

SALES TO NUCLEAR FACILITIES

1. POLICY

An accident in a nuclear facility could result in staggering expense for the nuclear facility, its vendors, contractors and subcontractors without any fault on the part of the parties sued. In view of this potential liability, Carrier Enterprise, LLC (Carrier Enterprise) will implement the policy and guidelines contained in this Policy for doing business with nuclear facilities.

2. APPLICABILITY

This policy applies to all of Carrier Enterprise and its subsidiaries.

3. RULES

3.1 Sales of New Equipment Prohibited. Except for the specific situations described herein, Carrier Enterprise will not sell equipment to nuclear facilities anywhere in the world. As Carrier Corporation has strict rules on sales to nuclear facilities, all proposed sales of Carrier equipment or parts to any nuclear facility must be notified to Carrier as part of Carrier Enterprise proposed purchase of the items from Carrier Corporation.

3.2 Support of Existing Equipment. Carrier Enterprise may, under the proper conditions, support existing Carrier equipment installed in nuclear facilities through the sale of parts and services. Any such proposed sales must be approved by the CEO after the notice mentioned in Section 3.1.

3.3 Fitness for Duty Programs. All U.S. nuclear facilities are required by law to have a Fitness-for-Duty program ("FDP"). Carrier Enterprise must comply with the rules of the FDP program when service is performed at the nuclear facility. Each facility will provide to Carrier Enterprise, in the form of an agreement, its particular interpretation of the FDP requirements. This agreement must be approved by the CEO in consultation with appropriate legal advisers before execution and performance of service at the nuclear plant site. Please note that once the agreement is accepted, the local manager must carefully comply with all requirements of the agreement.

3.4 International Sales

3.4.1 Carrier Enterprise blanket nuclear purchase agreement is based on the protection of legislation applicable only in the U.S. and may not be appropriate for international sales. Because the laws of each country may vary, each sale must be evaluated on a case-by-case basis. As a minimum requirement, the following conditions must be fulfilled: (1) the sale must be approved by the CEO after getting appropriate legal advice and conferring with Carrier Corporation when any Carrier products are involved, and (2) an indemnification provision protecting Carrier Enterprise, even in the event of its negligence, must be included in any agreement for the sale of parts or services. Such indemnification provision must be approved by the CEO after getting appropriate legal advice.

3.4.2 Additionally, Carrier Enterprise will not commit to sell U.S. manufactured equipment or parts to a nuclear facility without the CEO, in consultation with appropriate

legal advisers, first confirming that such products do not require a U.S. export license as an ECCN 2A 291 commodity. This export control classification number relates to equipment specially designed or prepared for use with nuclear plants.