed for general business in London.**

"Capitalized Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP (subject to Section 1.04); and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP (subject to Section 1.04).

"Carrier Business" means, collectively, (a) the business, operations and activities of the "Carrier" (formerly known as UTC Climate, Controls & Security) reporting segment of UTC conducted at any time prior to the consummation of the Carrier Distribution by UTC or by any of its current or former Subsidiaries and (b) any terminated, divested, or discontinued businesses, operations and activities that, at the time of termination, divestiture or discontinuation, primarily related to the business, operations and activities described in clause (a) as then conducted.

"Carrier Distribution" means the pro rata distribution to the stockholders of UTC of the common stock of the Company, which, at the time of the making of such distribution, will, directly or indirectly through its Subsidiaries, hold the Carrier Business.

"Carrier Distribution Condition" means the requirement that:

(a) the "effective time of the distribution" (or an equivalent term, in each case, as such term is used in the Carrier Form 10) occurs and the Carrier Distribution is consummated in a manner consistent in all material respects with the Carrier Form 10; and

(b) the Carrier Distribution is consummated in a manner consistent in all material respects with the Draft Carrier Form 10, except any failure or failures to be so consistent (i) to the extent relating to (A) any updates to the financial statements, other financial information, notes thereto and other information contained or to be contained therein in respect of subsequent periods in accordance with the rules and regulations of the SEC or otherwise relating to the passage of time, (B) information previously omitted, in whole or in part, in the Draft Carrier Form 10 that is added in connection with the completion of the disclosures contained in the Carrier Form 10 or (C) information required to be included therein by applicable law or regulation or included therein in response to any comment issued by the SEC or (ii) that, in the aggregate, are not material and adverse to the interests of the Lenders (in their capacity as such) under this Agreement.

"Carrier Form 10" means the Form 10 filed (whether or not publicly filed) by the Company with the SEC pursuant to the Exchange Act (including the information statement and the other exhibits filed therewith) relating to the Carrier Distribution, as it may be amended or supplemented from time to time after the original filing thereof and prior to the Carrier Distribution.

"Change in Control" means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any "person" or "group" (as such terms are defined in Section 13(d)(3) of the Exchange Act), other than (i) the Company or its Subsidiaries, (ii) the New Holding Company pursuant to the Permitted Reorganization or (iii) any employee benefit plan of the Company or its Subsidiaries, and any Person acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, of equity interests in the Company representing more than 50% of the aggregate ordinary voting power represented by the issued and outstanding equity interests in the Company or (b) the occupation of a majority of the seats (other than vacant seats) on the board of directors of the Company by Persons who are not Continuing Directors.

Notwithstanding the foregoing, a "person" or "group" shall not be deemed to beneficially own equity interests subject to a stock or asset purchase agreement, merger agreement, option agreement, warrant agreement or similar agreement (or voting or option or similar agreement related thereto) until the consummation of the acquisition of the applicable equity interests in connection with the transactions contemplated by such agreement.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption of any rule, regulation, treaty or other law, (b) any change in any rule, regulation, treaty or other law or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law, but if not having the force of law, one which applies generally to the class or category of financial institutions of which any Lender or the Administrative Agent forms a part and compliance with which is in accordance with the general practice of those financial institutions) of any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder

or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case, pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted, promulgated or issued.

"Charges" has the meaning assigned to that term in Section 8.13.

"Closing Date" means the date on which the conditions specified in Section 3.01 are satisfied (or waived in accordance with Section 8.01).

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"COF Rate" has the meaning assigned to that term in Section 2.17(a).

"Commercial Paper" means any Debt represented by commercial paper issued by the Company or any of its Consolidated Subsidiaries under commercial paper programs existing as of the Amendment No. 1 Effective Date and any refinancings, replacements or extensions thereof; provided that for the avoidance of doubt, any commercial paper issued by the Company or any of its Consolidated Subsidiaries under the Bank of England Covid Corporate Financing Facility (the "Bank of England Program") shall not constitute "Commercial Paper" for purposes hereof.

"Commitment" means, with respect to each Lender, the commitment of such Lender to make Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender's Revolving Credit Exposure hereunder, as such commitment may be reduced or increased from time to time pursuant to Section 2.06 or 8.06. The amount of each Lender's Commitment on the Closing Date is set forth on Schedule 2.01, and the aggregate amount of the Commitments on the Closing Date is US$2,000,000,000.

"Commitment Fee" has the meaning assigned to that term in Section 2.05(a).

"Commitment Termination Date" means the earliest of (a) the first date on which UTC shall have publicly announced the termination or abandonment of the Carrier Distribution, (b) unless the Availability Date shall have occurred on or prior to such date, the Outside Date and (c) the Scheduled Maturity Date, or the earlier date of termination in whole of the Commitments pursuant to Section 2.06(b) or 6.02.

"Company" means Carrier Global Corporation, a Delaware corporation and, prior to the consummation of the Carrier Distribution, a wholly-owned Subsidiary of UTC.

"Company Guarantee" has the meaning assigned to that term in Section 9.01.

"Compliance Certificate" means a Compliance Certificate substantially in the form of Exhibit C or any other form approved by the Administrative Agent and the Company.

"Compounded SOFR" means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which may include compounding in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period) being established by the Administrative Agent in accordance with:

(a) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; or

(b) if, and to the extent that, the Administrative Agent determines that Compounded SOFR cannot be determined in accordance with clause (a) above, then the rate, or methodology for this rate, and conventions for this rate that the Administrative Agent determines in its reasonable discretion are substantially consistent with any evolving or then-prevailing market convention for determining compounded SOFR for US Dollar-denominated syndicated credit facilities at such time;

provided that if the Administrative Agent decides that any such rate, methodology or convention determined in accordance with clause (a) or (b) above is not administratively feasible for the Administrative Agent, then Compounded SOFR will be deemed unable to be determined for purposes of the definition of "Benchmark Replacement".

"Consolidated" refers to the consolidation of the accounts of a Person and its Subsidiaries in accordance with GAAP.

Consolidated EBITDA" means, for any period, Consolidated Net Income for such period, plus

(a) without duplication and to the extent deducted in determining such Consolidated Net Income, the sum for such period of:

(i) Consolidated interest expense (including imputed interest expense in respect of Capitalized Lease Obligations);

(ii) Consolidated income tax expense;

(iii) depreciation and amortization expense;

(iv) non-cash charges or losses, including non-cash compensation expense, impairment charges and any write-offs or write-downs of assets, but excluding (A) any non-cash charge that results from an accrual of a reserve for cash charges to be taken in any future period, (B) an amortization of a prepaid cash expense that was paid and not expensed in a prior period or (C) write-down or write-off with respect to accounts receivable (including any addition to bad debt reserves or bad debt expense);

(v) restructuring, extraordinary, unusual or non-recurring charges or losses, including transaction fees, costs and expenses (including financing fees, financial and other advisory fees, accounting and consulting fees and legal fees) incurred in connection with Material Acquisitions and Material Dispositions;

(vi) transaction fees, costs and expenses incurred in connection with the Transactions; provided that (i) no amounts may be added back pursuant to this clause (vi) for any such fees, costs and expenses incurred or accrued after the last day of the eighth full fiscal quarter ending after the Availability Date and (ii) the amounts added back pursuant to this clause (vi) may not exceed (A) with respect to any period of four consecutive fiscal quarters, US$150,000,000 and (B) with respect to all periods, US$300,000,000;

(vii) any unrealized losses attributable to the application of "mark to market" accounting in respect of Hedge Agreements;

(viii) any net after-tax loss attributable to the early extinguishment of Debt or obligations under Hedge Agreements;

(ix) the cumulative effect for such period of a change in accounting principles; minus

(b) without duplication and to the extent included in determining such Consolidated Net Income, the sum for such period of:

(i) any non-cash gains or items of income (other than the accrual of revenue), but excluding any such items in respect of which cash was received in a prior period or will be received in a future period;

(ii) extraordinary, unusual or nonrecurring gains or items of income;

(iii) any unrealized gains attributable to the application of "mark to market" accounting in respect of Hedge Agreements;

(iv) any net after-tax gain attributable to the early extinguishment of Debt or obligations under Hedge Agreements; and

(v) the cumulative effect for such period of a change in accounting principles;

provided that Consolidated EBITDA shall be calculated so as to exclude the effect of any gain or loss that represents after-tax gains or losses attributable to any sale, transfer or other disposition (other than sales, transfers or other dispositions in the ordinary course of business). Notwithstanding anything to the contrary contained herein, but subject to the next sentence, Consolidated EBITDA shall be deemed to be (A) for the period of four consecutive fiscal quarters of the Company ended prior to the last day of the first fiscal quarter that shall have commenced on or after the Availability Date, pro forma Consolidated EBITDA for the period of four consecutive fiscal quarters of the Company ended December 31, 2019, determined by reference to the Pro Forma Company Financial Statements, (B) for the period of four consecutive fiscal quarters of the Company ended on the last day of the first fiscal quarter that shall have commenced on or after the Availability Date, Consolidated EBITDA for such first fiscal quarter

multiplied by four, (C) for the period of four consecutive fiscal quarters of the Company ended on the last day of the second fiscal quarter that shall have commenced on or after the Availability Date, Consolidated EBITDA for the two fiscal quarter period then ended multiplied by two, and (D) for the period of four consecutive fiscal quarters of the Company ended on the last day of the third fiscal quarter that shall have commenced on or after the Availability Date, Consolidated EBITDA for the three fiscal quarter period then ended multiplied by 4/3. For the purposes of calculating Consolidated EBITDA for any period, if at any time during such period the Company or any Subsidiary shall have consummated a Material Acquisition or a Material Disposition, Consolidated EBITDA for such period shall be determined giving pro forma effect thereto in accordance with Section 1.04(b); provided that the Company shall not be required to calculate Consolidated EBITDA on a pro forma basis with respect to any Material Acquisition or any Material Disposition if the Company determines in its reasonable discretion that it does not have reasonably and readily identifiable information to make such pro forma calculation.

"Consolidated Leverage Ratio" means, as of any date, the ratio of (a) Consolidated Total Net Debt as of such date to (b) Consolidated EBITDA for the period of four consecutive fiscal quarters of the Company most recently ended on or prior to such date.

"Consolidated Net Income" means, for any period, the net income (or loss) of the Company and its Consolidated Subsidiaries for such period determined in conformity with GAAP.

"Consolidated Net Tangible Assets" means the total amount of assets of the Company and its Consolidated Subsidiaries (less applicable reserves and other properly deductible items) after deducting therefrom (a) all current liabilities (excluding any thereof which are by their terms extendible or renewable at the option of the obligor thereon to a time more than 12 months after the time as of which the amount thereof is being computed) and (b) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, all as set forth on the most recent Consolidated balance sheet of the Company and its Consolidated Subsidiaries and computed in accordance with GAAP (which calculation shall give pro forma effect to any Material Acquisition or Material Disposition consummated by the Company or its Consolidated Subsidiaries since the date of such Consolidated balance sheet and on or prior to the date of determination, as if such Material Acquisition or Material Disposition had occurred on the date of such Consolidated balance sheet). Until the first delivery of the Consolidated financial statements of the Company and its Consolidated Subsidiaries pursuant to Section 5.01(a)(i) or 5.01(a)(ii), Consolidated Net Tangible Assets shall be determined by reference to the pro forma combined balance sheet described in the definition of "Pro Forma Company Financial Statements".

"Consolidated Total Net Debt" means, as of any date, (a) the sum, without duplication, of (i) the aggregate principal amount of Debt of the Company and its Consolidated Subsidiaries outstanding as of such date, (ii) the aggregate amount of Capitalized Lease Obligations of the Company and its Consolidated Subsidiaries as of such date and (iii) the aggregate principal amount of the purchase money indebtedness of the Company and its Consolidated Subsidiaries outstanding as of such date, minus (b) the aggregate amount of Unrestricted Cash as of such date.

"Continuing Director" means a director who (a) was a member of the Company's board of directors on the Availability Date after giving effect to the Carrier Distribution, (b) becomes a member of the Company's board of directors subsequent to the Availability Date and whose appointment, election or nomination for election by the Company's stockholders is duly approved by a majority of the directors referred to in clause (a) above constituting at the time of such appointment, election or nomination at least a majority of that board or (c) becomes a member of the Company's board of directors subsequent to the Availability Date and whose appointment, election or nomination for election by the Company's stockholders is duly approved by a majority of the directors referred to in clauses (a) and (b) above constituting at the time of such appointment, election or nomination at least a majority of that board.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Conversion Minimum" means (a) in the case of a Borrowing denominated in US Dollars, US$10,000,000, and (b) in the case of a Borrowing denominated in an Alternative Currency, the smallest amount of such Alternative Currency that is a multiple of 1,000,000 units of such currency and that has a US Dollar Equivalent of US$10,000,000 or more.

"Conversion Multiple" means (a) in the case of a Borrowing denominated in US Dollars, US$1,000,000, and (b) in the case of a Borrowing denominated in an Alternative Currency, the smallest amount of such Alternative Currency that is a multiple of 1,000,000 units of such currency and that has a US Dollar Equivalent of US$1,000,000 or more.

"Converted Tranche" has the meaning assigned to that term in Section 8.01(c).

"Corresponding Tenor" means, with respect to a Benchmark Replacement, a tenor (including overnight) having approximately the same length (disregarding any business day adjustment) as the applicable tenor for the applicable Interest Period with respect to the applicable Screen Rate.

"Covenant Modification Period" means the period commencing on the Amendment No. 1 Effective Date and ending on the day immediately preceding December 31, 2021; provided that if the Company shall have delivered to the Administrative Agent a written notice of its desire to terminate the Covenant Modification Period as of an earlier date, together with a certificate of a Financial Officer of the Company certifying that the Consolidated Leverage Ratio for the Test Period ending with the fiscal quarter of the Company most recently ended on or prior to such date was 4.00:1.00 or less and setting forth reasonably detailed

calculations with respect thereto, then the Covenant Modification Period shall terminate on such earlier date.

**"Daily Simple SONIA" means, for any day (a "SONIA Interest Day") with respect to any Loan denominated in Sterling, an interest rate per annum equal to the greater of (a) SONIA for the day that is five SONIA Business Days prior to (i) if such SONIA Interest Day is a SONIA Business Day, such SONIA Interest Day or (ii) if such SONIA Interest Day is not a SONIA Business Day, the SONIA Business Day immediately preceding such SONIA Interest Day and (b) 0.00%. Any change in Daily Simple SONIA due to a change in SONIA shall be effective from and including the effective date of such change in SONIA.**

"Debt" has the meaning assigned to that term in Section 5.02(a).

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, Irish law examinership, reorganization or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Default" means any event or condition that constitutes, or upon notice, lapse of time or both would constitute, an Event of Default.

"Defaulting Lender" means, subject to Section 2.16(b), any Lender that (a) has failed, within three Business Days of the date required to be funded or paid, (i) to fund any portion of its Loans or (ii) to pay to the Administrative Agent or any Lender any other amount required to be paid by it hereunder (unless, in the case of an obligation to fund a Loan, such Lender notifies the Company and the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified in such writing, including, if applicable, by reference to a specific Event of Default) has not been satisfied); (b) has notified the Company, the Administrative Agent or any Lender in writing that it does not intend to comply with its funding obligations hereunder or has made a public statement to that effect with respect to its funding obligations hereunder (unless such notice or public statement relates to such Lender's obligation to fund a Loan hereunder and indicates that such position is based on such Lender's good faith determination that a condition precedent to funding (specifically identified in such writing, including, if applicable, by reference to a specific Event of Default) has not been satisfied) or generally under other agreements in which it commits to extend credit; (c) has failed, within three Business Days after request by the Administrative Agent, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations as of the date of certification) to fund prospective Loans, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written certification by the Administrative Agent; (d) has, or has a direct or indirect parent company that has, become the subject of a Bail-In Action; or (e) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or a custodian appointed for it or (iii) taken any action in furtherance of, or indicated its consent to,

approval of or acquiescence in any such proceeding or appointment; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in such Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender.

"Documentation Agents" means Goldman Sachs Bank USA and Morgan Stanley Bank, N.A., in their capacities as documentation agents for the credit facility provided for herein.

"Domestic Subsidiary" means, with respect to any Person, any Subsidiary of such Person incorporated or organized under the laws of any State of the United States or the District of Columbia.

"Draft Carrier Form 10" means the Carrier Form 10 (including the information statement and the other exhibits contemplated thereby) in the form delivered, or deemed to be delivered, to the Lenders pursuant to Section 3.01(d).

"Early Opt-in Election" means the occurrence of:

(a) (i) a determination by the Administrative Agent or (ii) a notification by the Required Lenders to the Administrative Agent (with a copy to the Company) that the Required Lenders have determined that syndicated credit facilities denominated in US Dollars or in the applicable Alternative Currency being executed at such time, or that include language similar to that contained in Section 2.17(b), are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace the LIBO Rate or the EURIBO Rate, as applicable, and

(b) (i) the election by the Administrative Agent or (ii) the election by the Required Lenders to declare that an Early Opt-in Election has occurred and the provision, as applicable, by the Administrative Agent of written notice of such election to the Company and the Lenders or by the Required Lenders of written notice of such election to the Administrative Agent.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country that is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country that is a parent of an institution described in clause (a) above or (c) any financial institution established in an EEA Member Country that is a Subsidiary of an institution described in clause (a) or (b) above and is subject to consolidated supervision with its parent.

"EEA Member Country" means any member state of the European Union, Iceland, Liechtenstein and Norway.

"EEA Resolution Authority" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Electronic Signature" means an electronic signature, sound, symbol or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

"Eligible Assignee" means any Person, other than (a) a natural person, (b) a holding company, investment vehicle or trust for, or owned and operated by or for the primary benefit of, a natural person, (c) the Company, (d) any Subsidiary of the Company, (e) any Affiliate of the Company or (f) any Defaulting Lender.

"Employee Matters Agreement" means the Employee Matters Agreement by and among the Company, UTC and Otis Worldwide Corporation, dated as of April 2, 2020, as amended, amended and restated, supplemented or otherwise modified from time to time.

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, directives, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by or with any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any toxic or hazardous substance or waste, or health and safety matters.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, attorneys' and consultants' fees, fines, penalties or indemnities), directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and all rules, regulations, rulings and official interpretations promulgated or issued thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) which is a member of a group of which the Company is a member and which is under common control within the meaning of Section 414 of the Code.

"ERISA Event" means (a) any "reportable event" under 4043 of ERISA (other than an event for which the 30-day notice period is waived or a safe harbor is available) with respect to a Plan, (b) any failure by any Plan to satisfy the minimum funding standard under Section 412 of the Code, (c) the filing of an application for a waiver of the minimum funding standard with respect to any Plan under Section 412(c) of the Code, (d) the incurrence of any liability under Title IV of ERISA with respect to the involuntary or distress termination of any

Plan under Sections 4041(c) or Section 4042 of ERISA, (e) the receipt from the PBGC or a plan administrator by the Company or any ERISA Affiliate of the Company of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan under Section 4041(c) or Section 4042 of ERISA, (f) the incurrence of any liability with respect to the withdrawal or partial withdrawal from any Plan (within the meaning of Section 4063 of ERISA) or Multiemployer Plan (within the meaning of Sections 4203 or 4205 of ERISA) or (g) the receipt of any notice by the Company or an ERISA Affiliate of the Company from any Multiemployer Plan, concerning the imposition of withdrawal liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent within the meaning of Section 4245 of ERISA, or in endangered, critical and declining, or critical status within the meaning of Section 305 of ERISA.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"EURIBO Rate" means, with respect to any EURIBOR Loan for any Interest Period, the applicable Screen Rate as of the Specified Time on the Quotation Day.

"EURIBOR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the EURIBO Rate.

"Euro" or "€" means the single currency of the participating member states of the European Union.

"Eurocurrency", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate~~, the LIBO Rate~~ or the EURIBO Rate.

"Events of Default" has the meaning assigned to that term in Section 6.01.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended from time to time.

"Exchange Rate" means, as of any date of determination, for purposes of determining the US Dollar Equivalent of any currency other than US Dollars, the rate at which such currency may be exchanged into US Dollars at the time of determination on such day as last provided (either by publication or as may otherwise be provided to the Administrative Agent) by the applicable Reuters source on the Business Day (determined based on New York City time) immediately preceding such day of determination. In the event that Reuters ceases to provide such rate of exchange or such rate does not appear on the applicable Reuters source, the Exchange Rate shall be determined by reference to such other publicly available information service for displaying such rate of exchange at such time as shall be selected by the Administrative Agent from time to time in its reasonable discretion after consultation with the Company.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office in, or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, withholding Taxes (including backup withholding Taxes) imposed by the United States on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to laws in effect on the date on which (i) such Lender acquires such interest in such Loan or Commitment (other than pursuant to an assignment request by the Company under Section 2.18(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.14, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender acquired the applicable interest in such Loan or Commitment or to such Lender immediately before it changed its lending office, (c) in the case of a Lender, any withholding Taxes imposed by Ireland on a payment under this Agreement, if on the date on which such payment falls due, such payment could have been made to such Lender without such withholding tax if such Lender was an Irish Qualifying Lender, but on that date such Lender is not or has ceased to be an Irish Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or treaty, or any published practice or concession of any relevant taxing authority, (d) Taxes attributable to such Recipient's failure to comply with Section 2.14(f) and (e) any U.S. Federal withholding Taxes imposed under FATCA; provided that, for the avoidance of doubt, for purposes of clause (b)(i), in the case of an interest in a Loan acquired by a Lender pursuant to the funding of a Commitment, such Lender shall be treated as acquiring such interest on the date such Lender acquired an interest in the Commitment pursuant to which such Loan was funded.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantially comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, as of the date of this Agreement (or any amended or successor version described above), and any fiscal or regulatory legislation, rules, guidance notes or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities implementing the foregoing.

"Federal Funds Effective Rate" means, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depositary institutions, as determined in such manner as shall be set forth on the NYFRB Website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; provided that if such rate shall be less than zero, such rate shall be deemed to be zero for all purposes.

"Financial Officer" means, with respect to any Person, the chief financial officer, principal accounting officer, treasurer, assistant treasurer or controller of such Person.

"Foreign Lender" means a Lender that (a) is not a U.S. Person or (b) is an entity disregarded as separate from its owner for U.S. federal income tax purposes and is owned, for U.S. federal income tax purposes, by a Person that is not U.S. Person.

"Foreign Subsidiary" means any Subsidiary that is not a Domestic Subsidiary.

"GAAP" means generally accepted accounting principles in the United States as in effect, subject to Section 1.04, from time to time.

"Governmental Authority" means the government of the United States, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national body exercising such powers or functions, such as the European Union or the European Central Bank).

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Hedge Agreement" means any agreement with respect to any swap, forward, future or derivative transaction, or any option or similar agreement, involving, or settled by reference to, one or more rates, currencies, commodities, prices of equity or debt securities or instruments, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value, or any similar transaction or combination of the foregoing transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Company or the Subsidiaries shall be a Hedge Agreement.

"Historical Company Financial Statements" means the combined balance sheet of the Company and its Subsidiaries as of December 31, 2019 and the combined statements of operations, of comprehensive income, of changes in equity and of cash flows of the Company and its Subsidiaries for the year then ended, in each case, included in the Draft Carrier Form 10.

"IBA" has the meaning assigned to that term in Section 1.05.

"Increase Effective Date" has the meaning assigned to such term in Section 2.06(a).

"Increasing Lender" has the meaning assigned to that term in Section 2.06(a).

"Incremental Facility Agreement" has the meaning assigned to that term in Section 2.06(a).

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Borrower under this Agreement and (b) to the extent not otherwise described in clause (a) of this definition, Other Taxes.

"Indemnitee" has the meaning assigned to that term in Section 8.04(b).

"Industrial Development Bonds" means obligations issued by a State, a Commonwealth, a Territory or a possession of the United States, or any political subdivision of any of the foregoing, or the District of Columbia, the interest on which is excludable from gross income of the holders thereof pursuant to the provisions of Section 103(a)(1) of the Code (or any similar provision of the Code), as in effect on the date of the issuance of such obligations.

"Ineligible Subsidiary" means any Subsidiary Borrower designated as such pursuant to Section 2.19(c).

"Ineligible Subsidiary Designation Notice" means an Ineligible Subsidiary Designation Notice substantially in the form of Exhibit D hereto, duly executed by the Company.

"Information" has the meaning assigned to that term in Section 8.07.

"Interest Election Request" means a request by a Borrower (or the Company on behalf of a Subsidiary Borrower) to convert or continue a Borrowing in accordance with Section 2.09, which shall be substantially in the form of Exhibit E or any other form approved by the Administrative Agent and the Company.

"Interest Period" means, with respect to any Eurocurrency Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, ~~two (other than in the case of a EURIBOR Borrowing),~~ three, six or, if available, 12 months thereafter, as the applicable Borrower (or the Company on behalf of the applicable Subsidiary Borrower) may elect; provided that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (c) no Borrower may elect an Interest Period ending after the Scheduled Maturity Date. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made, and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Interpolated Screen Rate" means, with respect to any Eurocurrency Borrowing for any Interest Period or for purposes of clause (c) of the definition of the term "Alternate Base Rate", a rate per annum that results from interpolating on a linear basis between (a) the applicable Screen Rate for the longest maturity for which a Screen Rate is available that is shorter than the applicable period and (b) the applicable Screen Rate for the shortest maturity for which a Screen Rate is available that is longer than the applicable period, in each case as of the time the Interpolated Screen Rate is required to be determined in accordance with the other provisions hereof; provided that the Interpolated Screen Rate shall in no event be less than zero.

"Irish Companies Act" means the Companies Act of 2014 of Ireland, as amended.

"Irish Qualifying Lender" means a Lender that at the time the payment is made, is, beneficially entitled to the interest payable to such Lender in respect of an advance under this Agreement, and that:

(a) is a company (within the meaning of section 4 of the TCA);

(i) which, by virtue of the law of a Relevant Territory, is resident in the Relevant Territory for the purposes of tax and that jurisdiction imposes a tax that generally applies to interest receivable in that jurisdiction by companies from sources outside that jurisdiction; or

(ii) in receipt of interest under this Agreement which:

(A) is exempted from the charge to Irish income tax pursuant to the terms of a double taxation treaty entered into between Ireland and another jurisdiction that is in force on the date the relevant interest is paid; or

(B) would be exempted from the charge to Irish income tax pursuant to the terms of a double taxation treaty entered into between Ireland and another jurisdiction signed on or before the date on which the relevant interest is paid but not in force on that date, assuming that treaty had the force of law on that date;

provided that, in the case of both (A) and (B) above, such company does not provide its commitment in connection with a trade or business which is carried on by it in Ireland through a branch or agency; or

(b) is a U.S. corporation that is incorporated in the United States and is subject to U.S. Federal income tax on its worldwide income~~,~~; provided that such U.S. corporation does not provide its commitment in connection with a trade or business which is carried on by it in Ireland through a branch or agency; or

(c) is a U.S. limited liability company, where the ultimate recipients of the interest payable to that limited liability company satisfy the requirements set out in (a) or (b) above and the business conducted through the limited liability company is so structured for market reasons and not for tax avoidance purposes~~,~~; provided that such limited liability company does not provide its commitment in connection with a trade or business which is carried on by it in Ireland through a branch or agency; or

(d) is an Irish Treaty Lender.

"Irish Subsidiary Borrower" means Carrier Intercompany Lending Designated Activity Company, a designated activity company organized under the laws of Ireland and a Subsidiary of the Company.

"Irish Treaty Lender" means a Lender other than a Lender falling within clause (a), (b) or (c) of the definition of Irish Qualifying Lender, which is on the date any relevant payment is made entitled under a double taxation agreement in force on that date (subject to the completion of any procedural formalities) to that payment without any deduction or withholding of Tax imposed by any governmental or other taxing authority of or in Ireland.

"IRS" means the United States Internal Revenue Service, or any other Governmental Authority that shall have succeeded to the functions thereof.

"Judgment Currency" has the meaning assigned to that term in Section 8.17(b).

"Lenders" means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption or an Incremental Facility Agreement, other than any such Person that shall have ceased to be a party hereto pursuant to Section 2.06 or 8.06.

"LIBO Rate" means, with respect to any LIBOR Loan ~~denominated in any currency~~ for any Interest Period, the applicable Screen Rate as of the Specified Time on the Quotation Day.

"LIBOR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted ~~LIBO Rate or the~~ LIBO Rate.

"Liens" has the meaning assigned to that term in Section 5.02(a).

"Liquidity" means, at any time, an amount equal to: (a) Unrestricted Cash at such time, plus (b) an amount (if such amount is positive) equal to (i) the Aggregate Commitment in effect at such time minus (ii) the Aggregate Revolving Credit Exposure at such time, minus (c) the aggregate principal amount of Commercial Paper outstanding at such time.

"Loan" means a loan by a Lender to a Borrower pursuant to this Agreement.

"Loan Documents" means this Agreement, each Incremental Facility Agreement, each Subsidiary Borrower Agreement and each Ineligible Subsidiary Designation Notice.

"Local Time" means (a) with respect to a Loan or Borrowing denominated in US Dollars or with respect to any payment hereunder to be made in US Dollars, New York City time and (b) with respect to a Loan or Borrowing denominated in an Alternative Currency or with respect to any payment hereunder to be made in an Alternative Currency, London time.

"London Banking Day" means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank market.

"Material Acquisition" means any acquisition by the Company or any of its Subsidiaries of (a) equity interests in any Person if, after giving effect thereto, such Person will become a Subsidiary of the Company or (b) assets comprising all or substantially all the assets of (or all or substantially all the assets constituting a business unit, division, product line or line of business of) any Person (in the case of clauses (a) and (b), including as a result of a merger or consolidation); provided that, in the case of clauses (a) and (b), the aggregate consideration therefor exceeds US$50,000,000.

