

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

**FORM 10-Q**

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

**For the quarterly period ended March 31, 2023  
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**  
(State or Other Jurisdiction of Incorporation or Organization)

**83-4051582**  
(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 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 (§232.405) 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of April 17, 2023, there were 834,838,102 shares of Common Stock outstanding.

**CARRIER GLOBAL CORPORATION**  
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**Three Months Ended March 31, 2023**

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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 Form 10-Q are provided for convenience only. Information available through these websites is not incorporated by reference into this Form 10-Q.

**PART I – FINANCIAL INFORMATION**
**Item 1. Financial Statements**

**CARRIER GLOBAL CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**  
(Unaudited)

<i>(In millions, except per share amounts)</i>	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Net sales</b>		
Product sales	\$ 4,686	\$ 4,170
Service sales	587	484
<b>Total Net sales</b>	<b>5,273</b>	<b>4,654</b>
<b>Costs and expenses</b>		
Cost of products sold	(3,458)	(2,998)
Cost of services sold	(437)	(363)
Research and development	(139)	(125)
Selling, general and administrative	(721)	(601)
<b>Total Costs and expenses</b>	<b>(4,755)</b>	<b>(4,087)</b>
Equity method investment net earnings	44	58
Other income (expense), net	(7)	1,112
<b>Operating profit</b>	<b>555</b>	<b>1,737</b>
Non-service pension (expense) benefit	—	(1)
Interest (expense) income, net	(46)	(48)
<b>Income from operations before income taxes</b>	<b>509</b>	<b>1,688</b>
Income tax (expense) benefit	(122)	(301)
<b>Net income from operations</b>	<b>387</b>	<b>1,387</b>
Less: Non-controlling interest in subsidiaries' earnings from operations	14	8
<b>Net income attributable to common shareowners</b>	<b>\$ 373</b>	<b>\$ 1,379</b>
<b>Earnings per share</b>		
Basic	\$ 0.45	\$ 1.62
Diluted	\$ 0.44	\$ 1.58
<b>Weighted-average number of shares outstanding</b>		
Basic	835.0	853.3
Diluted	<b>852.2</b>	<b>874.1</b>

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

**CARRIER GLOBAL CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)**  
**(Unaudited)**

<i>(In millions)</i>	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Net income from operations</b>	\$ 387	\$ 1,387
<b>Other comprehensive income (loss), net of tax:</b>		
Foreign currency translation adjustments arising during period	54	(61)
Pension and post-retirement benefit plan adjustments	—	(2)
Chubb divestiture	—	(245)
Other comprehensive income (loss), net of tax	54	(308)
Comprehensive income (loss)	441	1,079
Less: Comprehensive income (loss) attributable to non-controlling interest	16	8
<b>Comprehensive income (loss) attributable to common shareowners</b>	<b>\$ 425</b>	<b>\$ 1,071</b>

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

**CARRIER GLOBAL CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
(Unaudited)

<i>(In millions)</i>	As of	
	March 31, 2023	December 31, 2022
<b>Assets</b>		
Cash and cash equivalents	\$ 3,347	\$ 3,520
Accounts receivable, net	3,032	2,833
Contract assets, current	568	537
Inventories, net	2,803	2,640
Other assets, current	408	349
Total current assets	10,158	9,879
Future income tax benefits	639	612
Fixed assets, net	2,277	2,241
Operating lease right-of-use assets	625	642
Intangible assets, net	1,287	1,342
Goodwill	9,987	9,977
Pension and post-retirement assets	29	26
Equity method investments	1,103	1,148
Other assets	306	219
<b>Total Assets</b>	<b>\$ 26,411</b>	<b>\$ 26,086</b>
<b>Liabilities and Equity</b>		
Accounts payable	\$ 2,926	\$ 2,833
Accrued liabilities	2,374	2,610
Contract liabilities, current	516	449
Current portion of long-term debt	142	140
Total current liabilities	5,958	6,032
Long-term debt	8,708	8,702
Future pension and post-retirement obligations	354	349
Future income tax obligations	581	568
Operating lease liabilities	506	529
Other long-term liabilities	1,836	1,830
<b>Total Liabilities</b>	17,943	18,010
Commitments and contingent liabilities (Note 19)		
<b>Equity</b>		
Common stock	9	9
Treasury stock	(1,972)	(1,910)
Additional paid-in capital	5,494	5,481
Retained earnings	6,239	5,866
Accumulated other comprehensive loss	(1,636)	(1,688)
Non-controlling interest	334	318
<b>Total Equity</b>	8,468	8,076
<b>Total Liabilities and Equity</b>	<b>\$ 26,411</b>	<b>\$ 26,086</b>