"Material Adverse Effect" means a material adverse effect on (a) the financial condition, operations or business of the Company and its Subsidiaries, taken as a whole, or (b) the rights of or benefits available to the Administrative Agent or the Lenders under this Agreement, taken as a whole.

"Material Debt" means Debt in the principal amount in excess of US$100,000,000.

"Material Disposition" means any sale, transfer or other disposition by the Company or any of its Subsidiaries of (a) all or substantially all the issued and outstanding equity interests in any Person that are owned by the Company or any of its Subsidiaries or (b) assets comprising all or substantially all the assets of (or all or substantially all the assets constituting a business unit, division, product line or line of business of) any Person; provided that, in the case of clauses (a) and (b), such sale, transfer or other disposition yields net proceeds to the Company or any of its Subsidiaries in excess of US$50,000,000 in the aggregate.

"Maximum Rate" has the meaning assigned to that term in Section 8.13.

"Merger Agreement" means the Agreement and Plan of Merger, dated as of June 9, 2019, by and among UTC, Light Merger Sub Corp. and Raytheon Company, as amended, amended and restated, supplemented or otherwise modified from time to time.

"MNPI" means material information concerning the Company, its Subsidiaries or the respective securities of any of the foregoing that has not been disseminated in a manner making it available to investors generally, within the meaning of Regulation FD under the Securities Act and the Exchange Act.

"Moody's" means Moody's Investors Service, Inc., and any successor to its rating agency business.

"Multiemployer Plan" means a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA to which the Company or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

"New Holding Company" has the meaning assigned to that term in Section 8.18.

"New Subsidiary Borrower" has the meaning assigned to that term in Section 8.01(c).

"New Tranche" has the meaning assigned to that term in Section 8.01(c).

"Notice of Objection" has the meaning assigned to that term in Section 2.19(a).

"NYFRB" means the Federal Reserve Bank of New York.

"NYFRB Rate" means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day; provided that if both such rates are not published for any such day that is a Business Day, the "NYFRB Rate" shall be the rate quoted for such day for a Federal funds transaction at 11:00 a.m., New York City time, on such day received by the Administrative Agent from a Federal funds broker of recognized standing selected by it; provided further that if any of the aforesaid rates shall be less than zero, such rate shall be deemed to be zero for all purposes.

"NYFRB Website" means the website of the NYFRB at http://www.newyorkfed.org, or any successor source.

"Objecting Lender" has the meaning assigned to that term in Section 2.19(a).

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Taxes (other than connections arising solely from such Recipient having taken any of the following actions: executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced this Agreement, or sold or assigned pursuant to Section 2.18(b) an interest in any Loan or other interest under this Agreement).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.18(b)).

"Outside Date" means the "Outside Date" as defined in the Merger Agreement, as in effect on the Closing Date, and subject to extension thereof as provided in Sections 6.16(c) and 8.1(b)(i) of the Merger Agreement, as in effect on the Closing Date, but in any event no later than April 1, 2021.

"Overnight Bank Funding Rate" means, for any day, the rate comprised of both overnight federal funds and overnight Eurodollar borrowings by U.S.-managed banking offices of depositary institutions, as such composite rate shall be determined by the NYFRB as set forth on the NYFRB Website from time to time, and published on the next succeeding Business Day by the NYFRB as an Overnight Bank Funding Rate.

"Participant" has the meaning assigned to that term in Section 8.06(c).

"Participant Register" has the meaning assigned to that term in Section 8.06(c).

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA, or any other Governmental Authority that shall have succeeded to the functions thereof.

"Permitted Reorganization" means a transaction described in Section 8.18 pursuant to which the Company becomes a wholly-owned Domestic Subsidiary of the New Holding Company, but only if all the requirements set forth in Section 8.18 shall have been satisfied.

"Permitted Reorganization Merger Subsidiary" has the meaning assigned to that term in Section 8.18.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Authority or any other entity.

"Plan" means an employee benefit plan, other than a Multiemployer Plan, which is (or, in the event that any such plan has been terminated within five years after a transaction described in Section 4069 of ERISA, was) maintained for employees of the Company or any ERISA Affiliate and subject to Title IV of ERISA.

"Platform" means Debt Domain, IntraLinks™, SyndTrak or any other electronic platform chosen by the Administrative Agent to be its electronic transmission system.

"Prepayment Minimum" means (a) in the case of a Borrowing denominated in US Dollars, US$20,000,000 and (b) in the case of a Borrowing denominated in an Alternative Currency, the smallest amount of such Alternative Currency that is a multiple of 1,000,000 units of such currency and that has a US Dollar Equivalent of US$20,000,000 or more.

"Prepayment Multiple" means (a) in the case of a Borrowing denominated in US Dollars, US$1,000,000 and (b) in the case of a Borrowing denominated in an Alternative Currency, the smallest amount of such Alternative Currency that is a multiple of 1,000,000 units of such currency and that has a US Dollar Equivalent of US$1,000,000 or more.

"Prime Rate" means the rate of interest per annum last quoted by *The Wall Street Journal* as the "prime rate" in the United States or, if *The Wall Street Journal* ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent in its reasonable discretion). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

"Principal Property" means any manufacturing plant or warehouse, together with the land upon which it is erected and fixtures comprising a part thereof, owned by the Company or any Wholly-Owned Domestic Manufacturing Subsidiary and located in the United States the gross book value (without deduction of any reserve for depreciation) of which on the date as of which the determination is being made is an amount which exceeds 1% of Consolidated Net Tangible Assets, other than any such manufacturing plant or warehouse or any portion thereof or any such fixture (together with the land upon which it is erected and fixtures comprising a part thereof) (a) which is financed by Industrial Development Bonds or (b) which, in the opinion of the board of directors of the Company, or of any duly authorized committee of that board, is not of material importance to the total business conducted by the Company and its Subsidiaries taken as a whole.

"Pro Forma Company Financial Statements" means the unaudited pro forma combined balance sheet of the Company and its Subsidiaries as of December 31, 2019 and the unaudited pro forma combined statement of operations of the Company and its Subsidiaries for the year then ended, in each case, included in the Draft Carrier Form 10 and prepared giving pro forma effect to the Transactions as set forth in the Draft Carrier Form 10.

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Public Lender" has the meaning assigned to that term in Section 5.01.

"Public Side Lender Representatives" means, with respect to any Lender, representatives of such Lender that do not wish to receive MNPI.

"Qualifying Material Acquisition" means any acquisition by the Company or any of its Subsidiaries of (a) equity interests in any Person if, after giving effect thereto, such Person will become a Subsidiary of the Company or (b) assets comprising all or substantially all the assets of (or all or substantially all the assets constituting a business unit, division, product line or line of business of) any Person (in the case of both clauses (a) and (b), including as a result of a merger or consolidation); provided that the aggregate cash consideration therefor (including Debt of such acquired Person (or such business unit, division, product line or line of business)

assumed in connection therewith or that is refinanced in connection therewith, all obligations in respect of deferred purchase price and all other cash consideration payable in connection therewith) exceeds US$1,000,000,000.

"Quotation Day" means (a) in respect of the determination of the Adjusted ~~LIBO Rate or~~ LIBO Rate for any Interest Period ~~for Loans denominated in any currency (other than Sterling)~~, the day that is two Business Days prior to the first day of such Interest Period~~,~~ **and** (b) ~~in respect of the determination of the LIBO Rate for any Interest Period for Loans denominated in Sterling, the first day of such Interest Period and (c)~~ in respect of the determination of the EURIBO Rate for any Interest Period ~~for Loans denominated in Euro~~, the day that is two TARGET Days prior to the first day of such Interest Period, in each case unless market practice differs for loans in the applicable currency priced by reference to rates quoted in the Relevant Interbank Market, in which case the Quotation Day for such currency shall be determined by the Administrative Agent in accordance with market practice for such loans priced by reference to rates quoted in the Relevant Interbank Market (and if quotations would normally be given by leading banks for such loans priced by reference to rates quoted in the Relevant Interbank Market on more than one day, the Quotation Day shall be the last of those days).

"Ratings" means the ratings by Moody's and S&P of the Company's senior, unsecured, non-credit-enhanced, long-term debt.

"Recipient" means the Administrative Agent or any Lender.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the directors, officers, partners, trustees, employees, agents and advisors of such Person and of such Person's Affiliates.

"Relevant Governmental Body" means the Board of Governors and/or the NYFRB, or a committee officially endorsed or convened by the Board of Governors and/or the NYFRB or, in each case, any successor thereto.

"Relevant Interbank Market" means (a) with respect to ~~any currency (other than Euro)~~**US Dollars**, the London interbank market and (b) with respect to Euro, the European interbank market.

"Relevant Territory" means:

(a) a member state of the European Communities (other than Ireland); or

(b) to the extent not a member state of the European Communities, a jurisdiction with which Ireland has entered into a double taxation treaty that either has the force of law by virtue of section 826(1) of the TCA or which will have the force of law on completion of the procedures set out in section 826(1) of the TCA.

"Required Lenders" means, at any time, Lenders having Undrawn Commitments and Revolving Credit Exposures representing more than 50% of the sum of the aggregate amount of all the Undrawn Commitments and the Aggregate Revolving Credit Exposure at such time; provided that the Undrawn Commitments and Revolving Credit Exposure of any Defaulting Lender shall be excluded for the purposes of making a determination of Required Lenders.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any equity interests in the Company, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancelation or termination of any equity interests in the Company.

"Reuters" means Thomson Reuters Corporation, a corporation incorporated under and governed by the Business Corporations Act (Ontario), Canada, Refinitiv and any successor thereto.

"Revolving Credit Exposure" means, with respect to any Lender at any time, the sum of the US Dollar Equivalents of the principal amounts of such Lender's Loans outstanding at such time.

"S&P" means S&P Global Ratings, a division of S&P Global Inc., and any successor to its rating agency business.

"Sale and Leaseback Transaction" has the meaning assigned to that term in Section 5.02(c).

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC or the U.S. Department of State or (b) any Person majority-owned or controlled by any such Person or Persons described in the foregoing clause (a).

"Sanctions" means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by OFAC or the U.S. Department of State.

"Scheduled Maturity Date" means the earlier of (a) the date that is five years after the Availability Date and (b) April 3, 2025; provided that, in each case, if such day is not a Business Day, the Scheduled Maturity Date shall be the immediately following Business Day.

"Screen Rate" means (a) in respect of the LIBO Rate for any Interest Period, or in respect of any determination of the Alternate Base Rate pursuant to clause (c) of the definition thereof, a rate per annum equal to the London interbank offered rate as administered by the ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for deposits in ~~the applicable currency~~**US Dollars** (for delivery on the first day of such Interest Period) with a term equivalent to the relevant period as displayed on the Reuters screen page that displays such rate (currently page LIBOR01 or LIBOR02) (or, in the event such rate does not appear on a page of the Reuters screen, on the appropriate page of such other information service that publishes such rate as shall be selected by the Administrative Agent from time to time in its reasonable discretion), and (b) in respect of the EURIBO Rate for any Interest Period, the rate per annum determined by the European Money Market Institute (or any other Person that takes over the administration of such rate) as the rate at which interbank deposits in Euro are being offered by one prime bank to another within the EMU zone for such Interest Period, as set forth on the Reuters screen page that displays such rate (currently EURIBOR01) (or, in the event such rate does not appear on a page of the Reuters screen, on the appropriate page of such other information service that publishes such rate as shall be selected by the Administrative Agent from time to time in its reasonable discretion); provided that (i) if, as to any currency, no Screen Rate shall be available for a particular period at such time but Screen Rates shall be available for maturities both longer and shorter than such period at such time, then the Screen Rate for such period shall be the Interpolated Screen Rate as of such time and (ii) if the Screen Rate, determined as provided above, would be less than zero, the Screen Rate shall be deemed to be zero for all purposes of this Agreement.

"SEC" means the United States Securities and Exchange Commission, or any other Governmental Authority that shall have succeeded to the functions thereof.

"Securities Act" means the United States Securities Act of 1933, as amended from time to time.

"SOFR" means, with respect to any day, the secured overnight financing rate published for such day by the NYFRB, as the administrator of the benchmark (or a successor administrator), on the NYFRB Website.

"SOFR-Based Rate" means SOFR, Compounded SOFR or Term SOFR.

**"SONIA" means, with respect to any Business Day, a rate per annum equal to the Sterling Overnight Index Average for such Business Day published by the SONIA Administrator on the SONIA Administrator Website on the immediately succeeding Business Day.**

**"SONIA Administrator" means the Bank of England (or any successor administrator of the Sterling Overnight Index Average).**

**"SONIA Administrator Website" means the Bank of England's website, currently at http://www.bankofengland.co.uk, or any successor source for the Sterling Overnight Index Average identified as such by the SONIA Administrator from time to time.**

**"SONIA Borrowing" means any Borrowing comprised of SONIA Loans.**

**"SONIA Business Day" means any day that is not a Saturday, Sunday or other day on which banks are closed for general business in London.**

**"SONIA Interest Day" has the meaning assigned to that term in the definition of "Daily Simple SONIA".**

**"SONIA Loan" means a Loan that bears interest at a rate determined by reference to the Adjusted Daily Simple SONIA.**

"Specified Time" means (a) with respect to the LIBO Rate, 11:00 a.m., London time, and (b) with respect to the EURIBO Rate, 11:00 a.m., Brussels time.

"Statutory Reserve Rate" means a fraction (expressed as a decimal, carried out to five decimal places), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board of Governors to which the Administrative Agent is subject for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board of Governors). Such reserve percentages shall include those imposed pursuant to such Regulation D. LIBOR Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Sterling" or "£" means the lawful currency of the United Kingdom.

"Subject Party" has the meaning assigned to that term in Section 2.14(h)(ii).

"Subsidiary" means, with respect to any Person, any corporation, partnership or other entity of which at least a majority of the securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership or other entity shall or might have voting power upon the occurrence of any contingency) is at the time of any determination directly or indirectly owned or Controlled by such Person, by such Person and one or more other Subsidiaries of such Person or by one or more other Subsidiaries of such Person. Unless otherwise specified, all references herein to Subsidiaries shall be deemed to refer to Subsidiaries of the Company.

"Subsidiary Borrower" means each of (a) the Irish Subsidiary Borrower and (b) any other Subsidiary of the Company that has been designated as, and became, a "Subsidiary Borrower" pursuant to Section 2.19(a), in each case, other than any Subsidiary Borrower that shall have ceased to be such as provided in Section 2.19(c).

"Subsidiary Borrower Agreement" means a Subsidiary Borrower Agreement substantially in the form of Exhibit F hereto, duly executed by the Company and the applicable Subsidiary.

"Subsidiary Borrower Termination Event" means, with respect to such Subsidiary Borrower, the occurrence of any of the following events:

(a) such Subsidiary Borrower shall be liquidated or dissolved;

(b) such Subsidiary Borrower (i) shall cease to be a Subsidiary of the Company or (ii) shall merge or consolidate with or into another Person and such Subsidiary Borrower shall not be the surviving entity (except that a Subsidiary Borrower may merge or consolidate with or into another Borrower that expressly assumes in writing all of such Subsidiary Borrower's obligations hereunder);

(c) such Subsidiary Borrower shall fail to pay (i) any principal of any Loan when the same becomes due and payable, (ii) any interest on any Loan when the same becomes due and payable, and such failure shall continue for a period of five Business Days or (iii) any other amount owing by such Subsidiary Borrower when the same becomes due and payable, and such failure shall continue for a period of 15 Business Days after receipt by such Subsidiary Borrower and the Company of written notice from the Administrative Agent of such amount being due, together with a statement in reasonable detail of the calculation thereof;

(d) any representation or warranty made (or deemed made pursuant to Article III hereof) by such Subsidiary Borrower herein or in any Borrowing Request or other document delivered by such Subsidiary Borrower pursuant to Section 2.19 or Article III shall prove to have been incorrect in any material respect when made or deemed made;

(e) such Subsidiary Borrower (i) shall fail to perform or observe any term, covenant or agreement set forth in Section 2.19(d)(i) or (ii) shall fail to perform or observe any term, covenant or agreement (other than those specified in clause (a), (b), (c) or (e)(i) above) contained in this Agreement on its part to be performed or observed if such failure shall remain unremedied for 30 calendar days after written notice thereof shall have been given to such Subsidiary Borrower and the Company by the Administrative Agent or any Lender;

(f) such Subsidiary Borrower (i) shall admit in writing its inability to pay its debts generally, (ii) shall make a general assignment for the benefit of creditors or shall institute any proceeding or voluntary case seeking to adjudicate it bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, Irish law examinership or reorganization or relief or protection of debtors, or seeking the entry of any order for relief or the appointment of a receiver, trustee, Irish law examiner or other similar

official for it or for any substantial part of its property or (iii) shall take any corporate action to authorize any of the actions set forth above in this clause (f); or

(g) any proceeding shall be instituted against such Subsidiary Borrower seeking to adjudicate it bankrupt or insolvent or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, Irish law examinership or reorganization or relief or protection of debtors, or seeking the entry of any order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, and such proceeding shall remain undismissed or unstayed for a period of 60 days.

"Subsidiary Indebtedness" of any Subsidiary of the Company means, without duplication, (a) all Debt of such Subsidiary and (b) all guarantees (in whatever form, including arrangements that have the effect of a guarantee) by such Subsidiary of any Debt of any other Person. The Subsidiary Indebtedness of any Subsidiary shall include all Debt of any other Person (including any partnership in which such Subsidiary is a general partner) to the extent such Subsidiary is liable therefor as a result of such Subsidiary's ownership interest in or other relationship with such other Person, except to the extent the terms of such Debt provide that such Subsidiary is not liable therefor.

"Syndication Agents" means Bank of America, N.A., Citibank N.A. and HSBC Bank USA, National Association, in their capacities as syndication agents for the credit facility provided for herein.

"TARGET" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system (or, if such payment system ceases to be operative, such other payment system (if any) reasonably determined by the Administrative Agent to be a suitable replacement for purposes hereof).

"TARGET Day" means any day on which both (a) banks in London are open for general business and (b) the TARGET is open for the settlement of payments in Euro.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges in the nature of a tax imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"TCA" means the Taxes Consolidation Act 1997 of Ireland.

"Term SOFR" means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"Test Period" means, on any date of determination, the period of four consecutive fiscal quarters of the Company most recently ended on or prior to such date for which financial statements have been delivered, or are required to have been delivered, pursuant to Section 5.01(a)(i) or 5.01(a)(ii).

"Tranche Conversion" has the meaning assigned to that term in Section 8.01(c).

"Transactions" means (a) the execution, delivery and performance by the Borrowers of this Agreement and the other Loan Documents, the borrowing of Loans and the use of the proceeds thereof, (b) the consummation of the Carrier Distribution and (c) the payment of fees and expenses incurred in connection with the foregoing.

"Transferee" has the meaning assigned to that term in Section 2.18(b).

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted ~~LIBO Rate, the~~ LIBO Rate, the EURIBO Rate ~~or~~**,** the Alternate Base Rate **or the Adjusted Daily Simple SONIA.**

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any Person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain Affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unadjusted Benchmark Replacement" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment; provided that, if the Unadjusted Benchmark Replacement as so determined would be less than zero, the Unadjusted Benchmark Replacement will be deemed to be zero for all purposes of this Agreement.

"Undrawn Commitment" means, on any date with respect to each Lender, (a) the Commitment of such Lender at such time minus (b) the Revolving Credit Exposure of such Lender at such time.

"United States" means the United States of America (including the constituent States thereof and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.

"Unrestricted Cash" means, on any date, cash and cash equivalents owned on such date by the Company and its Consolidated Subsidiaries, as would be reflected on a Consolidated balance sheet of the Company and its Consolidated Subsidiaries prepared as of such date in conformity with GAAP~~,~~**;** provided that such cash and cash equivalents do not appear (and would not be required to appear) as "restricted" on a Consolidated balance sheet of the Company and its Consolidated Subsidiaries prepared in conformity with GAAP.

"U.S. Borrower" means any Borrower that is a U.S. Person (or, if such Borrower is disregarded as an entity separate from its owner for U.S. federal income tax purposes, is owned for U.S. federal income tax purposes by a U.S. Person).

"US Dollar Equivalent" means, on any date of determination, (a) with respect to any amount in US Dollars, such amount, and (b) with respect to any amount in any Alternative Currency, the equivalent in US Dollars of such amount, determined by the Administrative Agent pursuant to Section 1.08 using the Exchange Rate with respect to such Alternative Currency at the time in effect under the provisions of Section 1.08.

"US Dollars" and the sign "US$" each mean the lawful money of the United States.

"U.S. Person" means a Person who is a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning set forth in Section 2.14(f)(ii)(B)(3).

"USA PATRIOT Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended from time to time, and the rules and regulations promulgated or issued thereunder.

"UTC" means United Technologies Corporation, a Delaware corporation.

"UTC 2019 Credit Agreements" means the UTC 2019 Revolving Credit Agreement and the UTC 2019 Term Credit Agreement.

"UTC 2019 Credit Agreements Refinancing" means the repayment of all principal, interest, fees and other amounts (other than contingent obligations as to which no claim has been made) outstanding or due under the UTC 2019 Credit Agreements and the termination of all commitments to extend credit thereunder.

"UTC 2019 Revolving Credit Agreement" means the Revolving Credit Agreement dated as of March 15, 2019, among UTC, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent, as amended, restated, supplemented or otherwise modified from time to time.

"UTC 2019 Term Credit Agreement" means the Term Loan Credit Agreement dated as of March 15, 2019, among UTC, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent, as amended, restated, supplemented or otherwise modified from time to time.

"VAT" means any tax imposed in accordance with the council directive of 28 November 2006 on the common system of the value added tax (EC Directive 2006/112) or any other tax of a similar nature, whether imposed in a member state of the European Union or elsewhere.

"VAT Recipient" has the meaning assigned to that term in Section 2.14(h)(ii).

"VAT Supplier" has the meaning assigned to that term in Section 2.14(h)(ii).

"Wholly-Owned Domestic Manufacturing Subsidiary" means any Subsidiary of the Company of which, at the time of determination, all of the outstanding capital stock (other than directors' qualifying shares) is owned by the Company directly and/or indirectly and which, at the time of determination, is primarily engaged in manufacturing; provided, however, that "Wholly-Owned Domestic Manufacturing Subsidiary" shall not include any Subsidiary of the Company that (a) neither transacts any substantial portion of its business nor regularly maintains any substantial portion of its fixed assets within the United States, (b) is engaged primarily in the finance business, including financing the operations of, or the purchase of products that are products of or incorporate products of, the Company and/or its Subsidiaries or (c) is primarily engaged in ownership and development of real estate, construction of buildings or related activities, or a combination of the foregoing. In the event that there shall at any time be a question as to whether a Subsidiary of the Company is primarily engaged in manufacturing or is described in the foregoing clause (a), (b) or (c), such matter shall be determined for all purposes of this Agreement by resolution of the board of directors of the Company.

"Write-Down and Conversion Powers" means (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that Person or any other Person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans and Borrowings may be classified and referred to by Type (e.g., a "Eurocurrency Loan" or an "ABR Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all real and personal, tangible and intangible assets and properties, including cash, securities, accounts and contract rights. Unless the context requires otherwise or

except as otherwise expressly provided herein, (a) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (b) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (c) any definition of or reference to any agreement, instrument or other document (including this Agreement) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (but disregarding any amendment, supplement or other modification made in breach of this Agreement), (d) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws) and (e) "inability to pay its debts" includes the Irish Subsidiary Borrower being unable to pay its debts within the meaning of Section 509 of the Irish Companies Act and/or Section 570 of the Irish Companies Act (excluding, for the avoidance of doubt, any deemed inability to pay debts as they fall due under Section 509(3)(b) of the Irish Companies Act).

SECTION 1.04 Accounting Terms; GAAP; Pro Forma Calculations. (a) Except as otherwise expressly provided herein, all terms of an accounting or financial nature used herein shall be construed in accordance with GAAP; provided that if the Company notifies the Administrative Agent that the Company requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Company that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding the foregoing, for purposes of this Agreement all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to (i) any change as a result of the adoption of any of the provisions set forth in the *Accounting Standards Update 2016-02, Leases (Topic 842)*, issued by the Financial Accounting Standards Board in February 2016, or any other amendments to the Accounting Standards Codifications issued by the Financial Accounting Standards Board in connection therewith, in each case if such change would require the recognition of right-of-use assets and lease liabilities for leases or similar agreements that would not be classified as capital leases under GAAP as in effect prior to January 1, 2019, (ii) any election under *Accounting Standards Codification 825, Financial Instruments*, or any successor thereto (including pursuant to the Accounting Standards Codification), to value any Debt or other indebtedness of the Company or any of its Subsidiaries at "fair value", as defined therein, (iii) any treatment of indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such indebtedness in a reduced or bifurcated manner as described therein, and such indebtedness shall at all times be valued at the full stated principal amount thereof, or (iv) any valuation of Debt or other indebtedness below its full stated principal amount as a result of the application of *Accounting Standards Update 2015-03, Interest*, issued by the Financial Accounting Standards Board, it being agreed that Debt and other indebtedness shall at all times be valued at the full stated principal amount thereof.

(b) All pro forma computations required to be made hereunder giving effect to any Material Acquisition or Material Disposition shall be calculated after giving pro forma effect thereto (and to other transactions, including the repayment or incurrence of Debt, related thereto) as if such transactions had occurred on the first day of the applicable Test Period and, to the extent applicable, to the historical earnings and cash flows associated with the assets acquired or disposed of and any related incurrence or reduction of Debt, all in accordance with Article 11 of Regulation S-X under the Securities Act. If any Debt bears a floating rate of interest and is being given pro forma effect, the interest on such Debt shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Hedge Agreement applicable to such Debt if such Hedge Agreement has a remaining term in excess of 12 months). Notwithstanding anything to the contrary in this Agreement or any classification under GAAP as "discontinued operations" of any Person, business, assets or operations in respect of which a definitive agreement for the disposition thereof has been entered into, no pro forma effect shall be given to any such discontinued operations (and the Consolidated EBITDA attributable to any such Person, business, assets or operations shall not be excluded for any purposes hereunder) until such disposition shall have been consummated.

SECTION 1.05. Interest Rates; LIBOR or EURIBOR Notification. The interest rate on Loans denominated in US Dollars or an Alternative Currency may be derived from an interest rate benchmark that is, or may in the future become, the subject of regulatory reform. Regulators have signaled the need to use alternative benchmark reference rates for some of these interest rate benchmarks and, as a result, such interest rate benchmarks may cease to comply with applicable laws and regulations, may be permanently discontinued, and/or the basis on which they are calculated may change. The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administrator, the "IBA") for purposes of the IBA setting the London interbank offered rate. As a result, it is possible that commencing in 2022, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on LIBOR Loans. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. Upon the occurrence of a Benchmark Transition Event or an Early Opt-In Election, Section 2.17(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or the "EURIBO Rate" or with respect to any alternative or successor rate thereto, or replacement rate thereof (including (a) any such alternative, successor or replacement rate implemented pursuant to Section 2.17(b), whether upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, and (b) the implementation of any Benchmark Replacement Conforming Changes pursuant to Section 2.17(b)), including whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the LIBO Rate or have the same volume or liquidity as did the applicable Screen Rate prior to its discontinuance or unavailability.

SECTION 1.06. Divisions. For all purposes under this Agreement, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its equity interests at such time.

SECTION 1.07. Effectuation of the Transactions. Notwithstanding anything herein to the contrary, on the Availability Date, all the representations and warranties of the Borrowers contained in this Agreement shall be deemed made after giving effect to the Carrier Distribution and the other Transactions.

SECTION 1.08. Currency Translation. The Administrative Agent shall determine the US Dollar Equivalent of any Borrowing denominated in an Alternative Currency as of the date of commencement of the initial Interest Period therefor **(or, in the case of a SONIA Loan, the date on which such SONIA Loan is made)** and as of the date of the commencement of each subsequent Interest Period therefor **(or, in the case of a SONIA Loan, each date that shall occur at intervals of three months' duration after the date on which such SONIA Loan is made)**, in each case using the Exchange Rate for such currency in relation to US Dollars, and each such amount shall be the US Dollar Equivalent of such Borrowing until the next required calculation thereof pursuant to this sentence. The Administrative Agent shall notify the Company and the Lenders of each determination of the US Dollar Equivalent of each Borrowing denominated in an Alternative Currency.

For purposes of any determination under Sections 5.02(a), 5.02(c), 5.02(f) and 6.01(i), all amounts incurred, outstanding or proposed to be incurred or outstanding in currencies other than US Dollars shall be translated into US Dollars at the Exchange Rate in effect on the date of such determination; provided that no Default or Event of Default shall arise as a result of any limitation set forth in US Dollars in Sections 5.02(a), 5.02(c) or 5.02(f) being exceeded solely as a result of changes in the exchange rate from those rates applicable at the time or times Debt, Liens or Sale and Leaseback Transactions were initially consummated in reliance on the exceptions under such Sections. For purposes of Sections 5.02(d) and 5.02(e), and the related definitions, amounts in currencies other than US Dollars shall be translated into US Dollars at the exchange rate then most recently used in preparing the Company's Consolidated financial statements.

SECTION 1.09. Most Favored Nation Provision. In the event that any term loan or revolving credit facility (other than any uncommitted revolving credit facility) in an amount (whether or not funded) of US$100,000,000 or more entered into by the Company (whether as a primary obligor or as a guarantor) shall contain any affirmative covenant, restrictive covenant, financial covenant, event of default, condition precedent to borrowing, guarantee provision or collateral provision (but, for the avoidance of doubt, not any provision relating to pricing or tenor) that is, in the good faith reasonable determination of the Company, either more restrictive (or more favorable to the lenders thereunder) than the corresponding provision set forth in this Agreement or is not comparable to any such provision set forth in this Agreement, then, in each case, this Agreement shall, during the Covenant Modification Period, automatically be deemed to have been amended to incorporate such affirmative covenant, restrictive covenant, financial covenant, event of default, condition precedent to borrowing, guarantee provision or collateral provision, mutatis mutandis, as if set forth fully herein, without any further action required on the part of any Person. The Company, the Subsidiary Borrowers and the Administrative Agent shall execute any and all further documents and agreements, including amendments hereto, and take all such further actions, as shall be reasonably requested by the Administrative Agent to give effect to the provisions of this paragraph.

## ARTICLE II

## AMOUNTS AND TERMS OF THE LOANS

SECTION 2.01. Loans. (a) Each Lender severally agrees, on the terms and conditions hereinafter set forth, to make Loans in US Dollars or Alternative Currencies to any Borrower from time to time on any Business Day during the Availability Period; provided that, immediately after the making of each Loan, (i) the Aggregate Revolving Credit Exposure will not exceed the Aggregate Commitment and (ii) the Revolving Credit Exposure of any Lender will not exceed such Lender's Commitment. Each Borrowing shall be in an aggregate amount not less than the applicable Borrowing Minimum or an integral multiple of the applicable Borrowing Multiple in excess thereof and shall (except as provided herein) consist of Loans of the same Type and currency made to the same Borrower on the same day by the Lenders ratably according to their respective Commitments. Within the limits of this Section 2.01, the Borrowers may borrow under this Section 2.01, prepay pursuant to Section 2.06(b) or 2.10(b) and reborrow under this Section 2.01.

(b) Subject to Section 2.17, (i) each Borrowing denominated in US Dollars shall be comprised entirely of LIBOR Loans or ABR Loans, in each case, as the applicable Borrower (or, in the case of any Subsidiary Borrower, the Company on its behalf) may elect in accordance herewith, (ii) each Borrowing denominated in Euro shall be comprised entirely of EURIBOR Loans and (iii) each Borrowing denominated in ~~any Alternative Currency other than Euro~~**Sterling** shall be comprised entirely of ~~LIBOR~~**SONIA** Loans. Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the applicable Borrower to repay such Loan in accordance with the terms of this Agreement and such Lender shall not be entitled to any amounts payable under Section 2.11, 2.12, 2.14 or 8.04 solely in respect of increased costs or Taxes resulting from such exercise and existing at the time of such exercise (and that would not have been incurred but for such exercise).

SECTION 2.02. Notice of Borrowings. (a) Each Borrowing shall be made on notice by the applicable Borrower (or, in the case of any Subsidiary Borrower, by the Company on its behalf) to the Administrative Agent given not later than (a) 11:00 a.m., Local Time, on the date of the proposed Borrowing if it consists of ABR Loans ~~and~~**,** (b) 11:00 a.m., Local Time, three Business Days prior to the date of the proposed Borrowing if it consists of Eurocurrency Loans **and (c) 11:00 a.m., Local Time, five SONIA Business Days prior to the date of the proposed Borrowing if it consists of SONIA Loans.** Each such notice shall be made by delivery to the Administrative Agent of a written Borrowing Request duly completed and executed by an authorized officer of the applicable Borrower (or of the Company, as the case may be), specifying therein (i) the requested date of such Borrowing (which shall be a Business Day), (ii) the Borrower requesting such Borrowing (or on whose behalf the Company is requesting such Borrowing), (iii) Type of Loans comprising such Borrowing, (iv) aggregate amount and currency of such Borrowing, (v) if such Borrowing is comprised of Eurocurrency Loans, the initial Interest Period thereof, which shall be a period contemplated by the definition of the term "Interest Period", (vi) the location and number of the account of the applicable Borrower to which funds are to be disbursed and (vii) if the requested Borrowing is conditioned on the occurrence of one or more events, such event or events.

(b) Each Borrowing Request shall be revocable by the applicable Borrower (or, in the case of any Subsidiary Borrower, by the Company on its behalf) at any time prior to the making of the Borrowing requested in such Borrowing Request by notice to the Administrative Agent; provided, however, that, if the Administrative Agent receives such notice after the latest time by which the applicable Borrower (or the Company on its behalf) is permitted to give notice of such Borrowing pursuant to this Section 2.02 and if the Administrative Agent has already given notice of such Borrowing to the Lenders, the applicable Borrower shall indemnify each Lender against any loss or expense incurred by such Lender in connection therewith in accordance with Section 2.12.

SECTION 2.03. [Reserved].

SECTION 2.04. Notice to Lenders; Funding of Loans. (a) Upon receipt of a Borrowing Request, the Administrative Agent shall promptly notify each Lender in writing of the contents thereof and of such Lender's share of the requested Borrowing.

(b) Each Lender shall, before 11:00 a.m., Local Time, on the date of each Borrowing comprised of Eurocurrency Loans **or SONIA Loans** and before 1:00 p.m., Local Time, on the date of each Borrowing comprised of ABR Loans, make available to the Administrative Agent, in immediately available funds to the account most recently designated by the Administrative Agent for such purpose by written notice to the Lenders, such Lender's portion of such Borrowing in the applicable currency. After the Administrative Agent's receipt of such funds, the Administrative Agent will make such funds so received available to the applicable Borrower by wire transfer or credit in immediately available funds to the applicable Borrower's account specified in the applicable Borrowing Request, no later than 12:00 p.m., Local Time, on the date of each Borrowing comprised of Eurocurrency Loans **or SONIA Loans** and no later than 2:00 p.m., Local Time, on the date of each Borrowing comprised of ABR Loans. Promptly after each Borrowing, the Administrative Agent shall record each Loan comprising such Borrowing and the terms related thereto.

(c) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance herewith and the Administrative Agent may, in reliance upon such assumption, make available to the applicable Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such portion available to the Administrative Agent, the Administrative Agent shall be entitled to recover such corresponding amount on demand from such Lender (or, if such Lender fails to pay such corresponding amount forthwith upon such demand, from the applicable Borrower, which, if such Lender has wrongfully refused to make such corresponding amount available, shall, without limiting any other right of such Borrower against such Lender, in turn be entitled to recover such corresponding amount from such Lender to the extent such Borrower has paid such amount to the Administrative Agent) together with interest thereon, for each day from the date such amount is made available by the Administrative Agent until the date such amount is repaid to the Administrative Agent, at (i) in the case of a payment to be made by such Lender, (A) if denominated in US Dollars, the greater of (x) the NYFRB Rate and (y) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (B) if denominated in any other currency, the greater of (x) the interest rate reasonably determined by the Administrative Agent to reflect its cost of funds for the amount advanced by such Administrative Agent on behalf of such Lender (which determination shall be conclusive absent manifest error) and (y) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of a payment to be made by such Borrower, the interest rate applicable at the time to such Borrowing. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's Loan as part of such Borrowing for purposes of this Agreement. The failure of any Lender to make the Loan to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation hereunder to make its Loan on the date of such Borrowing; provided, however, that the Commitments of the Lenders are several and no Lender shall be responsible for the failure of any other Lender to make the Loan to be made by such other Lender on the date of any Borrowing.

(d) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrowers to such Lender resulting from each Loan owing to such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

SECTION 2.05. Commitment Fee and Other Fees. (a) Subject to adjustment as provided in Section 2.16, the Company agrees to pay to the Administrative Agent, for the account of each Lender, a fee (a "Commitment Fee") in respect of the period commencing on the Closing Date and ending on the date on which the Commitment of such Lender terminates, which shall accrue at the Applicable Rate on the actual daily Undrawn Commitment of such Lender in effect from time to time. Accrued Commitment Fees shall be payable (i) in arrears quarterly on the last Business Day of March, June, September and December of each year, commencing with June 30, 2020, (ii) on the Commitment Termination Date and (iii) in the event of the termination in whole of the Commitment of any Lender and with respect to such Commitment, on the date of such termination.

(b) The Company agrees to pay to the Administrative Agent, for its own account, each administrative agency fee payable after the Closing Date by UTC as consideration for JPMorgan Chase Bank, N.A.'s agreement to act as Administrative Agent hereunder pursuant to the fee letter entered into between UTC and the Administrative Agent prior to the Closing Date in connection with the credit facility provided for herein.

SECTION 2.06. Increase in Commitments; Termination or Reduction of Commitments. (a) The Company may, at any time and from time to time after the Availability Date, without any requirement of consent of the Administrative Agent and without any adjustment in the Administrative Agent's fee described in Section 2.05(b), by delivery to the Administrative Agent of an incremental facility agreement substantially in the form of Exhibit H or any other form reasonably satisfactory to the Company and the Administrative Agent (each, an "Incremental Facility Agreement") executed by the Company and one or more Persons that are (i) Lenders or (ii) Eligible Assignees (any such Person being referred to as an "Increasing Lender"), which shall specify the amount of the increase in the Commitment of each Increasing Lender (or, in the case of any Increasing Lender that is not already a Lender, the amount of the new Commitment extended by such Increasing Lender) and the effective date of such increase (the "Increase Effective Date"); provided that (i) no Lender shall have any obligation to increase its Commitment pursuant to this Section 2.06(a), (ii) after giving effect to any increase in the Commitments pursuant to this Section 2.06(a), the Aggregate Commitment shall not exceed US$2,500,000,000, (iii) the Company shall have delivered to the Administrative Agent a certificate of the Company, dated the applicable Increase Effective Date and signed by an officer of the Company, to the effect that as of the applicable Increase Effective Date, no Default or Event of Default shall have occurred and be continuing and (iv) if any Increasing Lender is not already a Lender, such Increasing Lender shall be subject to the prior written consent of the Administrative Agent (not to be unreasonably withheld, delayed or conditioned). From and after the Increase Effective Date specified in any Incremental Facility Agreement to which any Increasing Lender that is not already a Lender is a party, such Increasing Lender shall be deemed to be a party to this Agreement and shall be entitled to all rights, benefits and privileges accorded a Lender hereunder and subject to all obligations of a Lender hereunder. The Administrative Agent shall provide to the Lenders a copy of each Incremental Facility Agreement promptly after its receipt thereof. In the event any Loans shall be outstanding on the Increase Effective Date with respect to any increase in the Commitments pursuant to this Section 2.06(a), such Loans shall continue to be outstanding and held by Lenders in the manner held prior to the effectiveness of such increase, but any new Borrowing shall be made by Lenders pursuant to Section 2.01 ratably in accordance with their respective Commitments as in effect after giving effect to such increase.

(b) The Company may, upon at least one Business Day's notice to the Administrative Agent and with or without cause, (i) terminate in whole or reduce in part the unused portion of the Commitments of all Lenders on a pro rata basis or (ii) terminate in whole or reduce in part the Commitment of any Lender (including any Defaulting Lender) and prepay the corresponding pro rata portion of the outstanding principal amount of any Loans of such Lender, together with accrued interest thereon and all accrued Commitment Fees payable for the account of such Lender (and, if any such Loan is a Eurocurrency Loan and such prepayment is not made on the last day of the applicable Interest Period, any payment required pursuant to Section 2.12); provided that each partial reduction with respect to one or more Lenders shall be in the aggregate amount of at least US$25,000,000 or an integral multiple of US$1,000,000 in excess thereof. If the Company terminates in whole the Commitment of any Lender as permitted by this Agreement at a time when no Loan of such Lender is outstanding hereunder (after giving effect to any prepayment of the Loans of such Lender in connection with such termination), then such Lender shall cease to be a party hereto (but shall continue to be entitled to the benefits of Sections 2.11, 2.12 and 2.14 (to the extent accrued for periods prior to it ceasing to be a party hereto) and Section 8.04), and its rights and obligations hereunder shall cease, on and after the effective date of such termination.

(c) Unless previously terminated or reduced to zero, the Commitments shall terminate in whole on the Commitment Termination Date.

SECTION 2.07. Repayment of Loans. Each Borrower shall repay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan owing by such Borrower to such Lender on the Scheduled Maturity Date.

SECTION 2.08. Interest on Loans. Each Borrower shall pay interest on the unpaid principal amount of each Loan owing by such Borrower to the Administrative Agent for the account of each Lender, from the date of such Loan until such principal amount shall be paid in full, at the interest rate borne by such Loan from time to time. The Loans included in any Borrowing shall bear interest based upon its Type, as specified initially in the Borrowing Request relating thereto and thereafter, as provided in Section 2.09, as follows:

(a) ABR Loans. Each ABR Loan shall bear interest at a rate per annum equal at all times to the sum of the Alternate Base Rate in effect from time to time plus the Applicable Rate, payable on the last day of March, June, September and December of each year, on the Commitment Termination Date and, after the Commitment Termination Date, on any date the principal of such ABR Loan is prepaid or paid.

(b) LIBOR Loans. Each LIBOR Loan shall bear interest during any Interest Period applicable thereto at a rate per annum equal at all times during such Interest Period to the sum of the Adjusted LIBO Rate ~~(in the case of LIBOR Loans denominated in US Dollars) or the LIBO Rate (in the case of LIBOR Loans denominated in Alternative Currencies)~~ for such Interest Period plus the Applicable Rate, payable on the last day of the Interest Period for such Loan, at intervals of three months from the first day thereof in the case of Interest Periods in excess of three months and, in any event, on the date the principal of such LIBOR Loan is prepaid or paid.

(c) EURIBOR Loans. Each EURIBOR Loan shall bear interest during any Interest Period applicable thereto at a rate per annum equal at all times during such Interest Period to the sum of the EURIBO Rate for such Interest Period plus the Applicable Rate, payable on the last day of the Interest Period for such Loan, at intervals of three months from the first day thereof in the case of Interest Periods in excess of three months and, in any event, on the date the principal of such EURIBOR Loan is prepaid or paid.

(d) ~~[Reserved].~~**SONIA Loans. Each SONIA Loan shall bear interest at a rate per annum equal at all times to the sum of the Adjusted Daily Simple SONIA in effect from time to time plus the Applicable Rate, payable on the date that is on the numerically corresponding day in each calendar month that is one month after the date of the Borrowing of which such SONIA Loan is a part (or, if there is no such numerically corresponding day in such month, then the last day of such month), on the Commitment Termination Date and, after the Commitment Termination Date, on any date the principal of such SONIA Loan is prepaid or paid.**

(e) Interest on Overdue Principal. Any amount of principal of any Loan that is not paid when due (whether at stated maturity, by acceleration or otherwise) shall bear interest, from the date on which such amount is due until such amount is paid in full, payable on demand, at a rate per annum equal at all times to 1% per annum plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section 2.08.

SECTION 2.09. Conversion and Subsequent Interest Period Elections for Loans. (a) Each Borrower may, upon written notice to the Administrative Agent:

(i) elect, in the case of a Borrowing made to such Borrower consisting of ABR Loans, to convert such Borrowing (or to convert any part thereof in an amount not less than the applicable Conversion Minimum or an integral multiple of the applicable Conversion Multiple in excess thereof) into a Borrowing consisting of LIBOR Loans as of any Business Day;

(ii) elect, in the case of a Borrowing made to such Borrower consisting of LIBOR Loans ~~denominated in US Dollars~~, to convert such Borrowing to a Borrowing consisting of ABR Loans (or to convert any part thereof in an amount not less than the applicable Conversion Minimum or an integral multiple of the applicable Conversion Multiple in excess thereof), effective on the last day of the then current Interest Period applicable thereto; or

(iii) elect, in the case of a Borrowing made to such Borrower consisting of (x) LIBOR Loans ~~denominated in any currency~~ or (y) EURIBOR Loans, to continue such Borrowing as a Borrowing consisting of LIBOR Loans ~~denominated in such currency~~ or EURIBOR Loans, respectively (or to continue any part thereof in an amount not less than the applicable Conversion Minimum or an integral multiple of the applicable Conversion Multiple in excess thereof), in each case effective on the last day of the then current Interest Period applicable thereto;

provided that (A) if at any time the aggregate amount of LIBOR Loans ~~denominated in US Dollars~~ in respect of any Borrowing is reduced, by prepayment or conversion of part thereof, to be less than US$10,000,000, then such Borrowing of LIBOR Loans shall automatically convert into a Borrowing of ABR Loans as of the end of the Interest Period applicable thereto, (B) after giving effect to any conversion or continuation of Loans (including any part thereof) described in clauses (i), (ii) and (iii) above, there shall not be more than 10 (or such greater number as may be agreed to by the Administrative Agent) ~~different Interest Periods applicable to~~ outstanding ~~Borrowings consisting of~~ Eurocurrency ~~Loans~~**Borrowings and SONIA Borrowings** and (C) each conversion and continuation of any Borrowing (including of any part thereof) described in clauses (i), (ii) and (iii) above shall be made ratably according to the outstanding principal amount of the Loans that are to be converted or continued (in whole or in part) held by each Lender immediately prior to giving effect to such conversion or continuation.

(b) To effect a conversion or continuation, the applicable Borrower (or, in the case of any Subsidiary Borrower, the Company on its behalf) shall deliver to the Administrative Agent a written Interest Election Request, duly completed and executed by an authorized officer of the applicable Borrower (or of the Company, as the case may be), not later than 11:00 a.m., Local Time, (i) at least three Business Days in advance of the effective date thereof, if the Borrowing described therein is to be converted into or continued as a LIBOR Borrowing or continued as a EURIBOR Borrowing and (ii) on the effective date thereof, if the Borrowing described therein is to be converted into an ABR Borrowing, specifying:

(A) the Borrowing to which such proposed conversion or continuation applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (C) and (D) below shall be specified for each resulting Borrowing);

(B) the proposed effective date of the conversion or continuation (which shall be a Business Day);

(C) the Type(s) of Borrowing resulting from the proposed conversion or continuation; and

(D) for a Borrowing converted into or continued as a Eurocurrency Borrowing, the duration of the next requested Interest Period to be applicable thereto after giving effect to such conversion or continuation, as the case may be, which shall be a period contemplated by the definition of the term "Interest Period".

(c) Each Interest Election Request shall be revocable by the applicable Borrower (or, in the case of any Subsidiary Borrower, by the Company on its behalf) at any time prior to the effective date of the conversion or continuation specified in such Interest Election Request by notice to the Administrative Agent; provided, however, that in the event that the Borrowing specified in such Interest Election Request is to be converted into or continued as a Eurocurrency Borrowing, if the Administrative Agent receives such notice of revocation after the latest time by which the applicable Borrower (or the Company on its behalf) is permitted to give an Interest Election Request with respect to such Borrowing pursuant to Section 2.09(b) and if the Administrative Agent has already given notice of such conversion or continuation to the Lenders, the applicable Borrower shall indemnify each Lender against any loss or expense incurred by such Lender in connection therewith in accordance with Section 2.12.

(d) If upon the expiration of any Interest Period applicable to a Eurocurrency Borrowing, neither the applicable Borrower nor, in the case of any Subsidiary Borrower, the Company on its behalf has timely delivered an Interest Election Request with respect to such Eurocurrency Borrowing, such Borrower shall be deemed to have elected to continue such Eurocurrency Borrowing as a Eurocurrency Borrowing of the same Type with an Interest Period of one month effective as of the expiration date of such Interest Period.

(e) The Administrative Agent will promptly notify each Lender of its receipt of an Interest Election Request or, if no timely notice is provided by the applicable Borrower (or, in the case of any Subsidiary Borrower, the Company on its behalf), the Administrative Agent will promptly notify each Lender of the details of any automatic continuation. All conversions and continuations shall be made ratably according to the respective outstanding principal amounts of the Loans held by each Lender comprising the Borrowing with respect to which the applicable Interest Election Request was given.

SECTION 2.10. Prepayments of Loans. (a) No Borrower shall have the right to prepay any principal amount of any Loans other than as provided in this Section 2.10 or in Section 2.06(b).

(b) Any Borrower, may, upon notice to the Administrative Agent stating the proposed date and aggregate principal amount of the prepayment (and, if such notice is given, such Borrower shall), prepay, in whole or in part, the outstanding principal amounts of the Loans comprising part of the same Borrowing made to such Borrower.

(c) If, on any date, the Aggregate Revolving Credit Exposure shall exceed an amount equal to 110% of the Aggregate Commitment, the Administrative Agent shall notify the Company of such excess and one or more Borrowers (as determined by the Company) shall, as soon as practicable and in any event within five Business Days, prepay Loans owing by such Borrowers in an aggregate amount equal to the amount necessary to eliminate such excess.

(d) The applicable Borrower (or, in the case of any Subsidiary Borrower, the Company on its behalf) shall notify the Administrative Agent in writing of any prepayment of a Borrowing hereunder (i) no later than 11:00 a.m., New York City time, on the Business Day on which ABR Loans are to be prepaid, **(ii) no later than 11:00 a.m., New York City time, five Business Days prior to the date on which SONIA Loans are to be prepaid** and (~~ii~~**iii**) no later than 11:00 a.m., New York City time, one Business Day prior to the date on which Eurocurrency Loans are to be prepaid, which notice shall specify the prepayment date, the Borrowing or Borrowings to be prepaid and the principal amount of each such Borrowing or portion thereof to be prepaid. Any partial prepayment of a Borrowing shall be in an aggregate principal amount of not less than the applicable Prepayment Minimum or an integral multiple of the Prepayment Multiple in excess thereof. In the event of any such prepayment of a Eurocurrency Loan **or SONIA Loan**, the applicable Borrower shall be obligated to reimburse the Lenders in respect thereof to the extent specified in Section 2.12. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.08.

SECTION 2.11. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate);

(ii) impose on any Lender or the ~~Relevant Interbank Market~~**relevant interbank market** any other condition, cost or expense (other than Taxes) affecting this Agreement or Eurocurrency Loans **or SONIA Loans** made by such Lender; or

(iii) subject any Lender to any Taxes (other than (A) Indemnified Taxes and (B) Excluded Taxes) on its loans, loan principal, commitments or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise), then, from time to time upon written request of such Lender to the Company, the Company will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs or expenses incurred or reduction suffered.

(b) If any Lender reasonably determines that any Change in Law regarding capital or liquidity requirements (except any such reserve requirement reflected in the Adjusted LIBO Rate) has had or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitment of or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company would have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy or liquidity), then, from time to time upon written request of such Lender to the Company, the Company will pay to such Lender such additional amount or

amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) If the cost to any Lender of making or maintaining any Loan to a Subsidiary Borrower (or of maintaining its obligation to make any Loan to a Subsidiary Borrower) is increased (or the amount of any sum received or receivable by any Lender is reduced) by an amount deemed in good faith by such Lender to be material by reason of the fact that such Subsidiary Borrower is organized in, or conducts business in, a jurisdiction outside of the United States or the Republic of Ireland, then, from time to time upon written request of such Lender to the applicable Subsidiary Borrower (with a copy to the Administrative Agent and the Company), such Subsidiary Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(d) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company as specified in Section 2.11(a) or 2.11(b) delivered to the Company or as specified in Section 2.11(c) delivered to the applicable Subsidiary Borrower and the Company shall be prima facie evidence of the amount claimed in the absence of manifest error; provided that it is accompanied by a statement in reasonable detail of the calculation on which such amount was based. The Company or the applicable Subsidiary Borrower shall pay such Lender the amount shown as due on any such certificate within 15 days after receipt thereof. If the Company or any Subsidiary Borrower receives any such certificate from a Lender, the Company shall have the right to terminate the commitment of such Lender in accordance with Section 2.06(b) or require such Lender to assign its interest in accordance with Section 2.18(b).

(e) Promptly after any Lender has determined that it will make a request for increased compensation pursuant to this Section 2.11, such Lender shall notify the Company or, in the case of Section 2.11(c), the Company and the applicable Subsidiary Borrower thereof. Failure or delay on the part of any Lender to demand compensation pursuant to this Section 2.11 shall not constitute a waiver of such Lender's right to demand such compensation; provided that (i) the Company shall not be required to compensate a Lender pursuant to Section 2.11(a) or 2.11(b) for any increased costs or expenses incurred or reductions suffered more than 180 days prior to the date that such Lender notifies the Company of the Change in Law giving rise to such increased costs or expenses or reductions and of such Lender's intention to claim compensation therefor; provided that, if the Change in Law giving rise to such increased costs or expenses or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof and (ii) no Subsidiary Borrower shall be required to compensate a Lender pursuant to Section 2.11(c) for any increased costs or expenses incurred or reductions suffered as to which such Lender became aware and failed to notify such Subsidiary Borrower promptly if and to the extent that prompt notice could have avoided or lessened payment by such Subsidiary Borrower under such Section.

(f) If any Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any amount (i) as to which it has been indemnified by the Company or any Subsidiary Borrower or (ii) which has been paid to such Lender by the Company or any Subsidiary Borrower, in each case pursuant to this Section 2.11, it shall pay over such refund to the Company or such Subsidiary Borrower (but only to the extent of payments made by the Company or such Subsidiary Borrower under this Section 2.11 with respect to the events giving rise to such refund), net of all reasonable out-of-pocket expenses of such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Company or such Subsidiary Borrower agrees, upon the written request of such Lender to the Company and, if applicable, such Subsidiary Borrower, to repay the amount paid over to the Company or such Subsidiary Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event such Lender is required to repay such refund to such Governmental Authority. This paragraph shall not be construed to require any Lender to make available its accounting records (or any other information which it deems confidential) to the Company, any Subsidiary Borrower or any other Person.

SECTION 2.12. Break Funding Payments. In the event of (a) the payment of any principal of any Eurocurrency Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or a Subsidiary Borrower Termination Event or pursuant to Section 2.06(b)), (b) the conversion of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert or continue any Eurocurrency Loan on the date specified in any notice delivered pursuant hereto (whether or not such notice may be revoked in accordance with the terms hereof), (d) the failure to prepay any Eurocurrency Loan on a date specified therefor in any notice of prepayment delivered pursuant hereto (whether or not such notice may be revoked in accordance with the terms hereof) or (e) the assignment (other than as a result of a default by the applicable Lender in the performance of its agreements set forth herein) of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Company pursuant to Section 2.18(b), then, in any such event, the applicable Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. Such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Loan had such event not occurred at the Adjusted ~~LIBO Rate, the~~ LIBO Rate or the EURIBO Rate, as the case may be, that would have been applicable to such Loan (but not including the Applicable Rate applicable thereto), for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest that would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in the applicable currency of a comparable amount and period from other banks in the Relevant Interbank Market. **In the event of (A) the payment of any principal of any SONIA Loan other than on the date that is on the numerically corresponding day in the calendar month that is one month after the date of the Borrowing of which such Loan is a part (or, if there is no such numerically corresponding day in such month, then the last day of such month) (including as a result of an Event of Default or a Subsidiary Borrower Termination Event, any optional prepayment of Loans or pursuant to Section 2.06(b)), (B) the failure to borrow or prepay any SONIA Loan on the date specified in any notice delivered pursuant hereto**

**(whether or not such notice may be revoked in accordance with the terms hereof), (C) the assignment (other than as a result of a default by the applicable Lender in the performance of its agreements set forth herein) of any SONIA Loan other than on the date that is on the numerically corresponding day in the calendar month that is one month after the date of the Borrowing of which such Loan is a part (or, if there is no such numerically corresponding day in such month, then the last day of such month) as a result of a request by the Company pursuant to Section 2.18(b) or (D) the failure by any Borrower to make any payment of any SONIA Loan on its scheduled due date or any payment thereof in a different currency, then, in any such event, the applicable Borrower shall compensate each Lender for the loss, cost and expense attributable to such event.** A certificate of any Lender delivered to the Company and setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.12 shall be prima facie evidence of such amount; provided that it is accompanied by a statement in reasonable detail of the calculation on which such amount was based. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.13. Payments and Computations. (a) Each Borrower shall make each payment required to be made by it hereunder not later than 12:00 noon, Local Time, on the day when due, in each case without setoff or counterclaim, to the Administrative Agent in immediately available funds at the account most recently designated by the Administrative Agent for such purpose by written notice to the Company. The Administrative Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest or Commitment Fees ratably (other than amounts payable pursuant to Section 2.06(b)) to the Lenders, subject to Section 2.16, and like funds relating to the payment of any other amount payable to the Administrative Agent for the account of any Lender to such Lender, in each case to be applied in accordance with the terms of this Agreement. All payments hereunder of principal or interest in respect of any Loan shall be made in the currency of such Loan; all other payments hereunder shall be made in US Dollars. Any payment by any Borrower credited in the required funds to the Administrative Agent at its account most recently designated by the Administrative Agent for such purpose by written notice to the Company shall discharge the obligation of such Borrower to make such payment at the time such credit is so effected, irrespective of the time of any distribution of such payment by the Administrative Agent to any Lender.

(b) All computations of interest based on the Alternate Base Rate (if the Alternate Base Rate is based on the Prime Rate) or the ~~LIBO Rate (in the case of Borrowings denominated in Sterling)~~**Daily Simple SONIA**, and all computations of Commitment Fees shall, in each case, be made by the Administrative Agent on the basis of a year of 365 or~~, other than in the case of Borrowings denominated in Sterling,~~ 366 days, as the case may be, and all other computations of interest hereunder shall be made by the Administrative Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable. Each determination by the Administrative Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(c) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or any Commitment Fee, as the case may be.

(d) Unless the Administrative Agent shall have received notice from the applicable Borrower (or, in the case of any Subsidiary Borrower, the Company on its behalf) prior to the date on which any payment is due to the Lenders hereunder that such Borrower will not make such payment in full, the Administrative Agent may assume that such Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent the applicable Borrower shall not have so made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the greater of (i) if denominated in US Dollars, the greater of (A) the NYFRB Rate and (B) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (ii) if denominated in any other currency, the greater of (A) the interest rate reasonably determined by the Administrative Agent to reflect its cost of funds for the amount distributed by the Administrative Agent to such Lender (which determination shall be conclusive absent manifest error) and (B) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

SECTION 2.14. Taxes. (a) Payments Free of Taxes. Any and all payments by or on account of any obligation of a Borrower under this Agreement shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of the applicable Borrower or an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by such Borrower or such withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by such Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.14) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Borrowers. The applicable Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law or, at the option of the Administrative Agent, timely reimburse it for Other Taxes.

(c) Evidence of Payments. As soon as practicable after any payment of Taxes by any Borrower to a Governmental Authority pursuant to this Section 2.14, such Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by the Borrowers. The applicable Borrower shall indemnify each applicable Recipient, within 20 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.14) payable or paid by such Recipient or required to be withheld or deducted from a payment by such Borrower to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Company by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the applicable Borrower(s) have not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of such Borrower(s) to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 8.06(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with this Agreement, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. Each Lender shall severally indemnify each applicable Borrower for any Taxes paid or payable by such Borrower (and not deducted or withheld by such Borrower from any payment otherwise due hereunder to such Lender) as a result of the failure of such Lender to deliver, or as a result of the inaccuracy, inadequacy or deficiency of, any documentation required to be delivered by such Lender to the Company pursuant to Section 2.14(f), and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent and the applicable Borrower(s) to set off and apply any and all amounts at any time owing by the Administrative Agent or such Borrower(s) (as applicable) to such Lender under this Agreement or otherwise payable by the Administrative Agent or such Borrower(s) (as applicable) to the Lender from any other source against any amount due to the Administrative Agent or the Borrower(s) (as applicable) under this paragraph.

(f) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under this Agreement shall deliver to the Company and the Administrative Agent, at the time or times prescribed by applicable law or reasonably requested by the Company or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Company or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Company or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Company or the Administrative Agent as will enable the applicable Borrower(s) or the Administrative Agent to determine whether or not such Lender is subject to any withholding (including backup withholding) or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 2.14(f)(ii)(A), 2.14(f)(ii)(B) and 2.14(f)(ii)(D)) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, with respect to any U.S. Borrower:

(A) any Lender that is a U.S. Person (or, if such Lender is disregarded as an entity separate from its owner for U.S. federal income tax purposes, is owned, for U.S. federal income tax purposes, by a U.S. Person) shall deliver to such U.S. Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of such U.S. Borrower or the Administrative Agent), duly completed and executed originals of IRS Form W-9 certifying that such Lender (or such U.S. Person, as applicable) is exempt from U.S. Federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to such U.S. Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of such U.S. Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender (or, if a Foreign Lender is disregarded as an entity separate from its owner for U.S. federal income tax purposes, such owner) entitled to the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under this Agreement, duly completed and executed originals of IRS Form W-8BEN or W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under this Agreement, duly completed and executed originals of IRS Form W-8BEN or W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) duly completed and executed originals of IRS Form W-8ECI with respect to such Foreign Lender (or, if a Foreign Lender is disregarded as an entity separate from its owner for U.S. federal income tax purposes, such owner);

(3) in the case of a Foreign Lender (or, if a Foreign Lender is disregarded as an entity separate from its owner for U.S. federal income tax purposes, such owner) entitled to the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a duly completed and executed certificate substantially in the form of Exhibit G-1 to the effect that such Foreign Lender (or such owner, as applicable) is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of such U.S. Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) duly completed and executed originals of IRS Form W-8BEN or W-8BEN-E, as applicable; or

(4) to the extent a Foreign Lender (or, if a Foreign Lender is disregarded as an entity separate from its owner for U.S. federal income tax purposes, such owner) is not the beneficial owner, duly completed and executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E, as applicable, a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-2 or Exhibit G-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable (and including any other information required to be provided by IRS Form W-8IMY); provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-4 on behalf of each such direct or indirect partner;

(C) any Lender (or, if such Lender is disregarded as an entity separate from its owner for U.S. federal income tax purposes, the Person treated as its owner for U.S. federal income tax purposes) shall, to the extent it is legally entitled to do so, deliver to such U.S. Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of such U.S. Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. Federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit such U.S. Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under this Agreement would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to such U.S. Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by such U.S. Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by

such U.S. Borrower or the Administrative Agent as may be necessary for such U.S. Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) Without limiting the generality of the foregoing, with respect to any Irish Subsidiary Borrower, or any other Borrower that is resident in Ireland for the purposes of tax:

(A) each Lender represents and warrants that it is an Irish Qualifying Lender at the date of this Agreement or at the date that it becomes a party to this Agreement, as applicable, and that it undertakes to notify the relevant Borrower in the event that it becomes aware that it has ceased to be an Irish Qualifying Lender; and

(B) any Lender, following a request from such Borrower, shall (i) provide details of its name, address and country of tax residence to such Borrower to enable it to comply with its reporting obligations under section 891A of the TCA, and (ii) provide such Borrower with any correct, complete and accurate information that may be required for such Borrower to comply with its obligations under section 891E of the TCA and all regulations made pursuant to that section.

Upon the reasonable request of the Company or the Administrative Agent, any Lender shall update any form or certification previously delivered pursuant to this Section 2.14(f). Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall promptly (and in any event within 10 days after such expiration, obsolescence or inaccuracy) (x) update such form or certification or (y) notify the Company and the Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund or credit of any Taxes as to which it has been indemnified pursuant to this Section 2.14 (including by the payment of additional amounts pursuant to this Section 2.14), it shall pay to the indemnifying party an amount equal to such refund or credit (but only to the extent of indemnity payments made under this Section 2.14 with respect to the Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (plus any penalties, interest (but solely with respect to the period during which the indemnifying party held such refund) or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph, in no event will any indemnified party be required to pay any amount to any indemnifying party pursuant to this paragraph the payment of which would place such indemnified party in a less favorable net after-Tax position than such indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional

amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Value Added Tax. (i) All amounts set out or expressed in this Agreement to be payable by any party to any Recipient that (in whole or in part) constitute the consideration for a supply or supplies for VAT purposes shall be deemed to be exclusive of any VAT that is chargeable on such supply or supplies, and accordingly, subject to paragraph (h)(ii) below, if VAT is or becomes chargeable on any supply made by any Recipient to any party under this Agreement, such party shall pay to such Recipient (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of such VAT (and such Recipient shall promptly provide an appropriate VAT invoice to such party), unless the VAT reverse charge mechanism is applicable.

(ii) If VAT is or becomes chargeable on any supply made by any Recipient (the "VAT Supplier") to any other Recipient (the "VAT Recipient") under this Agreement, and any party other than the VAT Recipient (the "Subject Party") is required by the terms of this Agreement to pay an amount equal to the consideration for such supply to the VAT Supplier (rather than being required to reimburse the VAT Recipient in respect of that consideration), such party shall also pay to the VAT Supplier (in addition to and at the same time as paying such amount) an amount equal to the amount of such VAT. The VAT Recipient will promptly pay to the Subject Party an amount equal to any credit or repayment obtained by the VAT Recipient from the relevant tax authority which the VAT Recipient reasonably determines is in respect of such VAT.

(iii) Where this Agreement requires any party to reimburse or indemnify a Recipient for any cost or expense, that party shall reimburse or indemnify (as the case may be) such Recipient for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Recipient reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

(i) Survival. Each party's obligations under this Section 2.14 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under this Agreement.

(j) Defined Terms. For purposes of this Section 2.14, the term "applicable law" includes FATCA.

SECTION 2.15. Sharing of Payments, Etc. If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off or otherwise) on account of the principal of or interest on any of the Loans made by it in excess of its ratable share of payments on account of the principal of and accrued interest on the Loans obtained by the other Lenders, such Lender shall forthwith purchase for cash at par from the other Lenders such participations in the Loans owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that (a) if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each selling Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery, without interest, and (b) the provisions of this Section 2.15 shall not be construed to apply to any payment made by or on behalf of any Borrower pursuant to and in accordance with the express terms of this Agreement (for the avoidance of doubt, as in effect from time to time), including Section 2.06(b), or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Company or any Subsidiary or Affiliate thereof (as to which the provisions of this Section 2.15 shall apply). Each Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.15 may, to the fullest extent permitted by law, exercise all its rights of payment with respect to such participation as fully as if such Lender were the direct creditor of such Borrower in the amount of such participation.

SECTION 2.16. Defaulting Lenders. (a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender:

(i) Waivers and Amendments. The Undrawn Commitment and Revolving Credit Exposure of each Defaulting Lender shall be disregarded in determining whether the Required Lenders or any other requisite Lenders shall have taken or may take any action hereunder (including any consent to any waiver, amendment or other modification pursuant to Section 8.01); provided that any waiver, amendment or other modification that requires the consent of all Lenders or of all Lenders affected thereby shall, except as provided in Section 8.01, require the consent of such Defaulting Lender in accordance with the terms hereof.

(ii) Reallocation of Payments. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of any Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VI or otherwise) shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, as the Company may request (so long as no Default or Event of Default has occurred and is continuing), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent, or to reimburse the Company for any amounts paid by it in satisfaction of such Defaulting Lender's liabilities under this Agreement in connection with a written agreement between the Company and

an assignee of such Defaulting Lender's interests, rights and obligations in accordance with Section 2.18(b); *third*, if so determined by the Administrative Agent and the Company, to be held in a non-interest bearing deposit account and released in order to satisfy future obligations of such Defaulting Lender to fund Loans under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default or Event of Default has occurred and is continuing, to the payment of any amounts owing to any Borrower as a result of any judgment of a court of competent jurisdiction obtained by such Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share and (y) such Loans were made at a time when the conditions set forth in Section 3.03 were satisfied or waived, such payment shall be applied solely to pay the Loans of all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by such Defaulting Lender shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. Commitment Fees shall cease to accrue on the Undrawn Commitment of such Defaulting Lender for any period during which such Lender is a Defaulting Lender, and such Defaulting Lender shall not be entitled to receive such Commitment Fees.

(b) Defaulting Lender Cure. If the Company and the Administrative Agent agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, such Defaulting Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans to be held on a pro rata basis by the Lenders in accordance with their respective Commitments, whereupon such Defaulting Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of any Borrower while that Lender was a Defaulting Lender; provided, further, that all amendments, waivers or other modifications effected without its consent in accordance with the provisions of Section 8.01 and this Section 2.16 during such period shall be binding on it; and provided further, that, except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

SECTION 2.17. Alternate Rate of Interest. (a) If ~~prior to the commencement of any Interest Period for a Eurocurrency Borrowing of any Type~~:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) **(A) prior to the commencement of any Interest Period for a Eurocurrency Borrowing of any Type,** that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate~~, the LIBO Rate~~ or the EURIBO Rate, as the case may be, for the applicable Interest Period (including because the applicable Screen Rate is not available or published on a current basis) **or (B) at any time, that adequate and reasonable means do not exist for ascertaining the Daily Simple SONIA**; provided that**, in the case of clause (A),** no Benchmark Transition Event shall have occurred at such time; or

(ii) the Administrative Agent is advised by the Required Lenders **(A) prior to the commencement of any Interest Period for a Eurocurrency Borrowing of any Type,** that the Adjusted ~~LIBO Rate, the~~ LIBO Rate or the EURIBO Rate, as the case may be, for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Eurocurrency Borrowing for such Interest Period **or (B) at any time, that the Adjusted Daily Simple SONIA with respect to any Borrowing denominated in Sterling will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing;**

then the Administrative Agent shall give notice (which may be telephonic) thereof to the Company and the Lenders as promptly as practicable thereafter. If such notice is given, until the Administrative Agent notifies the Company and the Lenders that the circumstances giving rise to such notice no longer exist, (A) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurocurrency Borrowing of such Type for such Interest Period shall be ineffective, (B) the affected Eurocurrency Borrowing that was requested to be converted or continued shall (1) if denominated in US Dollars, on the last day of the then current Interest Period applicable thereto, unless repaid, be continued as or converted to an ABR Borrowing or (2) otherwise, from and after the last day of the then current Interest Period applicable thereto, unless repaid, bear interest at a rate equal to the Applicable Rate for Eurocurrency Loans plus a rate that adequately and fairly reflects the weighted average of the cost to each Lender to fund its pro rata share of such Borrowing (from whatever source and using whatever methodologies such Lender may select in its reasonable discretion) (with respect to a Lender, the "COF Rate" and with respect to the weighted average of the COF Rate applicable to each Lender for any Borrowing, the "Average COF Rate"), it being agreed by each Lender that, promptly upon request therefor by the Administrative Agent, such Lender shall notify the Administrative Agent of the COF Rate of such Lender with respect to the applicable Borrowing, ~~and~~ (C) any Borrowing Request for a Eurocurrency Borrowing of such Type for such Interest Period shall (1) in the case of a Borrowing denominated in US Dollars, be treated as a request for an ABR Borrowing or (2) in all other cases, be treated as a request for a Borrowing that bears (and such Borrowing will bear) interest at a rate equal to the Applicable Rate for Eurocurrency Loans plus the Average COF Rate, it being agreed by each Lender that, promptly upon request therefor by the Administrative Agent, such Lender shall notify the Administrative Agent of the COF Rate of such Lender with respect to the applicable Borrowing**, (D) any affected SONIA Borrowing shall, from and after the date on which the Company receives such notice, bear**

**interest at a rate equal to the Applicable Rate for Eurocurrency Loans plus the Average COF Rate and (E) any Borrowing Request for an affected SONIA Borrowing shall be ineffective**.

(b) Notwithstanding anything to the contrary herein, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Administrative Agent and the Company may amend this Agreement to replace the LIBO Rate or the EURIBO Rate, as applicable, with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m., New York City time, on the fifth Business Day after the Administrative Agent has posted such proposed amendment to all Lenders and the Company, so long as the Administrative Agent has not received, by such time, written notice of objection to such proposed amendment from Lenders comprising the Required Lenders; provided that, with respect to any proposed amendment containing any SOFR-Based Rate, the Lenders shall be entitled to object only to the Benchmark Replacement Adjustment contained therein. Any such amendment with respect to an Early Opt-in Election will become effective on the date that Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Lenders consent to such amendment. No replacement of the LIBO Rate or the EURIBO Rate with a Benchmark Replacement will occur prior to the applicable Benchmark Transition Start Date.

(i) In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(ii) The Administrative Agent will promptly notify the Company and the Lenders of (A) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, (B) the implementation of any Benchmark Replacement, (C) the effectiveness of any Benchmark Replacement Conforming Changes and (D) the commencement or conclusion of any Benchmark Unavailability Period.

(iii) Upon the Company's receipt of notice of the commencement of a Benchmark Unavailability Period, (A) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurocurrency Borrowing of the applicable Type shall be ineffective, and, on the last day of the then current Interest Period applicable thereto, unless repaid, such Borrowing shall (1) if denominated in US Dollars, be continued as or converted to an ABR Borrowing or (2) otherwise, from and after the last day of the then current Interest Period applicable thereto, unless repaid, bear interest at a rate equal to the Applicable Rate for Eurocurrency Loans plus the Average COF Rate, it being agreed by each Lender that, promptly upon request therefor by the Administrative Agent, such Lender shall notify the Administrative Agent of the COF Rate of such Lender with respect to the applicable Borrowing and (B) any Borrowing Request for a Eurocurrency Borrowing of the applicable Type (1) if denominated in US Dollars, shall be treated as a request for an ABR Borrowing or (2) otherwise, be treated as a request for a Borrowing that bears (and such Borrowing will bear) interest at a rate equal to the Applicable Rate for Eurocurrency Loans plus the Average COF Rate, it being

agreed by each Lender that, promptly upon request therefor by the Administrative Agent, such Lender shall notify the Administrative Agent of the COF Rate of such Lender with respect to the applicable Borrowing.

(iv) Any determination, decision or election that may be made by the Administrative Agent or the Lenders pursuant to this Section 2.17, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 2.17.

SECTION 2.18. Mitigation Obligations; Replacement of Lenders. (a) Each Lender shall (i) if it determines that it is specifically entitled to compensation under Section 2.14, use its reasonable efforts to designate a different lending office, if any, for funding or booking its Loans hereunder or to assign and delegate its rights and obligations hereunder to another of its offices, branches or Affiliates, if any, if such designation or assignment and delegation would avoid, or minimize the amount of, any payment by the Borrowers of additional amounts under Section 2.14 in respect of such Lender and (ii) if it determines that it is specifically entitled to compensation under Section 2.11, use its reasonable efforts (including using reasonable efforts to designate a different lending office, if any, for funding or booking its Loans hereunder or to assign and delegate its rights and obligations hereunder to another of its offices, branches or Affiliates, if any), but only if it shall not incur any disadvantage as a result thereof, to avoid, or to minimize the amount of, any payment by the Borrowers of additional amounts under Section 2.11 in respect of such Lender.

(b) The Company may, upon notice to the Administrative Agent delivered at any time and with or without cause, require any Lender (including any Defaulting Lender) to assign all of its rights and obligations hereunder in respect of all or a portion of its Commitment and the corresponding pro rata portion of any Loans then owing to such Lender to one or more Transferees. Such Transferee or Transferees shall on the effective date of such assignment (as specified in the Assignment and Assumption with respect thereto) pay to such Lender (i) the accrued Commitment Fee with respect to the assigned portion of such Commitment and (ii) if a Loan is assigned, the principal amount of such Loan so assigned, together with accrued interest thereon. If such assigned Loan is a Eurocurrency Loan, the Company shall be obligated to reimburse such Lender on such effective date if such assignment is not made on the last day of the applicable Interest Period in accordance with Section 2.12. The term "Transferee" means any Eligible Assignee, selected by the Company in its sole discretion, that is willing to undertake all or part of a Lender's Commitment and to purchase all or part of any Loans under this Section 2.18(b). In each such event, the assigning Lender and the Transferee shall execute and deliver to the Company, for its acceptance, an Assignment and Assumption and the Company shall accept and deliver the same to the Administrative Agent for recording in accordance with Section 8.08. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in such Assignment and Assumption, which effective date shall be not less than five Business Days nor more than 10 Business Days after execution and shall be coordinated by the parties thereto with the Administrative Agent to be the same date as the date of such recording, (A) the Transferee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Assumption, have the rights

and obligations of a Lender hereunder and (B) the assigning Lender shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Assumption, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto (but shall continue to be entitled to the benefits of Sections 2.11, 2.12 and 2.14 (to the extent accrued for periods prior to it ceasing to be a party hereto) and Section 8.04)). The provisions of clauses (i), (iv) and (v) of the third proviso to Section 8.06(a) and the provisions of Section 8.07 shall apply to all Assignments and Assumptions executed and delivered pursuant to this Section 2.18(b).

SECTION 2.19. Subsidiary Borrowers. (a) Subsidiary Borrower Designation. The Company may, at any time and from time to time on and after the Availability Date, designate any of its Subsidiaries as a Subsidiary Borrower by delivery to the Administrative Agent of a Subsidiary Borrower Agreement executed by such Subsidiary and the Company. Promptly after its receipt thereof, the Administrative Agent will provide a copy of such Subsidiary Borrower Agreement to the Lenders. Each such Subsidiary Borrower Agreement shall become effective on the date eight Business Days after it shall have been delivered to the Administrative Agent, provided that (i) the Administrative Agent and each Lender shall have received, at least one Business Day prior to the date of the effectiveness thereof, all documentation and other information required by bank regulatory authorities with respect to such Subsidiary under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act and the Beneficial Ownership Regulation, that has been reasonably requested by the Administrative Agent or such Lender in writing not later than the fifth Business Day after such Subsidiary Borrower Agreement has been delivered to the Administrative Agent and (ii) in the case of a designation of a Foreign Subsidiary, the Administrative Agent shall not have received written notice from any Lender (an "Objecting Lender") that (A) such Objecting Lender is unable to make Loans or otherwise extend credit to such Foreign Subsidiary due to applicable legal or regulatory restrictions or (B) such Objecting Lender is prevented by its generally applicable internal policies from extending credit to such Foreign Subsidiary (a "Notice of Objection"), in which case such Subsidiary Borrower Agreement shall not become effective unless, within the period of eight Business Days referred to above, (x) such Objecting Lender withdraws such Notice of Objection, (y) such Objecting Lender ceases to be a Lender hereunder, including pursuant to Section 2.06(b) or Section 2.18(b), or (z) a New Tranche is created in accordance with Section 8.01(c). Upon the effectiveness of a Subsidiary Borrower Agreement as provided above, the applicable Subsidiary shall for all purposes of this Agreement be a party hereto and a Subsidiary Borrower hereunder.

(b) Subsidiary Borrowers' Obligations Several. Each of the Subsidiary Borrowers shall be severally liable for its liabilities and obligations under this Agreement, and no Subsidiary Borrower shall be liable for any Borrowing or any other obligation of any other Borrower under this Agreement. Each Subsidiary Borrower shall be severally liable for all payments of the principal of and interest on Loans to such Subsidiary Borrower, and any other amounts due hereunder that are specifically allocable to such Subsidiary Borrower or the Loans to such Subsidiary Borrower. No Subsidiary Borrower shall be liable for any fees due hereunder, for which the Company shall be exclusively liable.

(c) Designation of Ineligible Subsidiaries. The Company may at any time, and from time to time, by delivery to the Administrative Agent of an Ineligible Subsidiary Designation Notice, designate any Subsidiary Borrower as an Ineligible Subsidiary. Upon such designation, the obligation of each Lender to make Loans to such Subsidiary Borrower shall immediately terminate, and such Ineligible Subsidiary shall no longer be entitled to request or borrow Borrowings hereunder. The designation of a Subsidiary Borrower as an Ineligible Subsidiary shall have no effect on (i) the outstanding Loans, if any, of such Subsidiary Borrower, (ii) the obligations of such Subsidiary Borrower to repay principal of and interest on any outstanding Loans of such Subsidiary Borrower when such amounts become due in accordance with this Agreement or any other payment obligations of such Subsidiary Borrower under this Agreement or (iii) the right of such Subsidiary Borrower to deliver any Interest Election Request or select any future Interest Periods with respect to outstanding Loans of such Subsidiary Borrower in accordance with this Agreement; provided that at such time as no principal of or interest on any Loan of such Ineligible Subsidiary, and no other amounts payable by such Ineligible Subsidiary, shall be outstanding, such Ineligible Subsidiary shall cease to be a Subsidiary Borrower and a party to this Agreement. Promptly after its receipt thereof, the Administrative Agent will provide a copy of each Ineligible Subsidiary Designation Notice to the Lenders.

(d) Subsidiary Borrower Termination Events. (i) Each Subsidiary Borrower will furnish to the Administrative Agent, as promptly as possible and in any event within five Business Days after the occurrence of any Subsidiary Borrower Termination Event with respect to such Subsidiary Borrower that is continuing on the date of such statement, the statement of an officer of the Subsidiary Borrower (or of the Company on its behalf) setting forth the details of such Subsidiary Borrower Termination Event and the action that such Subsidiary Borrower proposes to take with respect thereto.

(ii) If a Subsidiary Borrower Termination Event occurs and is continuing with respect to any Subsidiary Borrower, then, and in any such event, the Administrative Agent (A) shall at the request, or may with the consent, of the Required Lenders, by notice to such Subsidiary Borrower and the Company, declare the obligation of each Lender to make Loans to such Subsidiary Borrower terminated, whereupon the same shall forthwith terminate and such Subsidiary Borrower shall no longer be entitled to request or borrow Borrowings hereunder and (B) shall at the request, or may with the consent, of the Required Lenders, by notice to such Subsidiary Borrower and the Company, declare the Loans of such Subsidiary Borrower, all interest thereon and all other amounts payable under this Agreement by such Subsidiary Borrower to be forthwith due and payable, whereupon the Loans of such Subsidiary Borrower, all such interest thereon and all such other amounts payable by such Subsidiary Borrower shall become and be forthwith due and payable by such Subsidiary Borrower, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by each Subsidiary Borrower; provided, however, that in the case of a Subsidiary Borrower Termination Event specified in clause (c) of the definition of such term, neither the Administrative Agent nor any Lender may declare any Loan of such Subsidiary Borrower to be due and payable unless the Company fails to pay under the Company Guarantee the overdue amount owed by such Subsidiary Borrower within three Business Days after written demand therefor shall have been received by the Company from the Administrative Agent; provided, further, however, that in the case of a Subsidiary Borrower Termination Event specified in clause (a), (b), (f) or (g) of the definition of such term, (1) the obligation of each Lender to make Loans to such Subsidiary Borrower shall automatically terminate and (2) the Loans of such Subsidiary Borrower, all interest thereon and all other amounts payable under this Agreement by such Subsidiary Borrower shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by each Subsidiary Borrower.

(e) Appointment of Company as Agent. Each Subsidiary Borrower hereby irrevocably appoints the Company as its agent for all purposes of this Agreement, including (i) the giving and receipt of notices (including any Borrowing Request or any Interest Election Request) and (ii) the execution and delivery of all documents, instruments and certificates contemplated herein. Each Subsidiary Borrower hereby acknowledges that any amendment, waiver or other modification to this Agreement or any other Loan Document may be effected as set forth in Section 8.01, that no consent of such Subsidiary Borrower shall be required to effect any such amendment, waiver or other modification and that such Subsidiary Borrower shall be bound by this Agreement or such other Loan Document as so amended, waived or otherwise modified.

ARTICLE III

CONDITIONS OF LENDING

SECTION 3.01. Closing Date. The obligations of the Lenders to make Loans shall not become effective until the first date on which each of the following conditions shall be satisfied (or such condition shall have been waived in accordance with Section 8.01):

(a) The Administrative Agent shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) evidence satisfactory to the Administrative Agent (which may include a facsimile or electronic transmission of a signed counterpart of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received (i) an officer's certificate of each of the Company and the Irish Subsidiary Borrower, dated the Closing Date and signed by the Secretary or Assistant Secretary of such Person (or, in the case of the Irish Subsidiary Borrower, an appropriate substitute therefor under the applicable law of the jurisdiction of organization of the Irish Subsidiary Borrower), in form and substance reasonably satisfactory to the Administrative Agent and substantially consistent with UTC's past practice, together with all attachments contemplated thereby, and (ii) a certificate of the Company, dated the Closing Date and signed by an officer of the Company, confirming, as of the Closing Date, that (A) the representations and warranties contained in Article IV are true and correct (x) in the case of the representations and warranties qualified by materiality or Material Adverse Effect in the text thereof, in all respects and (y) in the case of the representations and warranties other than those referenced in the foregoing clause (x), in all material respects and (B) no Default or Event of Default has occurred and is continuing.

(c) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Closing Date) of the general counsel, in-house counsel and/or outside counsel of each of UTC and the Irish Subsidiary Borrower, in each case in form and substance reasonably satisfactory to the Administrative Agent and substantially consistent with UTC's past practice.

(d) The Lenders shall have received the Carrier Form 10 (including the information statement and the other exhibits contemplated thereby, in each case, in the form and to the extent so filed) in the form most recently filed (whether or not publicly) with the SEC prior to the Closing Date, provided that (i) if the Carrier Form 10 shall not have been publicly filed with the SEC prior to the Closing Date, then the Company shall deliver to the Administrative Agent a certificate of the Company, dated as of the Closing Date and signed by an officer of the Company, confirming that the Company has delivered to the Administrative Agent the Carrier Form 10 most recently filed with the SEC prior to the Closing Date and (ii) if the Carrier Form 10 shall have been publicly filed with the SEC prior to the Closing Date, the Carrier Form 10, in the form most recently publicly filed with the SEC prior to the Closing Date, shall be deemed to have been delivered to the Lenders for purposes of this clause (d) and the condition specified in this Section 3.01(d) shall be deemed to be satisfied.

(e) The Administrative Agent shall have received all fees due and payable on or prior to the Closing Date, and, to the extent invoiced at least three Business Days prior to the Closing Date, other amounts due and payable on or prior to the Closing Date (including reasonable fees, charges and disbursements of Cravath, Swaine & Moore LLP) required to be paid or reimbursed by the Company or UTC pursuant to any commitment letter or fee letter entered into in connection with the credit facility provided for herein.

(f) The Administrative Agent and the Lenders shall have received all documentation and other information required by bank regulatory authorities with respect to the Company and the Irish Subsidiary Borrower under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act and the Beneficial Ownership Regulation, that has been reasonably requested by the Administrative Agent or any Lender in writing at least 10 Business Days prior to the Closing Date.

Without limiting the generality of the provisions of Article VII, for purposes of determining compliance with the conditions specified in this Section 3.01, each Lender, by becoming a party to this Agreement, shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the date hereof specifying its objection thereto.

SECTION 3.02. Conditions Precedent to Availability. The obligation of each Lender to make its initial Loan shall be subject to the occurrence of the Closing Date and the satisfaction (or waiver in accordance with Section 8.01) of the following conditions; provided that the obligations of the Lenders to make Loans are subject to the satisfaction (or waiver in accordance with Section 8.01) of each of the conditions set forth in Sections 3.03 and, if applicable, 3.04.

(a) The Carrier Distribution Condition shall have been, or substantially concurrently with the occurrence of the Availability Date shall be, satisfied.

(b) The Administrative Agent shall have received a certificate of the Company, dated the Availability Date and signed by an officer of the Company, confirming, as of the Availability Date, that (i) the condition set forth in Section 3.02(a) has been satisfied, (ii) the representations and warranties contained in Section 4.01 (other than Sections 4.01(e)(ii) and 4.01(f)) are true and correct (x) in the case of the representations and warranties qualified by materiality or Material Adverse Effect in the text thereof, in all respects and (y) in the case of the representations and warranties other than those referenced in the foregoing clause (x), in all material respects, and (iii) no Default or Event of Default has occurred and is continuing.

(c) The UTC 2019 Credit Agreements Refinancing shall have been, or substantially concurrently with the occurrence of the Availability Date shall be, consummated.

(d) The Administrative Agent shall have received all fees due and payable on or prior to the Availability Date, and, to the extent invoiced at least 10 Business Days prior to the Availability Date, all expenses due and payable on or prior to the Availability Date (including reasonable fees, charges and disbursements of Cravath, Swaine & Moore LLP) required to be paid or reimbursed by the Company.

SECTION 3.03. Conditions Precedent to Each Borrowing. The obligation of each Lender to make a Loan on the occasion of each Borrowing (other than any conversion or continuation of a Loan) shall be subject to receipt by the Administrative Agent of a Borrowing Request with respect thereto in accordance with Section 2.02, and to the satisfaction (or waiver in accordance with Section 8.01) of the following conditions:

(a) (i) The representations and warranties contained in Section 4.01 (other than Sections 4.01(e)(ii) and 4.01(f)) shall be true and correct and (ii) in the case of a Borrowing by a Subsidiary Borrower, the representations and warranties contained in Section 4.02 with respect to such Subsidiary Borrower shall be true and correct, in each case, (x) in the case of the representations and warranties qualified by materiality or Material Adverse Effect in the text thereof, in all respects and (y) in the case of the representations and warranties other than those referenced in the foregoing clause (x), in all material respects, in each case on and as of the date of such Borrowing, before and after giving effect to such Borrowing and to the application of the proceeds therefrom, as though made on and as of such date.

(b) (i) No Default or Event of Default has occurred and is continuing, or would result from such Borrowing or from the application of the proceeds therefrom and (ii) in the case of a Borrowing by a Subsidiary Borrower, no Subsidiary Borrower Termination Event (or any event that, with the giving of notice or the passage of time or both, would constitute a Subsidiary Borrower Termination Event) with respect to such Subsidiary Borrower has occurred and is continuing, or would result from such Borrowing or from the application of the proceeds therefrom.

Each Borrowing (other than any conversion or continuation of any Loan) shall constitute a representation and warranty made by the Company on the date thereof that the conditions specified in clauses (a)(i) and (b)(i) above have been satisfied, and each Borrowing (other than any conversion or continuation of any Loan) by a Subsidiary Borrower shall constitute a representation and warranty made by such Subsidiary Borrower on the date thereof that the conditions specified in clauses (a)(ii) and (b)(ii) above have been satisfied.

SECTION 3.04. Conditions to Initial Borrowing by Each Designated Subsidiary Borrower. The obligations of the Lenders to make Loans to any Subsidiary Borrower designated as such pursuant to Section 2.19 shall not become effective until the first date on which each of the following additional conditions shall be satisfied (or waived in accordance with Section 8.01):

(a) The Administrative Agent shall have received an officer's certificate of such Subsidiary Borrower, signed by the Secretary or Assistant Secretary of such Subsidiary Borrower (or an appropriate substitute therefor under the applicable law of the jurisdiction of organization of such Subsidiary Borrower), in form and substance reasonably satisfactory to the

Administrative Agent, attaching (i) a copy of each organizational document of such Subsidiary Borrower, (ii) signature and incumbency certificates of the officers of such Subsidiary Borrower executing its Subsidiary Borrower Agreement or any document relating thereto, (iii) resolutions of the Board of Directors or similar governing body of such Subsidiary Borrower (and/or, if applicable, of the shareholders or other authorized Persons of such Subsidiary Borrower, if required under the applicable law of the jurisdiction of organization of such Subsidiary Borrower or its organizational documents) approving and authorizing the execution, delivery and performance by such Subsidiary Borrower of its Subsidiary Borrower Agreement, this Agreement and any documents to be delivered by such Subsidiary Borrower hereunder, certified by such Secretary or Assistant Secretary (or such appropriate substitute therefor) as being in full force and effect without modification or amendment, and (iv) a good standing certificate from the applicable Governmental Authority of the jurisdiction of organization of such Subsidiary Borrower, dated as of a recent date (if applicable and customary under the applicable law of the jurisdiction of organization of such Subsidiary Borrower).

(b) The Administrative Agent shall have received a favorable written opinion of the general counsel, in-house counsel and/or outside counsel of such Subsidiary Borrower, addressed to the Administrative Agent and the Lenders, in form and substance reasonably satisfactory to the Administrative Agent (it being understood that any opinion substantially consistent with the opinion delivered pursuant to Section 3.01(c), with any modifications to reflect requirements under the applicable law of the jurisdiction of organization of such Subsidiary Borrower or its organizational documents shall be reasonably satisfactory to the Administrative Agent).

## ARTICLE IV

## REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Company. The Company represents and warrants, as of the Closing Date, as of the Availability Date and as of each date required by Section 3.03, as follows; provided that, prior to the Availability Date, the only representations and warranties made by the Company shall be the representations and warranties set forth in Sections 4.01(a), 4.01(b), 4.01(c), 4.01(d), 4.01(e)(ii), 4.01(f), 4.01(g), 4.01(j) and 4.01(k) (it being agreed that, in the case of Sections 4.01(e)(ii) and 4.01(f), such representations and warranties will cover the Company and its Subsidiaries after giving pro forma effect to the Transactions):

(a) Organization; Powers. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is duly qualified to do business and in good standing as a foreign corporation in all other jurisdictions in which the conduct of its operations or the ownership of its properties requires such qualification, except where the failure to so qualify would not reasonably be expected to have a Material Adverse Effect. The Company has all requisite power and authority, corporate or otherwise, to conduct its business, to own its properties and to execute and deliver, and to perform all of its obligations under, this Agreement.

(b) Authorization; Absence of Conflicts. The execution, delivery and performance by the Company of this Agreement have been duly authorized by all necessary corporate action and do not contravene (i) the Company's certificate of incorporation or by-laws or (ii) except where such contravention would not reasonably be expected to have a Material Adverse Effect, any law or contractual restriction binding on the Company.

(c) Governmental Consents. No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body in the United States, or to the Company's knowledge, in any other jurisdiction, is required for the due execution, delivery and performance by the Company of this Agreement, other than routine requirements which, to the Company's knowledge, have (to the extent that compliance is required on or prior to the date hereof) been complied with in all material respects.

(d) Enforceability. This Agreement is a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(e) Financial Statements; No Material Adverse Effect. (i) The Historical Company Financial Statements present fairly, in all material respects, the combined financial position of the Company and its Subsidiaries as of December 31, 2019 and the combined results of operations and cash flows of the Company and its Subsidiaries for the fiscal year then ended, all in conformity with GAAP. As of the Availability Date, the Pro Forma Company Financial Statements (A) have been prepared by the Company in good faith, based on the assumptions believed by the Company to be reasonable at the time made, and (B) to the knowledge of the Company, present fairly, in all material respects, the pro forma combined financial position and the pro forma combined results of operations of the Company and its Subsidiaries as of the date and for the period specified in the definition of the term "Pro Forma Company Financial Statements" as if the Transactions had occurred on such date or at the beginning of such period, as applicable.

(ii) Since December 31, 2019, there has been no material adverse change in the Consolidated financial condition or the Consolidated results of operations of the Company except as otherwise disclosed in any reports by UTC or the Company, as applicable, on Form 10-K, Form 10-Q or Form 8-K publicly filed or furnished under the Exchange Act prior to the date hereof or in the Draft Carrier Form 10.

(f) Litigation. There is no pending or, to the knowledge of the Company, threatened action or proceeding affecting the Company or any of its Subsidiaries before any court, governmental agency or arbitrator that would reasonably be expected to have a Material Adverse Effect.

(g) Federal Reserve Regulations. Neither the Company nor any of its Subsidiaries is engaged or will engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation T, U or X of the Board of Governors as now and from time to time hereafter in effect.

(h) ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which such liability is reasonably expected to occur, would reasonably be expected to have a Material Adverse Effect.

(i) Environmental. Except as would not reasonably be expected to have a Material Adverse Effect, the Company and its Subsidiaries (i) are in compliance with Environmental Laws and any permit, license or approval required thereunder and (ii) have not become subject to any Environmental Liability.

(j) Investment Company Status. The Company is not required to register as an "investment company" under the Investment Company Act of 1940, as amended.

(k) Sanctions and Anti-Corruption Laws. (i) The Company has implemented and maintains in effect policies and procedures designed to promote compliance by the Company, its Subsidiaries and their respective directors, officers and employees with Anti-Corruption Laws and applicable Sanctions.

(ii) None of (a) the Company or any of its Subsidiaries or (b) to the knowledge of the Company, any of their respective directors, officers or employees that will act in any capacity in connection with or directly benefit from the use of proceeds of the Loans is a Sanctioned Person.

(iii) No Borrowing or use of proceeds thereof will violate any Anti-Corruption Law or applicable Sanctions.

SECTION 4.02. Representations and Warranties of each Subsidiary Borrower. Each Subsidiary Borrower, severally and not jointly, represents and warrants (x) in the case of the Irish Subsidiary Borrower, as of the Closing Date, and (y) in the case of each Subsidiary Borrower, as of each date required by Section 3.03, as follows:

(a) Organization; Powers. Such Subsidiary Borrower is duly organized, validly existing and, if such qualification exists in the applicable jurisdiction, in good standing under the laws of the jurisdiction of its organization. Such Subsidiary Borrower has all requisite power and authority, corporate or otherwise, to conduct its business, to own its properties and to execute and deliver, and to perform all of its obligations under, this Agreement.

(b) Authorization; Absence of Conflicts. The execution, delivery and performance by such Subsidiary Borrower of this Agreement have been duly authorized by all necessary corporate action and do not contravene (i) such Subsidiary Borrower's organizational documents or (ii) except where such contravention would not reasonably be expected to have a Material Adverse Effect, any law or contractual restriction binding on such Subsidiary Borrower.

(c) Governmental Consents. No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body in the jurisdiction of organization of such Subsidiary Borrower, or to such Subsidiary Borrower's knowledge, in any other jurisdiction, is required for the due execution, delivery and performance by such Subsidiary Borrower of this Agreement other than routine requirements which, to such Subsidiary Borrower's knowledge, have (to the extent that compliance is required on or prior to the date hereof) been complied with in all material respects.

(d) Enforceability. This Agreement is a legal, valid and binding obligation of such Subsidiary Borrower enforceable against such Subsidiary Borrower in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

## ARTICLE V

## COVENANTS OF THE COMPANY

SECTION 5.01. Affirmative Covenants. So long as any Loan shall remain unpaid or any Lender shall have any Commitment, the Company (i) from and after the Closing Date and prior to the Availability Date, solely with respect to the covenants set forth in Sections 5.01(a)(vi) and 5.01(b) and (ii) from and after the Availability Date, with respect to each covenant set forth in this Section 5.01, covenants and agrees with the Lenders that:

(a) Financial Statements and Other Information. The Company will furnish to the Administrative Agent, on behalf of the Lenders:

(i) within 90 days after the end of each fiscal year of the Company, the Consolidated balance sheet of the Company and its Consolidated Subsidiaries as of the end of such fiscal year and the Consolidated statements of operations, comprehensive income, changes in equity and cash flows of the Company and its Consolidated Subsidiaries for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all audited by and accompanied by the opinion of PricewaterhouseCoopers LLP or other independent registered public accounting firm of recognized national standing to the effect that such Consolidated financial statements present fairly, in all material respects, the Consolidated financial position, results of operations and cash flows of the Company and its Consolidated Subsidiaries as of the end of and for such year, all in conformity with GAAP;

(ii) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Company, the Consolidated balance sheet of the Company and its Consolidated Subsidiaries as of the end of such fiscal quarter and the Consolidated statements of operations and comprehensive income of the Company and its Consolidated Subsidiaries for such fiscal quarter and the portion of the fiscal year then ended and the Consolidated statement of cash flows of the Company and its Consolidated Subsidiaries for the portion of the fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding period of periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by a Financial Officer of the Company as presenting fairly, in all material respects, the Consolidated financial position, results of operations and cash flows of the Company and its Consolidated Subsidiaries as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, all in conformity with GAAP (subject to normal year-end adjustments and the absence of footnotes);

(iii) concurrently with each delivery of financial statements under Section 5.01(a)(i) or 5.01(a)(ii), a completed Compliance Certificate signed by a Financial Officer of the Company (A) certifying as to whether a Default or an Event of Default has occurred and, if a Default or an Event of Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (B) setting forth reasonably detailed calculations of the ratio set forth in Section 5.02(d) as of the end of the most recent fiscal quarter covered by such financial statements and (C) if the most recent fiscal quarter covered by such financial statements ended during the Covenant Modification Period, setting forth reasonably detailed calculations demonstrating compliance with Section 5.02(e) as of the end of such fiscal quarter;

(iv) promptly after the sending or filing thereof, copies of all such regular, periodic and special reports and all registration statements (except those relating to employee benefit or stock option plans) that the Company or any of its Consolidated Subsidiaries that is an issuer of securities that are registered under Section 12 of the Exchange Act files with the SEC or with any national securities exchange and of all such proxy statements, financial statements and reports as the Company sends to its stockholders;

(v) promptly after the furnishing thereof, copies of any statement or report furnished to any holder of debt securities of the Company pursuant to the terms of any indenture or to the lenders under the 2020 Term Credit Agreement pursuant to the terms thereof and not otherwise required to be furnished pursuant to any other clause of this Section 5.01(a);

(vi) as promptly as possible and in any event within five Business Days after the occurrence of each Default or Event of Default that is continuing on the date of such statement, the statement of the chief financial officer of the Company setting forth details of such Default or Event of Default and the action that the Company proposes to take with respect thereto; and

(vii) such other publicly available information respecting the condition or operations, financial or otherwise, of the Company or any of its Subsidiaries as any Lender may from time to time reasonably request.

Information required to be delivered pursuant to Section 5.01(a)(i), 5.01(a)(ii), 5.01(a)(iv) and 5.01(a)(v) shall be deemed to have been delivered on the date on which such information or one or more annual quarterly reports containing such information have been posted on the "investors relations" portion of the website of the Company as identified to the Administrative Agent from time to time or if made publicly available on the SEC EDGAR system or posted by the Administrative Agent on the Platform. Each Borrower hereby acknowledges that (i) the Administrative Agent and/or the Arrangers will make available to the Lenders materials and/or information provided by or on behalf of the Borrowers hereunder (collectively, the "Borrower Materials") by posting the Borrower Materials on the Platform and (ii) certain of the Lenders (each, a "Public Lender") may have personnel who are Public Side Lender Representatives. Each Borrower hereby agrees that (A) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC", which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (B) by marking Borrower Materials "PUBLIC", the Borrowers shall be deemed to have authorized the Administrative Agent, the Arrangers and the Lenders to treat such Borrower Materials as not containing any MNPI (provided, however, that to the extent such Borrower Materials constitute Information, treatment of such Borrower Materials shall be subject to Section 8.07 in all respects); (C) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information"; and (D) the Administrative Agent and the Arrangers shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information". Notwithstanding the foregoing, no Borrower shall be under any obligation to mark any Borrower Materials "PUBLIC".

(b) Existence of the Company. The Company will do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence; provided that the foregoing shall not prohibit any merger or consolidation of the Company permitted under Section 5.02(b)(i).

(c) Use of Proceeds. The proceeds of Loans will be used for general corporate purposes of the Borrowers, and no part of the proceeds of any Loans hereunder will be used in a manner that would cause the Loans to be in violation of Regulation U of the Board of Governors.

SECTION 5.02. Negative Covenants. So long as any Loan shall remain unpaid or any Lender shall have any Commitment, the Company (i) from and after the Closing Date and prior to the Availability Date, solely with respect to the covenants set forth in Sections 5.02(b)(i) and 5.02(b)(ii) (in each case, solely with respect to any consolidation of the Company with or merger into any other Person) and (ii) from and after the Availability Date, with respect to each covenant set forth in this Section 5.02, covenants and agrees with the Lenders that:

(a) Liens. The Company will not itself, and will not permit any Wholly-Owned Domestic Manufacturing Subsidiary to, create, incur, issue or assume any loans, notes, bonds, debentures or other indebtedness for money borrowed (loans, notes, bonds, debentures or other indebtedness for money borrowed collectively called "Debt") secured by any pledge of, or mortgage, lien, encumbrance or security interests on (such pledges, mortgages, liens, encumbrances and security interests collectively called "Liens"), any Principal Property owned by the Company or any Wholly-Owned Domestic Manufacturing Subsidiary, and will not itself, and will not permit any Subsidiary to, create, incur, issue or assume any Debt secured by any Lien on any equity interests in or Debt of any Wholly-Owned Domestic Manufacturing Subsidiary, without in any such case effectively providing that the Loans (together with, if the Company shall so determine, any other Debt of the Company then existing or thereafter created which is not subordinate in right of payment to indebtedness hereunder) shall be secured equally and ratably with (or prior to) such secured Debt, so long as such secured Debt shall be so secured, unless, after giving effect thereto, the sum of (x) the aggregate principal amount of all such secured Debt then outstanding, plus (y) Attributable Debt of the Company and its Wholly-Owned Domestic Manufacturing Subsidiaries in respect of Sale and Leaseback Transactions involving Principal Properties entered into after the date hereof (other than such Sale and Leaseback Transactions as are permitted by clause (ii) or (iii) of Section 5.02(c)), plus (z) solely during the Covenant Modification Period and without duplication of any amounts included pursuant to clause (x) or (y) above, the aggregate principal amount of Subsidiary Indebtedness then outstanding (excluding any such Subsidiary Indebtedness permitted by clauses (i) through (viii) of Section 5.02(f)) would not exceed an amount equal to 10% of Consolidated Net Tangible Assets; provided that for purposes of this Section 5.02(a), any Debt so secured that is created, incurred, issued or assumed by the Company or any Wholly-Owned Domestic Manufacturing Subsidiary on or after the Closing Date and prior to the Availability Date shall be deemed to have been created, incurred, issued or assumed on the Availability Date; provided~~,~~ further~~,~~ that nothing contained in this Section 5.02(a) shall prevent, restrict or apply to, and there shall be excluded from secured Debt in any computation under this Section 5.02(a), Debt secured by:

(i) Liens on any property or assets of the Company or any Subsidiary of the Company (including equity interests or Debt owned by the Company or any Subsidiary of the Company) existing as of the date hereof or set forth on Schedule 5.02(a) hereto;

(ii) Liens on any property or assets of, or on any equity interests in or Debt of, any Person existing at the time such Person becomes a Wholly-Owned Domestic Manufacturing Subsidiary (other than in connection with the Carrier Distribution as determined by the Company in good faith), or arising thereafter (A) otherwise than in connection with the borrowing of money arranged thereafter and (B) pursuant to contractual commitments entered into prior to and not in contemplation of such Person becoming a Wholly-Owned Domestic Manufacturing Subsidiary;

(iii) Liens on any property or assets or equity interests or Debt existing at the time of acquisition thereof (including acquisition through merger or consolidation, but excluding any acquisition (whether through merger or consolidation or otherwise) in connection with the Carrier Distribution as determined by the Company in good faith) or securing the payment of all or any part of the purchase price or construction cost thereof or securing any Debt incurred prior to, at the time of or within 120 days after the acquisition of such property or assets or equity interests or Debt or the completion of any such construction, whichever is later, for the purpose of financing all or any part of the purchase price or construction cost thereof (provided that such Liens are limited to such equity interests or Debt or such other property or assets, improvements thereon and the land upon which such property, assets and improvements are located and any other property or assets not then constituting a Principal Property);

(iv) Liens on any property or assets to secure all or any part of the cost of development, operation, construction, alteration, repair or improvement of all or any part of such property or assets, or to secure Debt incurred prior to, at the time of or within 120 days after the completion of such development, operation, construction, alteration, repair or improvement, whichever is later, for the purpose of financing all or any part of such cost (provided that such Liens are limited to such property or assets, improvements thereon and the land upon which such property, assets and improvements are located and any other property or assets not then constituting a Principal Property);

(v) Liens which secure Debt owing by a Subsidiary of the Company to the Company or to a Wholly-Owned Domestic Manufacturing Subsidiary;

(vi) Liens arising from the assignment of moneys due and to become due under contracts between the Company or any Subsidiary of the Company and the United States, any State, Commonwealth, Territory or possession thereof or any agency, department, instrumentality or political subdivision of any thereof or Liens in favor of the United States, any State, Commonwealth, Territory or possession thereof or any agency, department, instrumentality or political subdivision of any thereof, pursuant to the provisions of any contract not directly or indirectly in connection with securing Debt;

(vii) (A) any materialmen's, carriers', mechanics', workmen's, repairmen's or other like Liens arising in the ordinary course of business in respect of obligations which are not overdue or which are being contested in good faith by appropriate proceedings; (B) any deposit or pledge as security for the performance of any bid, tender, contract, lease or undertaking not directly or indirectly in connection with the securing of Debt; (C) any deposit or pledge with any governmental agency required or permitted to qualify the Company or any Subsidiary of the Company to conduct business, to maintain self-insurance or to obtain the benefits of any law pertaining to workmen's compensation, unemployment insurance, old age pensions, social security or similar matters, or to obtain any stay or discharge in any legal or administrative proceedings; (D) deposits or pledges to obtain the release of mechanics', workmen's, repairmen's, materialmen's or warehousemen's Liens or the release of property in the possession of a common carrier; (E) any security interest created in connection with the sale, discount or guarantee of notes, chattel mortgages, leases, accounts receivable, trade acceptances or other paper, or contingent repurchase obligations, arising out of sales of merchandise in the ordinary

course of business; (F) Liens for Taxes levied or imposed upon the Company or any Wholly-Owned Domestic Manufacturing Subsidiary or upon the income, profits or property of the Company or any Wholly-Owned Domestic Manufacturing Subsidiary or Liens on any Principal Property of the Company or any Wholly-Owned Domestic Manufacturing Subsidiary arising from claims from labor, materials or supplies; provided that either such Tax is not overdue or that the amount, applicability or validity of such Tax or claim is being contested in good faith by appropriate proceedings; or (G) other deposits or pledges similar to those referred to in this clause (vii);

(viii) Liens arising by reason of any judgment, decree or order of any court, so long as any appropriate legal proceedings that may have been initiated for the review of such judgment, decree or order shall not have been finally terminated or so long as the period within which such proceedings may be initiated shall not have expired; any deposit or pledge with any surety company or clerk of any court, or in escrow, as collateral in connection with, or in lieu of, any bond on appeal from any judgment or decree against the Company or any Subsidiary of the Company, or in connection with other proceedings or actions at law or in equity by or against the Company or any Subsidiary of the Company; and

(ix) any extension, renewal, substitution or replacement (or successive extensions, renewals, substitutions or replacements), as a whole or in part, of any of the Liens referred to in clauses (i) through (viii) above or the Debt secured thereby; provided that (A) such extension, renewal, substitution or replacement Lien shall be limited to all or any part of the same property or assets or equity interests or Debt that secured the Lien extended, renewed, substituted or replaced (plus improvements on such property and plus any other property or assets not then constituting a Principal Property) and (B) in the case of clauses (i) through (iv) above, the Debt secured by such Lien at such time is not increased.

For the purposes of this Section 5.02(a), Section 5.02(c) and Section 5.02(f), the giving of a guarantee which is secured by a Lien on a Principal Property, and the creation of a Lien on a Principal Property or equity interests or Debt to secure Debt which existed prior to the creation of such Lien, shall be deemed to involve the creation of Debt in an amount equal to the principal amount guaranteed or secured by such Lien; but the amount of Debt secured by Liens on Principal Properties and equity interests and Debt shall be computed without cumulating the underlying indebtedness with any guarantee thereof or Lien securing the same.

(b) Fundamental Changes. (i) The Company will not consolidate with or merge into any other Person or convey, transfer or lease, or permit its Subsidiaries to convey, transfer or lease, to any Person all or substantially all of the properties and assets of the Company and its Subsidiaries, taken as a whole, unless: (A) the Person formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer, or which leases, such properties and assets shall be a Person (other than a natural person) organized and existing under the laws of the United States, any State thereof or the District of Columbia and shall expressly assume, by writing approved by the Administrative Agent, which approval shall not be unreasonably withheld, delayed or conditioned, the Company's obligation for the due and punctual payment of the principal of and interest on all Loans and the performance of every covenant of this Agreement on the part of the Company to be performed; and (B) immediately

after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing. This Section 5.02(b)(i) shall only apply to a merger or consolidation in which the Company is not the surviving Person and to conveyances, leases and transfers by the Company and its Subsidiaries as transferors or lessors.

(ii) Upon any consolidation by the Company with or merger by the Company into any other Person or any conveyance, transfer or lease of all or substantially all of the properties and assets of the Company and its Subsidiaries, taken as a whole, in accordance with Section 5.02(b)(i), the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Agreement with the same effect as if such successor Person had been named as the Company herein, and in the event of any such conveyance or transfer, the Company (which term shall for this purpose mean the Person named as the "Company" in the definition of such term or any successor Person which shall theretofore become such in the manner described in Section 5.02(b)(i)), except in the case of a lease, shall be discharged of all obligations and covenants under this Agreement and may be dissolved and liquidated.

(iii) If, upon any such consolidation of the Company with or merger of the Company into any other Person, or upon any conveyance, lease or transfer of all or substantially all of the properties and assets of the Company and its Subsidiaries, taken as a whole, to any other Person, any Principal Property of the Company or of any Wholly-Owned Domestic Manufacturing Subsidiary (or any equity interests in or Debt of any Wholly-Owned Domestic Manufacturing Subsidiary) would thereupon become subject to any Lien, then unless such Lien could be created pursuant to Section 5.02(a) without equally and ratably securing the Loans, the Company, prior to or simultaneously with such consolidation, merger, conveyance, lease or transfer, will as to such Principal Property, equity interests or Debt, secure the Loans outstanding hereunder (together with, if the Company shall so determine, any other Debt of the Company now existing or hereafter created which is not subordinate in right of payment to indebtedness hereunder) equally and ratably with (or prior to) the Debt which upon such consolidation, merger, conveyance, lease or transfer is to become secured as to such Principal Property, equity interests or Debt by such Lien, or will cause such Loans to be so secured

(c) Sale and Leaseback Transactions. The Company will not itself, and will not permit any Wholly-Owned Domestic Manufacturing Subsidiary to, enter into any arrangement on or after the Availability Date with any bank, insurance company or other lender or investor (other than the Company or another Wholly-Owned Domestic Manufacturing Subsidiary) providing for the leasing by the Company or any such Wholly-Owned Domestic Manufacturing Subsidiary of any Principal Property (except a lease for a temporary period not to exceed three years by the end of which it is intended that the use of such Principal Property by the lessee will be discontinued) that was or is owned by the Company or a Wholly-Owned Domestic Manufacturing Subsidiary and that has been or is to be sold or transferred, more than 120 days after the completion of construction and commencement of full operation thereof by the Company or such Wholly-Owned Domestic Manufacturing Subsidiary, to such bank, insurance company, lender or investor or to any Person to whom funds have been or are to be advanced by such bank, insurance company, lender or investor on the security of such Principal Property

(herein referred to as a "Sale and Leaseback Transaction") unless (i) the sum of (x) the Attributable Debt of the Company and its Wholly-Owned Domestic Manufacturing Subsidiaries in respect of such Sale and Leaseback Transaction and all other Sale and Leaseback Transactions entered into or, as set forth below, deemed entered into on or after the Availability Date (other than such Sale and Leaseback Transactions permitted by clause (ii) or (iii) below), plus (y) the aggregate principal amount of Debt secured by Liens on Principal Properties and Liens on any equity interests in or Debt of any Wholly Owned Domestic Manufacturing Subsidiary then outstanding (excluding any such Debt secured by Liens covered in clauses (i) through (ix) of Section 5.02(a)) without equally and ratably securing the Loans, plus (z) solely during the Covenant Modification Period and without duplication of any amounts included pursuant to clause (x) or (y) above, the aggregate principal amount of Subsidiary Indebtedness then outstanding (excluding any Subsidiary Indebtedness permitted by clauses (i) through (viii) of Section 5.02(f)) would not exceed 10% of Consolidated Net Tangible Assets, (ii) the Company, within 120 days after the sale or transfer, applies, or causes a Wholly-Owned Domestic Manufacturing Subsidiary to apply, an amount equal to the greater of the net proceeds of such sale or transfer or fair market value of the Principal Property so sold and leased back at the time of entering into such Sale and Leaseback Transaction (in either case as determined by any two of the following: the Chairman, Chief Executive Officer, Chief Financial Officer, the President, any Vice President, the Treasurer and the Controller of the Company) to the prepayment (subject to the conditions of Section 2.10) of the Loans hereunder or the retirement of other indebtedness of the Company (other than indebtedness subordinated in right of payment to indebtedness hereunder), or indebtedness of a Wholly-Owned Domestic Manufacturing Subsidiary, for money borrowed, having a stated maturity more than 12 months from the date of such application or which is extendible at the option of the obligor thereon to a date more than 12 months from the date of such application or (iii) such Sale and Leaseback Transaction shall be set forth on Schedule 5.02(c) hereto; provided that for purposes of this Section 5.02(c), any Sale and Leaseback Transaction entered into on or after the Closing Date and prior to the Availability Date (other than any such Sale and Leaseback Transaction set forth on Schedule 5.02(c)) shall be deemed to have been entered into on the Availability Date. Notwithstanding the foregoing, (x) no prepayment or retirement referred to in clause (ii) above may be effected by payment at maturity or pursuant to any mandatory sinking fund payment or any mandatory prepayment provision and (y) where the Company or any Wholly-Owned Domestic Manufacturing Subsidiary is the lessee in any Sale and Leaseback Transaction, Attributable Debt shall not include any Debt resulting from the guarantee by the Company or any other Wholly-Owned Domestic Manufacturing Subsidiary of the lessee's obligation thereunder.

(d) Consolidated Leverage Ratio. The Company will not permit, as of the last day of any Test Period, commencing with the Test Period ending on June 30, 2021, the Consolidated Leverage Ratio to exceed the ratio set forth in the table below opposite the last day of such Test Period:

| Test Period Ending On | Consolidated Leverage Ratio |
|---|---|
| **June 30, 2021** | **4.75:1.00** |
| **September 30, 2021** | **4.25:1.00** |
| **December 31, 2021 through and including December 31,2022** | **4.00:1.00** |
| **March 31, 2023 and thereafter** | **3.50:1.00** |

Notwithstanding anything to the contrary in this Section 5.02(d), (i) if the Covenant Modification Period shall have been terminated prior to its scheduled termination date pursuant to the proviso set forth in the definition of such term, then the Company will not permit, as of the last day of any Test Period (commencing with the Test Period ending with the first fiscal quarter of the Company ending after the date of such termination of the Covenant Modification Period), the Consolidated Leverage Ratio to exceed (A) in the case of any Test Period ending on or prior to December 31, 2022, 4.00:1.00 and (B) in the case of any Test Period ending on or after March 31, 2023, 3.50:1.00 and (ii) upon the consummation of a Qualifying Material Acquisition in any Test Period ending on or after March 31, 2023, with respect to the Test Period ending with the fiscal quarter in which such Qualifying Material Acquisition is consummated and the Test Periods ending with the three subsequent consecutive fiscal quarters, the maximum permitted Consolidated Leverage Ratio shall, at the election of the Company by notice to the Administrative Agent delivered within 30 days of the consummation thereof, be increased to 4.00:1.00.

(e) Minimum Liquidity. During the period commencing on the Amendment No. 1 Effective Date and ending on the earlier of (i) June 29, 2021 and (ii) the last day of the Covenant Modification Period, the Company will not permit Liquidity at any time to be less than US$2,500,000,000.

(f) Subsidiary Indebtedness. During the Covenant Modification Period, the Company will not permit any Subsidiary to create, incur, assume or permit to exist any Subsidiary Indebtedness unless, after giving effect thereto, the sum of (x) the aggregate principal amount of all such Subsidiary Indebtedness then outstanding, plus (y) the aggregate principal amount of Debt secured by Liens on Principal Properties and Liens on any equity interests in or Debt of any Wholly-Owned Domestic Manufacturing Subsidiary then outstanding (excluding any such Debt secured by Liens covered in clauses (i) through (ix) of Section 5.02(a)) without equally and ratably securing the Loans, plus (z) Attributable Debt of the Company and its Wholly-Owned Domestic Manufacturing Subsidiaries in respect of Sale and Leaseback Transactions involving Principal Properties entered into after the date hereof (other than such Sale and Leaseback Transactions as are permitted by clause (ii) or (iii) of Section 5.02(c)) would not exceed an amount equal to 10% of Consolidated Net Tangible Assets; provided that nothing contained in this Section 5.02(f) shall prevent, restrict or apply to, and there shall be excluded from Subsidiary Indebtedness in any computation under this Section 5.02(f):

(i) Subsidiary Indebtedness existing on the Amendment No. 1 Effective Date and set forth on Schedule 5.02(f) hereto;

(ii) Subsidiary Indebtedness owed to the Company or any other Subsidiary, provided that such Subsidiary Indebtedness shall not have been transferred to any Person other than the Company or any Subsidiary;

(iii) guarantees of any Subsidiary Indebtedness of any other Subsidiary; provided that a Subsidiary shall not guarantee Subsidiary Indebtedness of any other Subsidiary that it would not have been permitted to incur under this Section 5.02(f) if it were a primary obligor thereon;

(iv) Subsidiary Indebtedness of any Subsidiary incurred after the Amendment No. 1 Effective Date to finance the acquisition, construction, development, alteration, repair or improvement of any assets, provided that such Subsidiary Indebtedness is incurred prior to, at the time of or within 120 days after such acquisition of such assets or the completion of such construction, development, operation, alteration, repair or improvement and the principal amount of such Subsidiary Indebtedness does not exceed the cost of acquiring, constructing, developing, altering, repairing or improving such assets;

(v) Subsidiary Indebtedness of any Person that becomes a Subsidiary (or of any Person not previously a Subsidiary that is merged or consolidated with or into a Subsidiary in a transaction permitted hereunder) after the Amendment No. 1 Effective Date, or Subsidiary Indebtedness that is assumed after the Amendment No. 1 Effective Date by any Subsidiary in connection with an acquisition of assets by such Subsidiary not prohibited hereunder, provided that such Subsidiary Indebtedness exists at the time such Person becomes a Subsidiary (or is so merged or consolidated) or such assets are acquired and is not created in contemplation of or in connection with such Person becoming a Subsidiary (or such merger or consolidation) or such assets being acquired;

(vi) to the extent constituting Subsidiary Indebtedness, obligations in respect of pooling arrangements, netting services, overdraft protections and otherwise arising from treasury, depository and cash management services or in connection with any automated clearing-house transfers of funds, overdraft or any similar services;

(vii) Subsidiary Indebtedness under the Bank of England Program not to exceed a principal amount of £300,000,000 at any time outstanding; and

(viii) any extension, renewal or refinancings (or successive extensions, renewals or refinancings), as a whole or in part, of any of the Subsidiary Indebtedness referred to in clauses (i), (iv), (v) and (vii) above; provided that the amount of such Subsidiary Indebtedness is not increased at the time of such extension, renewal or refinancing thereof.

(g) Restricted Payments. During the Covenant Modification Period, the Company will not declare or pay or make, directly or indirectly, any Restricted Payment, except that:

(i) the Company may declare and make any Restricted Payment with respect to its equity interests payable solely in additional equity interests in the Company;

(ii) the Company may declare and pay regular quarterly dividends with respect to its common stock in an amount not to exceed, in the aggregate, US$550,000,000 per annum;

(iii) the Company may declare and make cash payments in lieu of the issuance of fractional shares of its equity interests in connection with the exercise, settlement or vesting of warrants, options, stock appreciation rights, restricted stock units or other securities convertible into or exchangeable for equity interests in the Company;

(vi) the Company may declare and make Restricted Payments pursuant to and in accordance with the Employee Matters Agreement or stock option plans or other compensation or benefit plans or agreements for directors, officers or employees of the Company and its Subsidiaries and any other participants under such plans; and

(v) the Company may make repurchases of its common stock (A) to the extent such repurchases do not exceed the number of shares of its common stock issued after the Amendment No. 1 Effective Date (and not repurchased pursuant to clause (B) below) pursuant to compensation or benefit plans or agreements for directors, officers or employees of the Company and its Subsidiaries and any other participants under such plans and/or (B) upon the exercise, settlement, or vesting of warrants, options, stock appreciation rights, restricted stock units or other securities convertible into or exchangeable for common stock in the Company, which warrants, options, stock appreciation rights, restricted stock units or other securities were issued in accordance with stock option plans or other compensation or benefit plans or agreements for directors, officers or employees of the Company and its Subsidiaries and any other participants under such plans.

ARTICLE VI

EVENTS OF DEFAULT

SECTION 6.01 Events of Default. Each of the following shall constitute an event of default (collectively, the "Events of Default"); provided that (x) the events set forth in clauses (e), (f), (g), (h)(ii), (i) and (j) of this Section 6.01 shall constitute an Event of Default only from and after the Availability Date and (y) the events set forth in clause (h)(i) of this Section 6.01 shall cease to constitute an Event of Default from and after the Availability Date:

(a) the Company shall fail to pay (i) any principal of any Loan when the same becomes due and payable, (ii) any interest on any Loan or any properly invoiced Commitment Fees when the same becomes due and payable, and such failure shall continue for a period of five Business Days, (iii) any amount due under the Company Guarantee in respect of any Loan owing by a Subsidiary Borrower when due pursuant to Section 9.01, or (iv) any other amount owing by the Company when the same becomes due and payable, and such failure shall continue for a period of 15 Business Days after receipt by the Company of written notice from the Administrative Agent of such amount being due, together with a statement in reasonable detail of the calculation thereof;

(b) any representation or warranty made (or deemed made pursuant to Article III hereof) by the Company herein or in any Borrowing Request or other document delivered by the Company pursuant to Article III shall prove to have been incorrect in any material respect when made or deemed made;

(c) the Company shall fail to perform or observe any term, covenant or agreement set forth in Section 5.01(a)(vi), 5.01(b) or 5.01(c) on its part to be performed or observed;

(d) the Company shall fail to perform or observe any term, covenant or agreement contained in this Agreement (other than those specified in clause (a) or (c) of this Section 6.01 and, for the avoidance of doubt, excluding those to be performed or observed by any Subsidiary Borrower) on its part to be performed or observed if such failure shall remain unremedied for 30 days after written notice thereof shall have been given to the Company and the Administrative Agent by any Lender;

(e) the Company or any Wholly-Owned Domestic Manufacturing Subsidiary (i) shall admit in writing its inability to pay its debts generally, (ii) shall make a general assignment for the benefit of creditors or shall institute any proceeding or voluntary case seeking to adjudicate it bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, Irish law examinership or reorganization or relief or protection of debtors, or seeking the entry of any order for relief or the appointment of a receiver, trustee, Irish law examiner or other similar official for it or for any substantial part of its property or (iii) shall take any corporate action to authorize any of the actions set forth above in this clause (e);

(f) any proceeding shall be instituted against the Company or any Wholly-Owned Domestic Manufacturing Subsidiary seeking to adjudicate it bankrupt or insolvent or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, Irish law examinership or reorganization or relief or protection of debtors, or seeking the entry of any order for relief or the appointment of a receiver, trustee, custodian, Irish law examiner or other similar official for it or for any substantial part of its property, and such proceeding shall remain undismissed or unstayed for a period of 60 days;

(g) an ERISA Event or ERISA Events shall occur that results or would reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect;

(h) (i) prior to the Availability Date, the Company shall cease to be a Subsidiary of UTC, except as part of the Carrier Distribution with respect to which the Carrier Distribution Condition shall have been satisfied or (ii) from and after the Availability Date, any Change in Control shall occur;

(i) any Material Debt of the Company or any of its Subsidiaries shall be declared to be due and payable prior to the stated maturity thereof or shall not be paid at the stated maturity thereof; or

(j) the Company Guarantee shall cease to be, or shall be asserted in writing by the Company not to be, in full force and effect with respect to any Subsidiary Borrower, except as a result of the release thereof as provided in Section 9.03.

SECTION 6.02 Lenders' Rights upon an Event of Default. (a) If an Event of Default (other than an Event of Default set forth in Section 6.01(j)) occurs and is continuing, then, and in any such event, the Administrative Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Company, declare the obligation of each Lender to make Loans to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Company, declare the Loans, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Loans, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by each Borrower; provided, however, that in the case of an Event of Default set forth in Section 6.01(e) or 6.01(f) (in each case, with respect to the Company) constituting an entry of an order for relief under the United States federal bankruptcy laws, (A) the obligation of each Lender to make Loans shall automatically terminate and (B) the Loans, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by each Borrower.

(b) If an Event of Default set forth in Section 6.01(j) occurs and is continuing with respect to the Loans owing by any Subsidiary Borrower, then, and in any such event, (i) the Administrative Agent shall at the request, or may with the consent, of the Required Lenders, by notice to the Company, declare the obligation of each Lender to make Loans to such Subsidiary Borrower to be terminated, whereupon the same shall forthwith terminate, (ii) if such Event of Default does not arise as a result of the Company's repudiation of the Company Guarantee with respect to

the obligations of such Subsidiary Borrower in writing, the Administrative Agent shall at the request, or may with the consent, of the Required Lenders, by notice to the Company, declare the Loans owing by such Subsidiary Borrower, all interest thereon and all other amounts payable by such Subsidiary Borrower under this Agreement to be forthwith due and payable, whereupon the Loans owing by such Subsidiary Borrower, all such interest thereon and all such amounts payable by such Subsidiary Borrower shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by such Subsidiary Borrower, and (iii) if such Event of Default arises as a result of the Company's repudiation of the Company Guarantee with respect to the obligations of such Subsidiary Borrower in writing, the Administrative Agent shall at the request, or may with the consent, of the Required Lenders, by notice to the Company, declare any or all of the Loans of any or all Borrowers, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon such Loans, all other such interest and all other such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by each Borrower

## ARTICLE VII

## THE AGENTS

SECTION 7.01. Authorization and Action. Each Lender hereby appoints and authorizes the Administrative Agent to take such action on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof and the other Loan Documents, together with such actions and powers as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement, the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith to be necessary, under the circumstances as provided in Section 8.01), and such instructions shall be binding upon all Lenders; provided, however, that the Administrative Agent shall not be required to take any action that, in its opinion, could expose the Administrative Agent to liability or be contrary to this Agreement or applicable law.

SECTION 7.02. Agents' Reliance, Etc. (a) No Agent or any of its Related Parties shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement, except for its or their own gross negligence or willful misconduct, as determined by a court of competent jurisdiction in a final and nonappealable judgment. Without limitation of the generality of the foregoing, the Administrative Agent: (i) may treat the Lender to whom any Loan is owing as reflected in its records as the Person to whom all payments with respect to that Loan are to be made until the Administrative Agent receives and records an Assignment and Assumption (or an agreement incorporating by reference a form of Assignment and Assumption posted on the Platform) entered into by such Lender, as assignor, and an Eligible Assignee, as assignee; (ii) may consult with legal counsel

(including counsel for the Borrowers), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (iii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for, or have any duty to ascertain or inquire into, any statements, warranties or representations made in or in connection with this Agreement or any other Loan Document, or the contents of any certificate, report or other document delivered thereunder or in connection therewith; (iv) makes no warranty or representation to any Lender and shall not be responsible to any Lender for, or have any duty to ascertain or inquire into, the performance or observance of any of the terms, covenants or conditions of this Agreement or any other Loan Document on the part of the Company or any Subsidiary Borrower or to inspect the property (including the books and records) of the Company or any Subsidiary Borrower; (v) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency, effectiveness or value of this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto; (vi) shall not be responsible to any Lender for the satisfaction of any condition set forth in Article III or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent or satisfaction of any condition that expressly refers to the matters described therein being acceptable or satisfactory to the Administrative Agent; and (vii) shall incur no liability under or in respect of this Agreement or any other Loan Document by acting upon any notice, consent, request, certificate or other instrument or writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and signed, sent or otherwise authenticated by the proper Person (whether or not such Person in fact meets the requirements set forth in this Agreement for being the signatory, sender or authenticator thereof). The Administrative Agent also shall be entitled to rely, and shall not incur any liability for relying, upon any statement made to it orally or by telephone (other than statements required to be in writing pursuant to the terms of this Agreement) and believed by it to be made by the proper Person (whether or not such Person in fact meets the requirements set forth in this Agreement for being the maker thereof), and may act upon any such statement prior to receipt of written confirmation thereof.

(b) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default, an Event of Default or a Subsidiary Borrower Termination Event has occurred and is continuing (and it is understood and agreed that the use of the term “agent” herein (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law, and that such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties);

(ii) shall not, except as expressly set forth herein, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity; and

(iii) shall be deemed not to have knowledge of any Default, Event of Default or Subsidiary Borrower Termination Event (or any event that, with the giving of notice or the passage of time or both, would constitute a Subsidiary Borrower Termination Event) unless and until written notice describing such Default, Event of Default, Subsidiary Borrower Termination Event or other event (stating that it is a "Notice of Default" or "Notice of a Subsidiary Borrower Termination Event") is given to the Administrative Agent by the Company, a Subsidiary Borrower or a Lender.

SECTION 7.03. Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of their duties and exercise their rights and powers through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facility provided for herein as well as activities as Administrative Agent.

SECTION 7.04. Agents and Affiliates. With respect to its Commitment and the Loans made by it, each Person acting as an Agent, and its Affiliates, shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not an Agent, as the case may be, and it and its Affiliates may accept deposits from, lend money to, own securities of, act as trustee under indentures of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with, any Borrower, any of its Subsidiaries or other Affiliates and any Person who may do business with or own securities of any Borrower or any such Subsidiary or Affiliate, all as if such Person were not an Agent hereunder and without any duty to account therefor to the Lenders.

SECTION 7.05. Lender Credit Decision. (a) Each Lender acknowledges that it has, independently and without reliance upon any Agent, any Arranger or any other Lender, or any of the Related Parties of any of the foregoing, and based on the financial information referred to in Section 4.01(e)(i) and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and any other Loan Document to which such Lender is a party. Each Lender also acknowledges that it will, independently and without reliance upon any Agent, any Arranger or any other Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

(b) Each Lender, by becoming a party to this Agreement and any other Loan Document to which such Lender is a party, shall be deemed to have acknowledged receipt of, and consented to and approved, this Agreement and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on or prior to the Closing Date. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender sufficiently in advance to the making of such Loan.

SECTION 7.06 [Reserved.]

SECTION 7.07. Successor Administrative Agent. The Administrative Agent may resign at any time from its capacity as such by giving written notice thereof to the Lenders and the Company. Upon any such resignation, the Required Lenders shall have the right, in consultation with and, unless an Event of Default has occurred and is continuing, with the consent of the Company, to appoint a successor Administrative Agent, which shall be a commercial bank organized under the laws of the United States or any State thereof, having a combined capital and surplus of at least US$500,000,000 and a local office in New York. If no successor Administrative Agent shall have been so appointed, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth in the immediately preceding sentence; provided that if the Administrative Agent shall notify the Company and the Lenders that no qualifying Person has accepted such appointment, or no successor has been appointed, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and (b) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent; provided that all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders, in consultation with and, unless an Event of Default has occurred and is continuing, with the consent of the Company, appoint a successor Administrative Agent as provided for above. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged (if not already discharged as set forth above) from its duties and obligations under this Agreement. Following the effectiveness of any retiring Administrative Agent's resignation hereunder from its capacity as such, the provisions of this Article VII and Section 8.04 shall inure to its benefit and for the benefit of its sub-agents and its and their Related Parties as to any actions taken or omitted to be taken by any of them while it was Administrative Agent under this Agreement.

SECTION 7.08. Arrangers, Syndication Agents and Documentation Agents. None of the Arrangers, the Syndication Agents or the Documentation Agents shall have any obligation, liability, responsibility or duty under this Agreement except, solely in its capacity as a Lender, those applicable to all Lenders as such. Without limiting the foregoing, none of the Arrangers, the Syndication Agents or the Documentation Agents shall have, or be deemed to

have, any fiduciary responsibility to any Lender. Each Lender acknowledges that it has not relied, and will not rely, on any of the Arrangers, the Syndication Agents or the Documentation Agents in deciding to enter this Agreement or in taking or refraining from any action hereunder.

SECTION 7.09. Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding with respect to any Borrower under any Debtor Relief Law now or hereafter in effect, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on any Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim under Sections 2.05, 2.11, 2.12, 2.14 and 8.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due to it, in its capacity as the Administrative Agent, hereunder (including under Section 8.04). Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the obligations or the rights of any Lender, or to vote in respect of the claim of any Lender in any such proceeding.

SECTION 7.10. Certain ERISA Matters. (a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Agents and the Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of any Borrower, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments or this Agreement;

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement;

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement; or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) clause (i) in the immediately preceding paragraph (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with clause (iv) in the immediately preceding paragraph (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Agents, the Arrangers and their respective Affiliates and not, for the avoidance of doubt, to or for the benefit of any Borrower, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement or any documents related hereto or thereto).

ARTICLE VII

MISCELLANEOUS

SECTION 8.01. Amendments, Etc. (a) Except as provided in Sections 8.01(b) and 8.01(c), no amendment or waiver of any provision of this Agreement or any other Loan Document, nor consent to any departure by any Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders and the Company, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however that (i) any provision of this Agreement or any other Loan Document may be amended by an agreement in writing entered into by the Company and the Administrative Agent to cure any ambiguity, omission, defect or inconsistency so long as, in each case, the Lenders shall have received at least five Business Days' prior written notice thereof and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment and (ii) no amendment, waiver or consent shall do any of the following: (A) increase the Commitment of any Lender or extend the scheduled date of expiration of the Commitment of any Lender (including any such extension as a result of any modification to the definition of the term "Commitment Termination Date" or "Scheduled Maturity Date" or to Section 2.06(c)), or change the currencies in which Loans are available under the Commitment of any Lender, in each case, without the written consent of such Lender, (B) reduce the principal of, or interest on, the Loans or the Commitment Fees payable hereunder, without the written consent of each Lender affected thereby, (C) postpone any date fixed for any payment of principal of, or interest on, the Loans or the Commitment Fees payable hereunder, or reduce the amount of, waive or excuse any such payment (in each case, including any such postponement, reduction, waiver or excuse as a result of any modification to the term "Commitment Termination Date" or "Scheduled Maturity Date"), without the written consent of each Lender affected thereby, (D) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Loans, or the number of Lenders, which shall be required for the Lenders or any of them to take any action hereunder, without the written consent of each Lender, (E) change Section 2.15 in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender affected thereby, (F) release the Company Guarantee with respect to any Subsidiary Borrower, except as expressly provided by Section 9.03, without the written consent of each Lender, (G) amend this Section 8.01, without the written consent of each Lender or (H) waive or amend Section 3.02(c), without the written consent of each Lender; provided further, that no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement.

(b) Notwithstanding anything to the contrary in Section 8.01(a):

(i) any amendment of the definition of the term "Applicable Rate" pursuant to the penultimate sentence of such definition shall require only the written consent of the Company and the Administrative Agent;

(ii) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent under this Agreement or any other Loan Document (and any amendment, waiver or consent which by its terms requires the consent of all Lenders may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except with respect to any amendment, waiver or consent referred to in clause (ii)(A), (ii)(B) or (ii)(C) of the first proviso of Section 8.01(a) and then only in the event such Defaulting Lender shall be affected by such amendment, waiver or consent;

(iii) notwithstanding anything herein to the contrary, any amendment, waiver or consent under this Agreement or any other Loan Document that by its terms affects the rights or duties under this Agreement or such other Loan Document of Lenders under one or more New Tranches (each, an "Affected Tranche") (but not other Lenders) may be effected by an agreement or agreements in writing entered into by the Company, any applicable Subsidiary Borrower or New Subsidiary Borrower, the Administrative Agent and the requisite number or percentage in interest of Lenders of each Affected Tranche that would be required to consent thereto if the Lenders under such Affected Tranche were the only Lenders hereunder (and no consent of any other Lender shall be required for the effectiveness of such amendment); and

(iv) this Agreement may be amended as provided in Sections 2.06(a), 2.17(b), 2.19(a), 2.19(c), 8.01(c) and 8.18.

(c) The Company may on one or more occasions, by written notice to the Administrative Agent at any time and from time to time on and after the Availability Date, request that Lenders convert (each, a "Tranche Conversion") all or a portion of their Commitments into a new tranche of Commitments (any such new tranche being referred to as a "New Tranche", and the existing Commitments being referred to as the "Converted Tranche"), which (i) shall be available to the Borrowers in one or more currencies that were previously designated by the Company as an "Alternative Currency" but that shall have failed to be approved as such as required by the definition of the term Alternative Currencies (it being understood that Commitments under such New Tranche may also be available to the Borrowers in US Dollars and/or any Alternative Currency) and/or (ii) shall be available to any Subsidiary that shall have been previously designated by the Company as a "Subsidiary Borrower" but that shall have failed to become such as a result of the delivery of a Notice of Objection by any Lender (any such Subsidiary, a "New Subsidiary Borrower") (it being understood that Commitments under such New Tranche may also be available to one or more of the other Borrowers); provided that (A) all Lenders must be given an opportunity, pursuant to procedures reasonably satisfactory to the Administrative Agent, to participate in such New Tranche on a ratable basis based on the amount of their respective Commitments under the Converted Tranche (immediately prior to giving effect to such Tranche Conversion), (B) no Lender shall be required to participate in such New Tranche and, with respect to any Lender that shall have agreed to participate in such New Tranche, the amount of such Lender's Commitment under the Converted Tranche that is to be converted into a Commitment under such New Tranche shall be as agreed by such Lender, (C) the aggregate amount of the Commitments shall not increase as a result of such Tranche Conversion, (D) after giving effect to such Tranche Conversion, the aggregate amount of the Revolving Credit Exposure under the Converted Tranche shall not exceed the aggregate amount of the remaining Commitments under the Converted Tranche, (E) other than the availability of Loans under such New Tranche in any applicable new currencies (including,

for the avoidance of doubt, any new pricing benchmarks applicable to such new currencies) or any applicable New Subsidiary Borrower (and, if so requested by the Company in the applicable notice, one or more other Borrowers), the terms and conditions of Commitments and Loans under such New Tranche shall be substantially identical to those under such Converted Tranche (including as to the Commitment Fees and the Applicable Rate), (F) the borrowing and repayment of Loans denominated in the same currency under such New Tranche and such Converted Tranche by any Borrower (other than the applicable New Subsidiary Borrower and any other Borrower that was not a Borrower under the Converted Tranche at the time of the applicable Tranche Conversion) shall be made on a ratable basis as between the Commitments under such New Tranche and the remaining Commitments under such Converted Tranche and (G) no Commitment under such New Tranche may be terminated or reduced unless the remaining Commitments under such Converted Tranche are terminated or reduced on a ratable basis, as the case may be, substantially concurrently therewith. Each New Tranche shall be established pursuant to an amendment to this Agreement, in form and substance reasonably satisfactory to the Administrative Agent and the Company, among the Company, any applicable New Subsidiary Borrower (and any other Subsidiary Borrower that are to be borrowers under such New Tranche), the Administrative Agent and the Lenders under such New Tranche (and, notwithstanding anything to the contrary in Section 8.01(a), no consent of any other Lender shall be required for the effectiveness of such amendment), it being understood and agreed that such amendment may effect such amendments to this Agreement as may be necessary or appropriate, in the opinion of the Administrative Agent and the Company, to give effect to the provisions of this Section 8.01(c), including (x) any modifications necessary or appropriate to treat Commitments and Loans under such New Tranche as a new class of Commitments and Loans, (y) any modifications that shall have been agreed by the Lenders under such New Tranche (solely in respect of such New Tranche) to the Tax gross up provisions of this Agreement (including the possible inclusion of a "day one" carve out from the gross up for withholding Taxes imposed by the jurisdiction of organization (or other applicable jurisdiction) of any applicable New Subsidiary Borrower) and (z) any modifications necessary or appropriate to incorporate any applicable new currencies (including any new pricing benchmarks applicable to such new currencies). Upon the effectiveness of such amendment in accordance with its terms, any applicable New Subsidiary Borrower shall for all purposes of this Agreement be a party hereto and a Subsidiary Borrower hereunder in respect of the applicable New Tranche.

(d) The Administrative Agent may, but shall have no obligation to, with the concurrence of any Lender, execute amendments, waivers or other modifications on behalf of such Lender. Any amendment, waiver or other modification effected in accordance with this Section 8.01 shall be binding upon each Person that is at the time thereof a Lender and each Person that subsequently becomes a Lender.

SECTION 8.02. Notices, Etc. (a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to Section 8.02(b)), all notices and other communications provided for hereunder shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax or email, as follows:

(i) if to the Company, to it at Carrier Global Corporation, 13995 Pasteur Boulevard, Palm Beach Gardens, Florida 33418, Attention: Douglas Stenske, Treasurer, Fax No.: (319) 295-0020, Email Address: douglas.stenske@carrier.com;

(ii) if to any Subsidiary Borrower, to it in care of Carrier as provided in clause (i) above;

(iii) if to any Lender, to it at its address (or fax number or email) set forth in its Administrative Questionnaire; and

(iv)if to the Administrative Agent, to JPMorgan Chase Bank, N.A., Loan and Agency Services Group, 500 Stanton Christiana Road, Ops 2, 3rd Floor, Newark, Delaware 19713, Attention of: Nicole Reilly, Fax No.: (302) 634-4250, Email Address: nicole.c.reilly@jpmorgan.com, with a copy to JPMorgan Chase Bank, N.A., 383 Madison Avenue, New York, New York 10179, Attention of: Robert P. Kellas, Fax No. (212) 270-5100, Email Address: robert.kellas@jpmorgan.com.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by fax shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient); and notices delivered through electronic communications to the extent provided in Section 8.02(b) shall be effective as provided in such Section. Any party hereto may change its address, telephone number, email address or fax number for notices and other communications hereunder by notice to the other parties hereto (or, in the case of any such change by a Lender, by notice to the Company and the Administrative Agent).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications (including email, intranet websites and the Platform) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices under Article II to any Lender if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. Any notices or other communications to the Administrative Agent, the Company or any Subsidiary Borrower may be delivered or furnished by electronic communications pursuant to procedures expressly approved by the recipient thereof (or, in the case of any Subsidiary Borrower, by the Company) prior thereto; provided that approval of such procedures may be limited or rescinded by the Administrative Agent by notice to each other such Person and by the Company and any Subsidiary Borrower by notice to the Administrative Agent. Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an email address shall be deemed received upon the sender’s receipt of an acknowledgement from the intended recipient (such as by the “return receipt requested” function, as available, return email or other written acknowledgement); provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to the Platform shall be deemed received upon the receipt by the intended recipient at its email address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE". THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrowers, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of any Borrower's or the Administrative Agent's transmission of the Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to the Borrowers, any Lender or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages). Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable law, including United States Federal and state securities laws, to make reference to the Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain MNPI. Each Lender agrees that any Agent or any Arranger may, but shall not be obligated to, store any Borrower Materials on the Platform in accordance with its customary document retention procedures and policies.

SECTION 8.03. No Waiver; Remedies. No failure on the part of any Lender or the Administrative Agent to exercise, and no delay in exercising, any right hereunder or any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04.Expenses; Indemnity; Damage Waiver. (a) The Company shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent, the Arrangers, the Syndication Agents, the Documentation Agents and their respective Affiliates, including the reasonable fees, charges and disbursements of one firm of outside counsel for the foregoing in the United States and one firm of outside counsel for the foregoing in Ireland (and, if deemed reasonably necessary by such Persons, one firm of regulatory counsel and/or one firm of local counsel in each other appropriate jurisdiction of a Subsidiary Borrower), in connection with the arrangement and syndication of the credit facility provided for herein, including the preparation, execution and delivery of the commitment letter and the fee letters entered into in connection with the credit facility provided for herein, as well as the preparation, execution, delivery and administration of this Agreement, any other Loan Documents or any amendments, modifications or waivers (to the extent such amendments, modifications or waivers are contemplated by Section 2.17(b) or requested by the Company) of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses of the Administrative Agent in connection with the administration (other than routine administrative procedures and excluding costs and expenses relating to assignments and participations of Lenders) of this Agreement and any other Loan Document and (iii) all reasonable out-of-pocket expenses incurred by the Administrative Agent, any Arranger or any Lender, including the fees, charges and disbursements of any counsel for any of the foregoing, in connection with the enforcement or protection of its rights in connection with this Agreement and any other Loan Document, including its rights under this Section 8.04, or in connection with the Loans made hereunder, including all such reasonable out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) The Company shall indemnify the Administrative Agent, the Arrangers, each Lender and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee"), against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and expenses reasonably related thereto, including reasonable fees, charges and disbursements of one firm of outside counsel for Indemnitees (and, if deemed reasonably necessary by the Administrative Agent, one firm of regulatory counsel and/or one firm of local counsel in each appropriate jurisdiction, and, in the case of an actual or perceived conflict of interest for any Indemnitee, one firm of counsel (and, if deemed reasonably necessary by such Indemnitee, one firm of regulatory and/or one firm of local counsel in each appropriate jurisdiction) for such Indemnitee), incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the preparation, execution, delivery and (in the case of the Administrative Agent and its Related Parties only) administration of this Agreement, any other Loan Document or any other agreement or instrument contemplated hereby or thereby or the consummation of the Transactions or any other transactions contemplated hereby or thereby or (ii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, and regardless of whether any Indemnitee is a party thereto (and regardless of whether such matter is initiated by any Borrower or any other Person); provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (A) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or a material breach, including any such breach in bad faith, of the agreements by such Indemnitee set forth in this Agreement or (B) result from any claim, litigation, investigation or proceeding that does not involve an act or omission of the Company, a Subsidiary Borrower or any of their respective Affiliates and that is

brought by an Indemnitee against any other Indemnitee (other than any claim, litigation, investigation or proceeding brought by an Indemnitee against the Administrative Agent or any Arranger in its capacity or in fulfilling its role as an agent or arranger or any other similar role hereunder). No Indemnitee shall be liable for any damages arising from the use of information or other materials obtained through electronic, telecommunications or other information transmission systems, except to the extent any such damages are found by a final, non-appealable judgment of a court of competent jurisdiction to arise from the gross negligence or willful misconduct of such Indemnitee, and no party hereto shall be liable for any special, indirect, consequential or punitive damages in connection with the Loans, this Agreement or its activities related thereto; provided that nothing contained in this sentence will limit the Company's indemnity and reimbursement obligations set forth in this Section 8.04. This paragraph shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(c) To the extent that the Company fails to pay any amount required to be paid by it under Section 8.04(a) or 8.04(b) to the Administrative Agent or any of its Related Parties, each Lender severally agrees to pay to the Administrative Agent or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent in its capacity as such or against any Related Party acting for the Administrative Agent in connection with such capacity. For purposes of this paragraph, a Lender's "pro rata share" shall be determined based upon its share of the sum of the total Undrawn Commitments and the Aggregate Revolving Credit Exposure outstanding, in each case, at the time (or most recently in effect or outstanding, as the case may be).

(d) All amounts due under this Section 8.04 shall be payable promptly after written demand therefor.

SECTION 8.05. Binding Effect; Survival. On and after the Closing Date, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that neither the Company nor any Subsidiary Borrower shall have the right to assign its rights or obligations hereunder or any interest herein without the prior written consent of the Lenders (and any attempted assignment without such consent shall be null and void), other than, in the case of the Company, pursuant to and in accordance with Section 5.02(b) or 8.18 or, in the case of any Subsidiary Borrower, pursuant to any merger or consolidation that would not result in a Subsidiary Borrower Termination Event under clause (b)(ii) of the definition of such term. The provisions of Sections 2.04(c), 2.11, 2.12, 2.13(d), 2.14, 2.18, 8.04, 8.17 and 9.03 and Article VII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement.

SECTION 8.6. Optional Assignments; Participations. (a) Each Lender may, but only with the prior written consent of the Administrative Agent and the Company (which consent shall not be unreasonably withheld, and provided that the Company shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within 15 Business Days after having received written notice thereof), assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the Loans owing to it); provided, however, that no consent of the Company shall be required for an assignment by a Lender to an Affiliate of such Lender or upon the occurrence and during the continuance of an Event of Default arising under Section 6.01(a), 6.01(e) or 6.01(f) (provided that, in each case, the Company shall have received a written notice of such assignment); provided further that (i) each such assignment shall be of a constant, and not a varying, percentage of all of the assigning Lender's rights and obligations under this Agreement, (ii) the amount of the Commitment or Loans of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Assumption with respect to such assignment) shall in no event be less than US$10,000,000 and shall be an integral multiple of US$1,000,000 in excess thereof or, in the case of an assignment of loans denominated in Alternative Currencies, the equivalent thereof (except in the case of (x) an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans or (y) an assignment to a Lender or an Affiliate of a Lender) unless otherwise agreed by the Company and the Administrative Agent, (iii) no such assignment shall result in any additional liability of the Company or any Subsidiary Borrower on account of United States Taxes or Ireland Taxes under Section 2.14 or for increased costs under Section 2.11 or violate any applicable provisions of the securities laws of the United States or any State thereof, (iv) the parties to each such assignment shall execute and deliver to the Administrative Agent, for recording, an Assignment and Assumption (or an agreement incorporating by reference a form of Assignment and Assumption posted on the Platform) (bearing the consent of the Company, if its consent is required as set forth above) and a processing and recordation fee of US$3,500 payable to the Administrative Agent (such fee to be paid by the parties to such assignment or, in the case of any assignment pursuant to Section 2.18(b), by the Company) and (v) the assignee shall deliver to the Administrative Agent a completed Administrative Questionnaire and any tax forms required by Section 2.14(f) (unless the assignee shall already be a Lender hereunder). Upon such execution, delivery and recording and, if applicable, delivery of written consent of the Company to such assignment, from and after the effective date specified in each Assignment and Assumption, which effective date shall be at least five Business Days after the execution thereof and shall be coordinated by the parties thereto with the Administrative Agent to be the same date as the date of such recording, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Assumption, have the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Assumption, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.11, 2.12 and 2.14 (to the extent accrued for periods prior to it ceasing to be a party hereto) and Section 8.04). Any assignment by a Lender of rights or obligations under this Agreement that does not comply with this Section 8.06(a) shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in

accordance with Section 8.06(c)~~,~~; provided that the requirements of Section 8.06(c) are met. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Company and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(b) [Reserved.]

(c) Each Lender may sell participations to one or more Eligible Assignees (each, a "Participant") in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the Loans owing to it); provided, however, that (i) such Lender's obligations under this Agreement (including, without limitation, its Commitment hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the Borrowers, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (iv) no such participation shall restrict the right of the Lender to take or refrain from taking any action, including the consent or agreement to any waiver, amendment or modification of this Agreement or under documents related hereto, except with respect to any action described in clause (ii)(A), (ii)(B) or (ii)(C) of the first proviso of Section 8.01(a). The Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.11, 2.12 and 2.14 (subject to the requirements and limitations therein, including the requirements under Section 2.14(f) (it being understood that the documentation required under Section 2.14(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 8.06(a); provided that such Participant (x) agrees to be subject to the provisions of Section 2.18 as if it were an assignee under Section 8.06(a) and (y) shall not be entitled to receive any greater payment under Section 2.11 or 2.14, with respect to any participation, than its participating Lender would have been entitled to receive (it being understood and agreed that such Participant shall not be entitled to the benefit of any other indemnity, expense reimbursement, yield protection or similar provision solely on account of becoming a Participant rather than being a party hereto). Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other rights and obligations of such Lender under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register

(including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans or other rights and obligations under this Agreement) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan or other right and obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations and Proposed Treasury Regulations Section 1.163-5(b) (or any amended or successor version). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining any Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including, without limitation, any pledge or assignment to secure obligations to a Federal Reserve Bank or other central bank having jurisdiction over such Lender, and this Section 8.06 shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 8.07. Confidentiality. (a) Each Agent and each Lender agrees to maintain the confidentiality of the Information (as defined below) in accordance with its customary procedures for handling confidential information of this nature and in accordance with safe and sound banking practices, except that Information may be disclosed (i) to its Related Parties, including accountants and legal counsel (it being understood that the Persons to whom such disclosure is made shall be informed of the confidential nature of such Information and instructed to keep such Information confidential); (ii) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners) (it being understood that the regulatory authority to which such disclosure is made shall be informed of the confidential nature of such Information and, except where such regulatory authority would be required to keep such Information confidential as a matter of law, requested to keep such Information confidential); (iii) to the extent required by applicable laws or regulations or by any subpoena or similar legal process (it being understood that the Persons to whom such disclosure is made shall be informed of the confidential nature of such Information and, except where such Person would be required to keep such Information confidential as a matter of law, requested to keep such Information confidential); (iv) to any other party to this Agreement; (v) in connection with the exercise of any remedies under this Agreement or under any agreement or instrument contemplated by this Agreement or any suit, action or proceeding relating to this Agreement or any other agreement or instrument contemplated by this Agreement or the enforcement of rights hereunder or thereunder (it being understood that the Persons to whom such disclosure is made shall be informed of the confidential nature of such Information and requested to keep such Information confidential); (vi) subject to execution by it of a written agreement containing provisions substantially the same as those of this Section 8.07, (A) to any Eligible Assignee of or participant in, or any prospective Eligible Assignee of or participant in, any of its rights or obligations under this Agreement or any Eligible Assignee invited to be a Lender pursuant to Section 2.06 or (B) to any actual of prospective counterparty to any swap or derivative transaction relating to the Company or any Subsidiary and its obligations or any actual or prospective insurance provider relating to any such obligations (or, in each case, their respective Related Parties); (vii) with the written consent

of the Company; (viii) to rating agencies (on a confidential basis) and data service providers, including league table providers, that serve the lending industry, such information to consist of information customarily provided by arrangers to such data service providers; or (xi) to the extent that such Information (A) is or becomes publicly available other than as a result of a breach of this Section 8.07 or (B) is or becomes available to the Administrative Agent, any Syndication Agent, any Documentation Agent or any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than any Borrower. For the purposes of this Section 8.07, "Information" means all information received from the Company, any of its Affiliates or any of the Company's or such Affiliates' respective Related Parties, including accountants and legal counsel, relating to the Company, any of its Affiliates or any of the Company's or such Affiliates' respective Related Parties, other than any such information that is available to the Administrative Agent, any Syndication Agent, any Documentation Agent, any Lender or any of their respective Affiliates on a nonconfidential basis prior to disclosure by the Company, any of its Affiliates or any of the Company's or such Affiliates' respective Related Parties. Any Person required to maintain the confidentiality of Information as provided in this Section 8.07 shall be considered to have complied with its obligation to do so if such Person has exercised no less than reasonable care and at least the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(b) Each of the Administrative Agent, the Company and the Subsidiary Borrowers agree to keep each COF Rate (but not the Average COF Rate) confidential and not to disclose it to any other Person, and the Company further agrees to cause its Subsidiaries not to disclose any COF Rate to any other Person, except that (i) in the event a Eurocurrency Borrowing is to bear interest by reference to the Average COF Rate as provided in Section 2.17, the Administrative Agent shall promptly disclose the COF Rate of each Lender, as communicated by such Lender to the Administrative Agent, to the Company and the Subsidiary Borrowers, and (ii) each of the Administrative Agent, the Company, the Subsidiary Borrowers and the other Subsidiaries may disclose any COF Rate (i) to any of its Affiliates and any of its or their respective Related Parties or auditors; provided that any such Person to whom such COF Rate is to be disclosed is informed in writing of its confidential nature and that it may be price-sensitive information; provided further that there shall be no requirement to so inform such Person if, in the opinion of the disclosing party, it is not practicable to do so under the circumstances, (ii) to any Person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the Person to whom such COF Rate is to be disclosed is informed in writing of its confidential nature and that it may be price-sensitive information; provided that there shall be no requirement to so inform such Person if, in the opinion of the disclosing party, it is not practicable to do so under the circumstances, (iii) to the extent required by applicable Law or by any subpoena or similar legal process, and (iv) the Administrative Agent, the Company and any Subsidiary Borrower may disclose any COF Rate to any Person (x) with the consent of the relevant Lender, (y) pursuant to applicable law or compulsory legal process and (z) to the extent customary or required in any public or regulatory filing. The Administrative Agent, the Company and the Subsidiary Borrowers agree to, and the Company shall cause its Subsidiaries to, to the extent permitted by applicable Law, (x) inform each relevant Lender of the circumstances of any disclosure made pursuant to this paragraph and (y) notify each relevant Lender upon becoming aware that any information has been disclosed in breach of this paragraph. No Default or Event of Default shall arise under Section 6.01(d), and no Subsidiary Borrower Termination Event shall arise under

clause (e) of the definition of such term, in each case, solely by reason of the failure of the Company, any Subsidiary Borrower or any other Subsidiary to comply with this paragraph.

(c) Each of the Administrative Agent, the Syndication Agents, the Documentation Agents and each Lender acknowledges that (i) the Information may include MNPI, (ii) it has developed compliance procedures regarding the use of MNPI and (iii) it will handle such MNPI in accordance with applicable law, including United States Federal and state securities laws.

SECTION 8.08. Records of Administrative Agent. (a) The Administrative Agent shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a copy of each Assignment and Assumption executed by an assigning Lender and an Eligible Assignee and delivered to it and shall record the names and addresses of the Lenders and the Commitment of, and principal amount of the Loans owing to, each Lender from time to time. The Administrative Agent shall record in the loan accounts or other records maintained by it (i) the date and amount of each Borrowing made hereunder, the Type of Loans comprising such Borrowing and the Interest Period applicable thereto if comprised of Eurocurrency Loans, (ii) the terms of each Assignment and Assumption delivered to and accepted by the Company, (iii) the amount of any principal or interest due and payable or to become due and payable from any Borrower to each Lender hereunder in connection with the Loans and (iv) the amount of any sum received by the Administrative Agent from any Borrower hereunder in connection with the Loans and each Lender's share thereof. The entries in the loan accounts or records maintained by the Administrative Agent shall be conclusive and binding for all purposes, absent manifest error, and the Borrowers, the Administrative Agent and the Lenders may treat each Person whose name is recorded therein as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. In addition, the Administrative Agent shall record information regarding the designation, and revocation of designation, of any Lender as a Defaulting Lender. Such loan accounts or records shall be available for inspection by the Company or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(b) Upon its receipt of an Assignment and Assumption (or an agreement incorporating by reference a form of Assignment and Assumption posted on the Platform) executed by an assigning Lender and by an assignee representing that it is an Eligible Assignee, such assignee's completed Administrative Questionnaire and any tax forms required by Section 2.14(f) (unless such assignee shall already be a Lender hereunder) and the processing and recordation fee referred to in Section 8.06(a), the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein; provided that the Administrative Agent shall not be required to accept such Assignment and Assumption or so record the information contained therein if the Administrative Agent reasonably believes that such Assignment and Assumption lacks any written consent required by Section 8.06(a) or is otherwise not in proper form, it being acknowledged that the Administrative Agent shall have no duty or obligation (and shall incur no liability) with respect to obtaining (or confirming the receipt) of any such written consent or with respect to the form of (or any defect in) such Assignment and Assumption, any such duty and obligation being solely with the assigning Lender and the assignee.

SECTION 8.09. Governing Law; Consent to Service of Process; Waiver of Jury Trial. (a) This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York. Each party hereto hereby irrevocably submits, for itself and for its property, to the exclusive jurisdiction of the United States District Court of the Southern District of New York and the Supreme Court of the State of New York sitting in New York County, and any appellate court from any thereof, over any suit, action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each party hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such suit, action or proceeding brought by it or its controlled Affiliates shall be brought, and shall be heard and determined, exclusively in such New York State court or, to the extent permitted by law, in such New York Federal court. Each of the parties hereto agrees that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each party hereto hereby irrevocably consents to the service of any and all process in any such suit, action or proceeding by the mailing of copies of such process in the manner provided for notices in Section 8.02; provided, however, that nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law. Each of the parties hereto hereby irrevocably waives any objection to venue in any court referred to in this Section and any objection to a suit, action or proceeding in any such court on the basis of forum non conveniens. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO JURY TRIAL IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED BY THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). Each party hereto hereby (i) certifies that no representative, agent or attorney of any other person has represented, expressly or otherwise, that such other person would not, in the event of litigation, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other parties hereto have been induced to enter into this Agreement and the other agreements and instruments contemplated by this Agreement by, among other things, the mutual waivers and certifications in this section.

(b) Each Subsidiary Borrower that is not a Domestic Subsidiary hereby irrevocably designates, appoints and empowers the Company, and the Company hereby accepts such appointment, as its designee, appointee and agent to receive, accept and acknowledge for and on its behalf, and in respect of its property, service of any and all legal process, summons, notices and documents that may be served in any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document. Such service may be made by mailing or delivering a copy of such process to any Subsidiary Borrower in care of the Company at the Company's address used for purposes of giving notice under Section 8.02, and each Subsidiary Borrower hereby irrevocably authorizes and directs the Company to accept, and the Company agrees to accept, such service on its behalf.

SECTION 8.10. Execution in Counterparts; Integration; Electronic Execution. (a) This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof, including the commitments of the Lenders and, if applicable, their Affiliates under any commitment letter and any commitment advices submitted by them (but does not supersede any other provisions of any commitment letter or any fee letter referred to therein (or any separate letter agreements with respect to fees payable to the Administrative Agent) that do not by the terms of such documents terminate upon the effectiveness of this Agreement, all of which provisions shall remain in full force and effect).

(b) The words "execution", "signed", "signature", "delivery" and words of like import in or relating to any document to be signed in connection with this Agreement or any agreement or instrument contemplated by this Agreement and the transactions contemplated hereby shall be deemed to include Electronic Signatures, electronic deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act or any other similar state laws based on the Uniform Electronic Transactions Act; provided that nothing herein shall require the Administrative Agent to accept electronic signatures in any form or format without its prior written consent.

SECTION 8.11. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 8.12. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 8.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts that are treated as interest on such Loan under applicable law (collectively, the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") that may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the NYFRB Rate to the date of repayment, shall have been received by such Lender.

SECTION 8.14. No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other agreement or instrument in connection with this Agreement) and any communications in connection therewith, the Company and each Subsidiary Borrower acknowledges and agrees that: (i) (A) such transactions are arm's-length commercial transactions between the Company, the Subsidiary Borrowers and their respective Affiliates, on the one hand, and the Administrative Agent, the Lenders and the Arrangers, on the other hand, and such transactions and communications do not create, by implication or otherwise, any fiduciary duty on the part of the Administrative Agent, the Lenders, the Arrangers or their respective Affiliates, and no such duty will be deemed to have arisen in connection with any such transactions or communications, (B) the Company and the Subsidiary Borrowers have consulted their own legal, accounting, regulatory and tax advisors to the extent they have deemed appropriate and (C) the Company and the Subsidiary Borrowers are capable of evaluating, and understand and accept, the terms, risks and conditions of the transactions contemplated hereby; (ii) (A) the Administrative Agent, the Lenders and the Arrangers each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not and will not be acting as an advisor, agent or fiduciary for the Company, any Subsidiary Borrower or any of their respective Affiliates or any other Person and (B) none of the Administrative Agent, any Lender or any Arranger has any obligation to the Company, any Subsidiary Borrower or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein; and (iii) the Administrative Agent, the Lenders and the Arrangers and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company, the Subsidiary Borrowers and their respective Affiliates, and none of the Administrative Agent, the Lenders or the Arrangers has any obligation to disclose any of such interests to the Company, the Subsidiary Borrowers or such Affiliates. To the fullest extent permitted by law, the Company and each Subsidiary Borrower hereby agrees not to assert any claims against the Administrative Agent, the Lenders, the Arrangers or their respective Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 8.15. USA PATRIOT Act Notice and Beneficial Ownership Regulation. Each Lender that is subject to the USA PATRIOT Act or the Beneficial Ownership Regulation and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrowers that pursuant to the requirements of the USA PATRIOT Act and/or the Beneficial Ownership Regulation, it is required to obtain, verify and record information that identifies the Borrowers, which information includes the name and address of the Borrowers and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrowers in accordance with the USA PATRIOT Act and the Beneficial Ownership Regulation. The Borrowers shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests and that is required to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act and the Beneficial Ownership Regulation.

SECTION 8.16. Acknowledgment and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in this Agreement or in any other agreement, arrangement or understanding among the parties hereto, each party hereto acknowledges that any liability of any Affected Financial Institution arising under this Agreement may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder that may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

SECTION 8.17. Conversion of Currencies. (a) If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum owing hereunder in one currency into another currency, each party hereto (including each Subsidiary Borrower) agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures in the relevant jurisdiction the first currency could be purchased with such other currency on the Business Day immediately preceding the day on which final judgment is given.

(b) The obligations of each Borrower in respect of any sum due to any party hereto or any holder of the obligations owing hereunder (the "Applicable Creditor") shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than the currency in which such sum is stated to be due hereunder (the "Agreement Currency"), be discharged only to the extent that, on the Business Day following receipt by the Applicable Creditor of any sum adjudged to be so due in the Judgment Currency, the Applicable Creditor may in accordance with normal banking procedures in the relevant jurisdiction purchase the Agreement Currency with the Judgment Currency; if the amount of the Agreement Currency so purchased is less than the sum originally due to the Applicable Creditor in the Agreement Currency, such Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Applicable Creditor against such loss.

SECTION 8.18. Permitted Reorganization. Notwithstanding any other provision of this Agreement, the Company may, after the Availability Date, become a wholly-owned Subsidiary of a corporation organized under the laws of the United States of America, any State thereof or the District of Columbia (the "New Holding Company") by means of a merger of the Company with or into a newly organized wholly owned Domestic Subsidiary of the New Holding Company (the "Permitted Reorganization Merger Subsidiary") or another transaction or series of transactions that result in the Company becoming a wholly owned Domestic Subsidiary of the New Holding Company, provided that:

(a) immediately after the consummation of the Permitted Reorganization, the identity of the holders of the equity interests in the New Holding Company, and the percentage of the ordinary voting power represented by the equity interests in the New Holding Company held by each of them, shall be identical to the identity of the holders of the equity interests in the Company, and the percentage of the ordinary voting power represented by the equity interests in the Company held by each of them, immediately prior to the consummation of the Permitted Reorganization;

(b) the New Holding Company and, if applicable, the Permitted Reorganization Merger Subsidiary, prior to the consummation of the Permitted Reorganization, shall not have been engaged in any business activities or conducted any operations other than in connection with or as contemplated by the Permitted Reorganization and shall not own any material assets;

(c) prior to the consummation of the Permitted Reorganization, the Company, the New Holding Company and the Administrative Agent shall enter into an agreement in writing pursuant to which this Agreement shall be amended as may be necessary or appropriate, in the opinion of the Company and the Administrative Agent, to reflect (i) the Company becoming a wholly owned Subsidiary of the New Holding Company, (ii) subject to clause (iii) below, the New Holding Company becoming bound hereby and by the other Loan Documents as if it were the original "Company", including for purposes of the definitions, the representations and warranties set forth in Article IV hereof, the covenants set forth in Article V hereof, the Events of Default set forth in Article VI hereof and the Company Guarantee set forth in Article IX hereof (and the related defined terms), and becoming a Borrower hereunder as if it were the original "Company" and (iii) notwithstanding anything to the contrary in clause (ii) above, the Company remaining the primary obligor in respect of the Loans owing by the Company and all the rights and obligations of the Company under this Agreement in its capacity as a Borrower remaining rights and obligations of the Company (it being understood and agreed, however, that from and

after the consummation of the Permitted Reorganization provisions hereof applicable to the Company in its capacity as a Borrower shall be consistent with the provisions hereof applicable to the other Subsidiary Borrowers in such capacity), including any such amendments (consistent with clauses (i) through (iii) above) to provide that (A) references to the Company will be modified to be references to the New Holding Company, other than in Section 2.19(e), or to each of the Company and the New Holding Company (including in Section 2.19(e)), as the context of the original reference requires and (B) on the date of effectiveness of such agreement, the New Holding Company shall represent and warrant, after giving effect to such agreement and pro forma effect to the Permitted Reorganization, as to the matters set forth in Sections 4.01(a), 4.01(b), 4.01(c), 4.01(d), 4.01(j) and 4.01(k); provided that a copy of such agreement shall have been provided by the Administrative Agent to the Lenders and the Administrative Agent shall not have received, within five Business Days of the date a copy of such agreement is provided to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendments (it being understood that in the absence of such written notice from the Required Lenders, such amendments shall become effective at the end of such period, without any further action or consent of any other party to this Agreement);

(d) prior to or substantially concurrently with the consummation of the Permitted Reorganization, the New Holding Company shall deliver to the Administrative Agent documents, certificates and opinions relating to the New Holding Company consistent with those delivered pursuant to Sections 3.01(b) and 3.01(c); and

(e) the Administrative Agent and the Lenders shall have received, at least three Business Days prior to the date of the consummation of the Permitted Reorganization, all documentation and other information required by bank regulatory authorities with respect to the New Holding Company under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act and the Beneficial Ownership Regulation, that has been reasonably requested by the Administrative Agent or any Lender in writing at least five Business Days prior to the date of the consummation of the Permitted Reorganization.

ARTICLE IX

COMPANY GUARANTEE

SECTION 9.01. The Guarantee. The Company hereby unconditionally guarantees the full and punctual payment (whether at stated maturity, upon acceleration or otherwise) of the principal of and interest on each Loan owing by any Subsidiary Borrower pursuant to this Agreement, and the full and punctual payment of all other amounts payable by any Subsidiary Borrower under this Agreement or any other Loan Document, in each case, within three Business Days after written demand therefor shall have been received by the Company from the Administrative Agent (such guarantee, including the obligations of the Company thereunder as set forth in this Article IX, the "Company Guarantee").

SECTION 9.02. Guarantee Unconditional. The obligations of the Company under the Company Guarantee shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:

(a) any extension, renewal, settlement, compromise, waiver or release in respect of any obligation of any Subsidiary Borrower under this Agreement or any other Loan Document, by operation of law or otherwise;

(b) any modification or amendment of or supplement to this Agreement or any other Loan Document;

(c) any change in the corporate existence, structure or ownership of any Subsidiary Borrower or any insolvency, bankruptcy, reorganization or other similar proceeding affecting such Subsidiary Borrower or its assets or any resulting release or discharge of any obligation of any Subsidiary Borrower contained in this Agreement or any other Loan Document;

(d) the existence of any claim, set-off or other rights that the Company may have at any time against any Subsidiary Borrower, the Administrative Agent, any Lender or any other Person, whether in connection herewith or any unrelated transactions; provided that nothing herein shall prevent the assertion of any such claim by separate suit or compulsory counterclaim;

(e) any invalidity or unenforceability relating to or against any Subsidiary Borrower for any reason of this Agreement or any other Loan Document, or any provision of applicable law or regulation purporting to prohibit the payment by any Subsidiary Borrower of the principal of or interest on any Loan or any other amount payable by it under this Agreement or any other Loan Document; or

(f) any other act or omission by any Subsidiary Borrower, the Administrative Agent, any Lender or any other Person which might, but for the provisions of this Section 9.02, constitute a legal or equitable discharge of the Company's obligations under the Company Guarantee (other than as set forth in Section 9.03).

SECTION 9.03. Discharge; Reinstatement in Certain Circumstances. The Company's obligations under the Company Guarantee with respect to the obligations of a

Subsidiary Borrower shall remain in full force and effect until the earlier of (a) the date on which the Commitments shall have terminated and the principal of and interest on the Loans owing by such Subsidiary Borrower and all other amounts payable by such Subsidiary Borrower under this Agreement shall have been paid in full, (b) the date on which, following a Subsidiary Borrower Termination Event with respect to such Subsidiary Borrower, the obligations of the Lenders to extend Loans to such Subsidiary Borrower shall have been terminated and the principal of and interest on the Loans of such Subsidiary Borrower and all other amounts payable by such Subsidiary Borrower under this Agreement shall have been paid in full and (c) the date on which, following the designation of such Subsidiary as an Ineligible Subsidiary pursuant to Section 2.19(c), the principal of and interest on the Loans owing by such Subsidiary Borrower, if any, and all other amounts payable by such Subsidiary Borrower under this Agreement shall have been paid in full; provided, however, that the Company may be released from any of its obligations under the Company Guarantee by the Administrative Agent with the written consent of all the Lenders as set forth in Section 8.01(a). If at any time any payment of the principal of or interest on any Loan or any other amount payable by any Subsidiary Borrower under this Agreement is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of such Subsidiary Borrower, or otherwise, the Company's obligations under the Company Guarantee with respect to such payment shall be reinstated at such time as though such payment had been due but not made at such time.

SECTION 9.04. Waiver by the Company. The Company irrevocably waives acceptance hereof, presentment, demand, protest and any notice not provided for herein, as well as any requirement that at any time any action not provided for herein be taken by any Person against any Subsidiary Borrower or any other Person.

SECTION 9.05. Taxes. Section 2.14 shall apply mutatis mutandis to any payment made by the Company on behalf of a Subsidiary Borrower pursuant to the Company Guarantee.

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**COMPENSATION AND BENEFITS**
**FOR NON-EMPLOYEE DIRECTORS**
**2022-2023 Board Cycle**

**Annual Cash Retainer and Deferred Stock Unit Award:**

Non-employee members of the Board of Directors receive annual compensation comprised of a cash retainer and deferred stock units ("DSUs") pursuant to the Carrier Board of Directors Deferred Stock Unit Plan (the "Plan"). The compensation arrangements for non-employee Directors are as follows:

| | Total Combined Award | Annual Cash Retainer Award | Annual DSU Award |
|---|---|---|---|
| Base Compensation | $310,000 | $124,000 | $186,000 |

Non-employee Directors serving in leadership roles on the Board and/or its committees receive the following awards:

| | Total Additional Combined Award | Additional Annual Cash Retainer Award | Additional Annual DSU Award |
|---|---|---|---|
| Lead Director | 35,000 | 14,000 | 21,000 |
| Audit Chair | 25,000 | 10,000 | 15,000 |
| Audit Members | 15,000 | 6,000 | 9,000 |
| Compensation Chair | 20,000 | 8,000 | 12,000 |
| Governance Chair | 20,000 | 8,000 | 12,000 |

The Annual Cash Retainer and DSUs will be issued to non-employee Directors as of the date of Carrier's Annual Meeting of Shareowners (the "Annual Meeting"). A Director may elect to receive additional DSUs in lieu of the Annual Cash Retainer Award by making a timely election in accordance with the Plan. The number of DSUs will be determined by dividing the Annual DSU Award (including the Annual Cash Retainer Award if so elected by the Director) by the closing price of Carrier common stock on the date of the Annual Meeting. Fractional DSUs are credited to the Director's account. All whole or partial DSUs are eligible for dividend equivalents equal to Carrier's declared dividend and will be credited to a Director's account as additional DSUs on the date the dividend is paid.

Upon retirement or termination from the Board, DSUs held in your account will be converted into shares of Carrier common stock and distributed to you, unless you elected 10 or 15 annual installments, in which case DSUs will be converted to shares of stock in accordance with the installment schedule. During the installment period, the value of your account will not be taxable until each installment distribution is received. In the event of your death before distribution, the full value of your account will be distributed to your estate unless a Beneficiary Designation form is on file. DSUs will be governed by the terms and conditions of the Carrier Global Corporation Board of Directors Deferred Stock Unit Plan.

Directors elected after September 30, but before the next Annual Meeting, receive half of the Base Compensation plus half of any additional awards for serving in leadership roles.

**Extra Meeting Fees:**
Non-employee Directors will receive an additional $5,000 cash payment for each special meeting of the Board or a committee attended in person. This amount may not be elected as DSUs.

**Carrier Stock Ownership Guidelines:**
To further encourage the alignment of Board and shareowner interests, non-employee Directors are required to own shares of Carrier Common Stock – including DSUs – that are equal in value to at least five times the then applicable Annual Cash Retainer Award within five years of joining the Board.

**Exhibit 21**

## SUBSIDIARIES OF CARRIER GLOBAL CORPORATION

The following entities are expected to be subsidiaries of Carrier Global Corporation as of December 31, 2021:

| Subsidiary | State or Country of Incorporation or Organization |
|---|---|
| A. Werner GmbH | Germany |
| Access Control Systems Limited | Hong Kong |
| AHI Carrier FZC | United Arab Emirates |
| Ainsworth Holdings SAS | France |
| AirSense Technology Limited | UK |
| Alarko Carrier Sanayi ve Ticaret A.S. | Turkey |
| ALC Systems Integration Group, Inc. | Georgia |
| Aldridge Holdings LLC | Delaware |
| APLITER SL | Spain |
| Arabian Air Conditioning Company | Saudi Arabia |
| Ardmore Holdings S.a.r.l. | Luxembourg |
| Automated Logic - Canada, Ltd. | Alberta |
| Automated Logic Contracting Services, Inc. | Delaware |
| Automated Logic Corporation | Georgia |
| Automated Logic Limited | UK |
| Autronica Fire & Security AS | Norway |
| Autronica Fire and Security A/S | Denmark |
| B. Grimm Airconditioning Limited | Thailand |
| B. Grimm Carrier (Thailand) Limited | Thailand |
| Beijing Chubb Fire Security Systems Co., Limited | China |
| BET Security and Communications Limited | UK |
| Bing Wo Investment Limited | Hong Kong |
| Bresco Limited | Ireland |
| Brokerbay Inc. | Ontario |
| Carlyle Air Conditioning Company, Inc. | New York |
| Carlyle Scroll Holdings Inc. | Delaware |
| Carrier (Malaysia) SDN. BHD. | Malaysia |
| Carrier (Thailand) Limited | Thailand |
| Carrier (US) LLC | Delaware |
| Carrier Air Conditioning & Refrigeration R&D Management (Shanghai) Co., Ltd | China |
| Carrier Air Conditioning Philippines, Inc. | Philippines |
| Carrier Air Conditioning Pty. Limited | Australia |

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|---|---|
| Carrier Air Conditioning Sales & Service (Shanghai) Co Ltd | China |
| Carrier Aircon Lanka Private Limited | Sri Lanka |
| Carrier Airconditioning & Refrigeration Limited | India |
| Carrier Air-Conditioning & Refrigeration Sales (Shanghai) Co., Ltd | China |
| Carrier Air-Conditioning & Refrigeration System (Shanghai) Co., Ltd. | China |
| Carrier Aire Acondicionado De Venezuela, S.A. | Venezuela |
| Carrier Aktiebolag | Sweden |
| Carrier ARCD Pte. Ltd | Singapore |
| Carrier Asia Limited | Hong Kong |
| Carrier Asia Pacific Operations Pte Ltd | Singapore |
| Carrier Australia Commercial Holdings Pty Ltd | Australia |
| Carrier Australia Pty Ltd | Australia |
| Carrier Canada Corporation | New Brunswick |
| Carrier chladiaca technika Slovakia s.r.o | Slovakia |
| Carrier chladicí technika CZ s.r.o. | Czech Republic |
| Carrier Chłodnictwo Polska Sp. z.o.o | Poland |
| Carrier Commercial Refrigeration (Thailand) Ltd. | Thailand |
| Carrier Controls Limited | UK |
| Carrier Corporation | Delaware |
| Carrier Deutschland Holding GmbH | Germany |
| Carrier Distribution Italy Srl | Italy |
| CARRIER EMEA SAS | France |
| Carrier Enterprise Canada L.P. | Ontario |
| Carrier Enterprise Canada, (G.P.), Inc. | New Brunswick |
| Carrier Enterprise Leasing, Inc. | Delaware |
| Carrier Enterprise Northeast, LLC | Delaware |
| Carrier Enterprise, LLC | Delaware |
| Carrier Experts Service (Central Malaysia) Sdn. Bhd. | Malaysia |
| Carrier Far East Limited | Hong Kong |
| Carrier Finance UK Limited | UK |
| Carrier Fire & Security - Portugal Lda | Portugal |
| Carrier Fire & Security (Legacy 2011) Ltd | UK |
| Carrier Fire & Security Americas Corporation | Delaware |
| Carrier Fire & Security Australia Pty Ltd | Australia |
| Carrier Fire & Security B.V. | Netherlands |
| Carrier Fire & Security Corporation | Delaware |
| Carrier Fire & Security Danmark A/S | Denmark |
| Carrier Fire & Security Deutschland GmbH | Germany |
| Carrier Fire & Security EMEA BV | Belgium |
| Carrier Fire & Security Espana SL | Spain |
| Carrier Fire & Security France S.A.S. | France |

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| Carrier Fire & Security Hong Kong Limited | Hong Kong |
| Carrier Fire & Security Infrastructure (Australia) Pty Ltd | Australia |
| Carrier Fire & Security Ireland Limited | Ireland |
| Carrier Fire & Security Italia S.r.l. | Italy |
| Carrier Fire & Security Ltd., Taiwan | Taiwan |
| Carrier Fire & Security Luxembourg S.a r.l. | Luxembourg |
| Carrier Fire & Security Management (Shanghai) Co., Ltd. | China |
| Carrier Fire & Security Norge AS | Norway |
| Carrier Fire & Security Polska Sp.z.o.o. | Poland |
| Carrier Fire & Security Singapore Pte Ltd. | Singapore |
| Carrier Fire & Security South Africa Pty Ltd | South Africa |
| Carrier Fire & Security Suomi OY | Finland |
| Carrier Fire & Security Sverige AB | Sweden |
| Carrier Fire & Security Trading (Shanghai) Co., Ltd. | China |
| Carrier Fire & Security UK Limited | UK |
| Carrier Fire and Security Denmark Holding A/S | Denmark |
| Carrier Fire and Security Products Bahrain W.L.L | Bahrain |
| Carrier Fire and Security South Africa Holdings (Pty) Ltd | South Africa |
| Carrier Foundation, Inc. | Florida |
| Carrier France SCS | France |
| Carrier Frigel Apostolou SA | Greece |
| Carrier Global Container Solutions, Inc. | Delaware |
| Carrier Global Corporation | Delaware |
| Carrier Guam, Inc. | Guam |
| Carrier Holdings Australia Pty Ltd | Australia |
| Carrier Holdings B.V. | Netherlands |
| Carrier Hong Kong Limited | Hong Kong |
| Carrier Hungary Refrigerating Trading and Manufacturing Limited Liability Co. | Hungary |
| Carrier HVACR Investments B.V. | Netherlands |
| Carrier InterAmerica Corporation | Delaware |
| Carrier Intercompany Lending Designated Activity Company | Ireland |
| Carrier International Corporation | Delaware |
| Carrier International Corporation | Nevada |
| Carrier International Mauritius Ltd. | Mauritius |
| Carrier International Sdn. Berhad | Malaysia |
| Carrier Investments Australia Pty Ltd | Australia |
| Carrier Investments UK Limited | UK |
| Carrier Kältesysteme Austria GmbH | Austria |
| Carrier Kältetechnik Austria Ges.m.b.H. | Austria |
| Carrier Kältetechnik Deutschland GmbH | Germany |
| Carrier Klimatechnik GmbH | Germany |

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| Carrier Kuwait Airconditioning K.S.C. | Kuwait |
| Carrier Linde Refrigeration Philippines, Inc. | Philippines |
| Carrier Manufacturing Poland Spółka z ograniczoną odpowiedzialnością | Poland |
| Carrier Mexico II, S. de R.L. de C.V. | Mexico |
| Carrier Mexico, S.A. de C.V. | Mexico |
| Carrier Middle East Limited | Bermuda |
| Carrier Midea India Private Limited | India |
| Carrier Midea North America LLC | Delaware |
| Carrier Montluel SCS | France |
| Carrier Overseas Service, Limited | Delaware |
| Carrier Oy | Finland |
| Carrier Park View, Inc. | Delaware |
| CARRIER Polska Sp. z o.o. | Poland |
| Carrier Portugal Ar Condicionado, Lda | Portugal |
| Carrier Reefers & Gensets B.V. | Netherlands |
| Carrier Refrigeracao Brasil Ltda. | Brazil |
| Carrier Refrigeracion Iberica SA | Spain |
| Carrier Refrigeration (Thailand) Co., Ltd. | Thailand |
| Carrier Refrigeration Benelux B.V. | Netherlands |
| Carrier Refrigeration Denmark A/S | Denmark |
| Carrier Refrigeration Distribution France SAS | France |
| Carrier Refrigeration Distribution Hungary Ltd. | Hungary |
| Carrier Refrigeration ECR Holding Luxembourg, S.a r.l. | Luxembourg |
| Carrier Refrigeration eServices GmbH | Germany |
| Carrier Refrigeration LLC | United Arab Emirates |
| Carrier Refrigeration Norway AS | Norway |
| Carrier Refrigeration Operation Czech Republic s.r.o | Czech Republic |
| Carrier Refrigeration Operation Italy Srl | Italy |
| Carrier Refrigeration Operations France SAS | France |
| Carrier Refrigeration Rus Limited Liability Company | Russian Federation |
| Carrier Refrigeration Sweden AB | Sweden |
| Carrier Refrigeration Switzerland Ltd | Switzerland |
| Carrier Refrigeration System Sales & Service (Qingdao) Co., Ltd. | China |
| Carrier Refrigeration UK Ltd | UK |
| Carrier Rental Systems (UK) Limited | UK |
| Carrier Rental Systems Asia Pte Ltd | Singapore |
| Carrier Rental Systems Limited | UK |
| Carrier Rental Systems Malaysia Sdn. Bhd. | Malaysia |
| Carrier Rental Systems NL BV | Netherlands |
| Carrier Rental Systems, Inc. | Delaware |
| Carrier S.A. Industria E Comercio | Brazil |

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| CARRIER S.C.S. | France |
| Carrier Safety System (Hebei) Co., Ltd. | China |
| Carrier Saudi Service Company | Saudi Arabia |
| Carrier Service Company | Delaware |
| Carrier Singapore (PTE) Limited | Singapore |
| Carrier Solutions Contracting and Trading and Services W.L.L. | Qatar |
| Carrier South Africa Proprietary Limited | South Africa |
| Carrier Srl | Italy |
| Carrier Taiwan Co., Ltd. | Taiwan |
| Carrier Technologies India Limited | India |
| Carrier Technologies ULC | Alberta |
| Carrier Transicold (UK) Limited | UK |
| Carrier Transicold Austria GmbH | Austria |
| Carrier Transicold Belgium BVBA | Belgium |
| Carrier Transicold Brasil Equipamentos de Ar Condicionado e de Refrigeração para Transportes Ltda. | Brazil |
| Carrier Transicold Container Products B.V. | Netherlands |
| Carrier Transicold Container Products Limited | Japan |
| Carrier Transicold Container Products Limited | Hong Kong |
| Carrier Transicold De Mexico, S. de R.L. de C.V. | Mexico |
| Carrier Transicold Deutschland GmbH | Germany |
| Carrier Transicold Espana, S.A. | Spain |
| Carrier Transicold Europe | France |
| Carrier Transicold France | France |
| Carrier Transicold Hong Kong Limited | Hong Kong |
| Carrier Transicold Hungaria Kft | Hungary |
| Carrier Transicold Industries | France |
| Carrier Transicold Italia S.r.l. | Italy |
| Carrier Transicold Limited | Delaware |
| Carrier Transicold Netherlands B.V. | Netherlands |
| Carrier Transicold Polska Sp. z o.o. | Poland |
| Carrier Transicold Pte. Ltd | Singapore |
| Carrier Transicold Scandinavia A/S | Denmark |
| Carrier Transicold Sweden AB | Sweden |
| Carrier Treasury Center Inc. | Delaware |
| Carrier UK Holdings Limited | UK |
| Carrier Vietnam Air Conditioning Company Limited | Vietnam |
| Carrier Warranty Holdings, LLC | Delaware |
| Carrier Warranty, LLC | Delaware |
| Cavius ApS | Denmark |
| Cavius Ltd. | UK |
| Celsior GmbH | Germany |

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| CEMIS Systemes de Securite Indendie | France |
| Chengdu TICA Environmental Equipment Co., Ltd | China |
| Chipan Corporation | Delaware |
| Chubb (NI) Limited | UK |
| Chubb Australia Pty Ltd | Australia |
| Chubb China Holdings Limited | Hong Kong |
| Chubb China Limited | Hong Kong |
| Chubb Delta Telesurveillance | France |
| Chubb Deutschland GmbH | Germany |
| Chubb Dormant (No. 2) Limited | UK |
| Chubb EMEA | France |
| Chubb Fire & Security B.V. | Netherlands |
| Chubb Fire & Security Limited | UK |
| Chubb Fire & Security Pty Ltd | Australia |
| Chubb Fire Limited | UK |
| Chubb France | France |
| Chubb GF (Thailand) Limited | Thailand |
| Chubb Group (International) Limited | UK |
| Chubb Group Limited | UK |
| Chubb Group Properties Limited | UK |
| Chubb Group Security Limited | UK |
| Chubb Holdings (Pty) Ltd | South Africa |
| Chubb Holdings (Thailand) Limited | Thailand |
| Chubb Hong Kong Limited | Hong Kong |
| Chubb Iberia | Spain |
| Chubb International (Netherlands) BV | Netherlands |
| Chubb International Holdings Limited | UK |
| Chubb Ireland Limited | Ireland |
| Chubb Limited | UK |
| Chubb Löschtechnik GmbH | Germany |
| Chubb Macau Limited | Macau |
| Chubb Management Services Limited | UK |
| Chubb Nederland B.V. | Netherlands |
| Chubb New Zealand | New Zealand |
| Chubb Österreich GmbH | Austria |
| Chubb Properties Pty Ltd | Australia |
| Chubb Security (Pensions) Limited | UK |
| Chubb Security (Pty) Ltd. Namibia | Namibia |
| Chubb Security Investments (Pty) Ltd | South Africa |
| Chubb Security Systems B.V.B.A. | Belgium |
| Chubb Sicli SA | Switzerland |

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| Chubb Singapore Private Limited | Singapore |
| Chubb Systems Limited | UK |
| Chubb Systems Private Limited | India |
| CIAT GROUP | France |
| CIAT ISITMA SOĞUTMA VE HAVALANDIRMA SİSTEMLERİ TİCARET VE SANAYİ ANONİM ŞİRKETİ | Turkey |
| CIAT Ozonair Ltd | UK |
| CIAT Suisse SA | Switzerland |
| CIATESA Servicio de Asistencia S.A. | Spain |
| Climate & Controls Benelux B.V. | Netherlands |
| Climate, Controls & Security Argentina S.A. | Argentina |
| Climate, Controls & Security do Brasil Ltda. | Brazil |
| CLK Corporation | Republic of Korea |
| Coldtrans, Inc. | Delaware |
| Comercial Sensitech South America Limitada | Chile |
| Compagnie Industrielle d'Applications Thermiques S.A. (CIAT) | France |
| Compañia Industrial de Aplicaciones Termicas S.A.U. | Spain |
| Compu-Home Systems, Inc. | Delaware |
| Concepcion Carrier Realty Holdings Inc. | Philippines |
| Concepcion-Carrier AirConditioning Company | Philippines |
| Concepcion-Carrier Holdings Inc. | Philippines |
| Conkey-NORESCO JV, LLC | Delaware |
| Cox Acquisition Corp. | Delaware |
| CRK Corporation | The Republic of Korea |
| CT Mid-Atlantic, LLC | North Carolina |
| Dah Fung Hong (Holdings) Company Limited | Hong Kong |
| Delta Security Solutions Holding SAS | France |
| Delta Security Solutions SA | France |
| Detector Electronics (UK) Limited | UK |
| Detector Electronics Corporation | Minnesota |
| Det-Tronics France SAS | France |
| Domotermia S.L. | Spain |
| Dongguan Fyrnetics Co., Ltd. | China |
| DTKO BV | Netherlands |
| Dunford Hepburn Limited | UK |
| E.I. Hunterdon, LLC | Delaware |
| E.M.S. Radio Systems Limited | UK |
| EcoEnergy Insights Limited | India |
| Edward B. Ward & Company, Inc. | California |
| Electronic Modular Services Limited | UK |
| Elgin Holdings SAS | France |

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| Empresas Carrier, S. de R.L. de C.V. | Mexico |
| EMS Manufacturing Limited | UK |
| EMS Security Group Limited | UK |
| EMS Smartcell Ltd | UK |
| Energy Infrastructure, LLC | Delaware |
| Environmental Market Solutions, Inc. | District of Columbia |
| Environmental Market Solutions, Inc. | China |
| F&S Mexico Corporation, S. de R.L. de C.V. | Mexico |
| FHP Manufacturing Company | Delaware |
| Firecell Limited | UK |
| Fireye Inc. | Delaware |
| FIT SERVICE S.P.A. | Italy |
| Foray 414 Limited | UK |
| Foshan Midea Carrier Air-Conditioning Equipment Co. Ltd. | China |
| FreightWatch Group Limited | Ireland |
| FreightWatch International (USA), Inc. | Texas |
| Frigi Transport (Fritans) S.A. | Panama |
| Frontline Security Solutions Limited | UK |
| Frylands B.V. | Netherlands |
| Fuerda (Beijing) High New Technology Co., Ltd | China |
| FWI Logistics Private Security SA de CV | Mexico |
| Fyrnetics (Hong Kong) Limited | Hong Kong |
| GLORIA GmbH | Germany |
| Gnitrow Limited | UK |
| GST Group International Limited | British Virgin Islands |
| GST Holdings Limited | Cayman Islands |
| Guangdong Carrier Heating, Ventilation & Air Conditioning Company Limited | China |
| Guangdong Giwee Electronics Commerce Co., Ltd | China |
| Guangdong Giwee Group Co., LTD | China |
| Guangdong Giwee Technology Co., Ltd | China |
| Guangdong Shengjie Fire Protection Technology Co., Ltd. | China |
| Guangdong Yuean Information Technology Co., Ltd. | China |
| Guardair Aviation Security Technology Limited | Thailand |
| Gulf Electric Engineering Company Limited | China |
| Gulf Security Technology Company Limited | China |
| Haiyang Fuerda Air-conditioning Equipment Installation Co., Ltd. | China |
| Hasta-Mex, S.A. De C.V. | Mexico |
| Hawthorne Holdings S.a.r.l. | Luxembourg |
| Hunterdon Cogeneration LP | New Jersey |
| HVAC Clima, Servicio y Controles Iberia, S.L. | Spain |
| ICP International Holdings Inc. | Cayman Islands |

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| ICP Petroleum Inc. | Delaware |
| Jada Holdings B.V. | Netherlands |
| JBS Brandschutz Sicherheitstechnisches Zentrum GmbH | Austria |
| Kaysail Limited | UK |
| Kidde Australia Pty Limited | Australia |
| Kidde Brasil LTDA | Brazil |
| Kidde Canada Inc. | British Columbia |
| Kidde China Limited | Hong Kong |
| Kidde Delaware Inc. | Delaware |
| Kidde Finance Limited | UK |
| Kidde Fire Protection Inc. | Delaware |
| Kidde Holding (Thailand) Co., Limited | Thailand |
| Kidde Holdings Inc. | Delaware |
| Kidde International Limited | UK |
| Kidde IP Holdings Inc. | Delaware |
| Kidde IP Holdings Limited | UK |
| Kidde Limited | UK |
| Kidde Matamoros, S. de R.L. de C.V. | Mexico |
| Kidde Norway AS | Norway |
| Kidde plc Inc. | Delaware |
| Kidde Products Limited | UK |
| Kidde Safety Europe Limited | UK |
| Kidde Securities Investments Limited | UK |
| Kidde Securities Limited | UK |
| Kidde UK | UK |
| Kidde US Holdings Inc. | Delaware |
| Kidde Y&N Holdings Inc. | Delaware |
| Kidde-Fenwal, Inc. | Delaware |
| L&M Holdings, Inc. | Delaware |
| Mangrove Cell 11 PC | District of Columbia |
| Marioff Corporation Oy | Finland |
| Marioff GmbH | Germany |
| Marioff Hi-Fog S.L.U. | Spain |
| Marioff Inc. | Maryland |
| Marioff Ltd | UK |
| Marioff SAS | France |
| Marioff Skandinavien AB | Sweden |
| Marioff SRL | Italy |
| Maroc Climate & Security - MCS | Morocco |
| Matlock Holdings Ltd | UK |
| Mentor Business Systems Limited | UK |

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| Miraco Development Services & Trading Company, S.A.E. | Egypt |
| Misr Refrigeration And Air Conditioning Manufacturing Company S.A.E. | Egypt |
| MSC Fire Products Limited | Ireland |
| Nihon Sensitech Corporation | Japan |
| Nlyte Software Americas Limited, UK | UK |
| Nlyte Software Holdings Inc. | Delaware |
| Nlyte Software Inc. | Delaware |
| Nlyte Software India LLP | India |
| Nlyte Software Limited | UK |
| NORESCO Puerto Rico, LLC | Delaware |
| NORESCO, Inc. | Delaware |
| Noresco, LLC | Delaware |
| NORESCO-SG, LLC | Delaware |
| Onity Co., Limited | Thailand |
| Onity Comercial, S.A. de C.V. | Mexico |
| Onity Inc. | Delaware |
| Onity India Private Limited | India |
| Onity Industrial, S.A. de C.V. | Mexico |
| Onity Limited | UK |
| Onity LTDA | Brazil |
| Onity Pty Ltd | Australia |
| Onity SA | Argentina |
| Onity SAS | France |
| Onity Trading (Shanghai) Co., Ltd. | China |
| Onity, S.L.U. | Spain |
| Parkview Treasury Services (UK) Limited | UK |
| Pilgrim House Group Limited | UK |
| Pita Limited | UK |
| PT Berca Carrier Indonesia | Indonesia |
| Q-Carrier (B) Sendirian Berhad | Brunei Darussalam |
| Qingdao Haier-Carrier Refrigeration Equipment Company Limited | China |
| Qinhuangdao Gulf Plastic & Metal Products Company Limited | China |
| ReefCo, LLC | Delaware |
| Riello Canada Inc. | Canada |
| Riello Corporation of America | New Jersey |
| RIELLO FRANCE SA | France |
| RIELLO GROUP S.P.A | Italy |
| Riello Heating Equipment (Shanghai) Co Ltd | China |
| RIELLO HUNGARY Kereskedelmi Zártkörűen Működő Részvénytársaság | Hungary |
| Riello Investments Inc. | Canada |
| Riello Ltd | UK |

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| Riello NV | Belgium |
| RIELLO PALNIKI SP.Zoo | Poland |
| Riello RO S.r.l. | Romania |
| Riello S.A. | Switzerland |
| RIELLO S.P.A. | Italy |
| Riello Trading (shanghai) Co.Ltd | China |
| RUG RIELLO URZADZENIA GRZEWCZE SA | Poland |
| Saudi Airconditioning Manufacturing Company (Samco) | Saudi Arabia |
| Sebec Holdings Corporation | Nova Scotia |
| SEC Carrier Energy Performance Engineering Co., Ltd. (YiChuang) | China |
| Security Monitoring Centre B.V. | Netherlands |
| Security Monitoring Centre B.V.B.A./S.P.R.L | Belgium |
| Security Monitoring Centres Limited | UK |
| Sensitech (UK) Limited | UK |
| Sensitech Brasil Ltda. | Brazil |
| Sensitech Canada Inc. | Alberta |
| Sensitech EMEA B.V. | Netherlands |
| Sensitech France S.a.r.L. | France |
| Sensitech Iberica SL | Spain |
| Sensitech Inc. | Delaware |
| Sensitech Pty Limited | Australia |
| SFS Holdings Limited | UK |
| Shandong Fuerda Air-Conditioning Equipment Co., Ltd. | China |
| Shanghai Carrier Transicold Equipment Co., Ltd | China |
| Shanghai Chubb Intelligent Building System Co., Ltd. | China |
| Shanghai Kidde Fire Protection Trading Co., Ltd. | China |
| Shanghai Yileng Carrier Air Conditioning Equipment Company Limited | China |
| SICLI Holding SAS | France |
| Sicli Operations France | France |
| Sinostride Technology Co., Ltd. | China |
| SNC Sicli & Cie (Protecsud Monaco) | Monaco |
| South American Coöperatief U.A. | Netherlands |
| South American HoldCo I B.V. | Netherlands |
| South American HoldCo II B.V. | Netherlands |
| SSS Carrier, S. de R.L. de C.V. | Mexico |
| StrionAir, Inc. | Delaware |
| Sunbelt Transport Refrigeration, Ltd. | Florida |
| Sustainability Investment Asia Limited | Hong Kong |
| Systemax Pty Ltd | Australia |
| T G Products Limited | UK |
| TEC Distribution LLC | Delaware |

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|---|---|
| TEC Leasing, Inc. | Delaware |
| Tianjin Yuanchang Reefer Container Service Co., Ltd | China |
| TICA Global Limited | British Virgin Islands |
| Toshiba Carrier (Thailand) Co., Ltd | Thailand |
| Toshiba Carrier Air Conditioning (China) Co., Ltd. | China |
| Toshiba Carrier Air-Conditioning India Private Limited | India |
| Toshiba Carrier AirConditioning Sales (Shanghai) Co., Ltd | China |
| Toshiba Carrier Corporation | Japan |
| Toshiba Carrier UK Limited | UK |
| TRS Transportkoeling B.V. | Netherlands |
| UHS PTY LTD | Australia |
| UHS SYSTEMS PTY LTD | Australia |
| United Technologies Research Center (China), Ltd. | China |
| UTC Building and Industrial Systems MET FZCO | United Arab Emirates |
| UTEC Controls, S. de R.L. de C.V. | Mexico |
| UTEC, Inc. | Delaware |
| UTS Carrier L.L.C. | United Arab Emirates |
| VOKERA (IRELAND) LIMITED | Ireland |
| Vokera Ltd | UK |
| Walter Kidde Limited | UK |
| Walter Kidde Portable Equipment Inc. | Delaware |
| Watkins Hire Limited | UK |
| WHL 2013 Holdings Limited | UK |
| WHL 2013 Limited | UK |
| Worthington Holdings B.V. | Netherlands |
| Zhongshan Cristopia Energy System Co. Ltd | China |

**Exhibit 23**

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-237157) and Form S-8 (No. 333-237207) of Carrier Global Corporation of our report dated February 8, 2022 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Hallandale Beach, Florida
February 8, 2022

**Exhibit 31.1**

CERTIFICATION

I, David Gitlin, certify that:

1. I have reviewed this annual report on Form 10-K of Carrier Global Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 8, 2022

/s/David Gitlin

David Gitlin
Chairman and Chief Executive Officer

**Exhibit 31.2**

CERTIFICATION

I, Patrick Goris, certify that:

1. I have reviewed this annual report on Form 10-K of Carrier Global Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 8, 2022

/s/Patrick Goris

Patrick. Goris

Senior Vice President and Chief Financial Officer

**Exhibit 31.3**

CERTIFICATION

I, Kyle Crockett, certify that:

1. I have reviewed this annual report on Form 10-K of Carrier Global Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 8, 2022

/s/Kyle Crockett

Kyle Crockett
Vice President, Controller

**Exhibit 32**

**Section 1350 Certifications**
**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
**(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Carrier Global Corporation, a Delaware corporation (the "Corporation"), does hereby certify that:

The Annual Report on Form 10-K for the year ended December 31, 2021 (the "Form 10-K") of the Corporation fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

Date: February 8, 2022

/s/David Gitlin
David Gitlin
Chairman and Chief Executive Officer

Date: February 8, 2022

/s/Patrick Goris
Patrick Goris
Senior Vice President and Chief Financial Officer

Date: February 8, 2022

/s/Kyle Crockett
Kyle Crockett
Vice President, Controller