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

**CARRIER GLOBAL CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
(Unaudited)

<i>(In millions)</i>	Accumulated Other Comprehensive Income (Loss)	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Non- Controlling Interest	Total Equity
<b>Balance as of December 31, 2022</b>	\$ (1,688)	\$ 9	\$ (1,910)	\$ 5,481	\$ 5,866	\$ 318	\$ 8,076
Net income	—	—	—	—	373	14	387
Other comprehensive income (loss), net of tax	52	—	—	—	—	2	54
Shares issued under incentive plans, net	—	—	—	(9)	—	—	(9)
Stock-based compensation	—	—	—	22	—	—	22
Treasury stock repurchase	—	—	(62)	—	—	—	(62)
<b>Balance as of March 31, 2023</b>	<b>\$ (1,636)</b>	<b>\$ 9</b>	<b>\$ (1,972)</b>	<b>\$ 5,494</b>	<b>\$ 6,239</b>	<b>\$ 334</b>	<b>\$ 8,468</b>

<i>(In millions)</i>	Accumulated Other Comprehensive Income (Loss)	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Non- Controlling Interest	Total Equity
<b>Balance as of December 31, 2021</b>	\$ (989)	\$ 9	\$ (529)	\$ 5,411	\$ 2,865	\$ 327	\$ 7,094
Net income	—	—	—	—	1,379	8	1,387
Other comprehensive income (loss), net of tax	(308)	—	—	—	—	—	(308)
Shares issued under incentive plans, net	—	—	—	(17)	—	—	(17)
Stock-based compensation	—	—	—	21	—	—	21
Dividends attributable to non-controlling interest	—	—	—	—	—	(1)	(1)
Sale of non-controlling interest	—	—	—	—	—	(5)	(5)
Treasury stock repurchase	—	—	(741)	—	—	—	(741)
<b>Balance as of March 31, 2022</b>	<b>\$ (1,297)</b>	<b>\$ 9</b>	<b>\$ (1,270)</b>	<b>\$ 5,415</b>	<b>\$ 4,244</b>	<b>\$ 329</b>	<b>\$ 7,430</b>

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

**CARRIER GLOBAL CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
(Unaudited)

<i>(In millions)</i>	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Operating Activities</b>		
Net income from operations	\$ 387	\$ 1,387
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	136	79
Deferred income tax provision	(24)	48
Stock-based compensation costs	22	21
Equity method investment net earnings	(44)	(58)
(Gain) loss on extinguishment of debt	—	(36)
(Gain) loss on sale of investments	(16)	(1,112)
Changes in operating assets and liabilities		
Accounts receivable, net	(157)	(207)
Contract assets, current	(28)	(154)
Inventories, net	(126)	(390)
Other assets, current	(60)	(15)
Accounts payable and accrued liabilities	(25)	132
Contract liabilities, current	64	13
Defined benefit plan contributions	(6)	(4)
Distributions from equity method investments	3	11
Other operating activities, net	(6)	83
Net cash flows provided by (used in) operating activities	120	(202)
<b>Investing Activities</b>		
Capital expenditures	(70)	(56)
Investment in businesses, net of cash acquired	(52)	(9)
Dispositions of businesses	35	2,935
Settlement of derivative contracts, net	(18)	(32)
Other investing activities, net	5	(18)
Net cash flows provided by (used in) investing activities	(100)	2,820
<b>Financing Activities</b>		
Increase (decrease) in short-term borrowings, net	10	(33)
Issuance of long-term debt	5	14
Repayment of long-term debt	(2)	(1,123)
Repurchases of common stock	(62)	(734)
Dividends paid on common stock	(154)	(129)
Other financing activities, net	(10)	(15)
Net cash flows provided by (used in) financing activities	(213)	(2,020)
Effect of foreign exchange rate changes on cash and cash equivalents	20	(1)
Net increase (decrease) in cash and cash equivalents and restricted cash	(173)	597
Cash, cash equivalents and restricted cash, beginning of period	3,527	3,025
Cash, cash equivalents and restricted cash, end of period	3,354	3,622
Less: restricted cash	7	18
<b>Cash and cash equivalents, end of period</b>	<b>\$ 3,347</b>	<b>\$ 3,604</b>

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

**CARRIER GLOBAL CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**NOTE 1: DESCRIPTION OF THE BUSINESS**

Carrier Global Corporation (the "Company") is the leading global provider of healthy, safe, sustainable and intelligent building and cold chain solutions with a focus on providing differentiated, digitally-enabled lifecycle solutions to its customers. The Company's portfolio includes industry-leading brands such as Carrier, Toshiba, Automated Logic, Carrier Transicold, Kidde, Edwards and LenelS2 that offer innovative heating, ventilating, air conditioning ("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.

In the opinion of management, the accompanying Unaudited Condensed Consolidated Financial Statements contain all adjustments (which include normal recurring adjustments) necessary to state fairly the financial position, results of operations and cash flows for the periods presented. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") have been omitted pursuant to the rules and regulations of the United States Securities and Exchange Commission (the "SEC"). The accompanying Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for 2022 filed with the SEC on February 7, 2023 (the "2022 Form 10-K").

**NOTE 2: BASIS OF PRESENTATION**

The Unaudited Condensed Consolidated Financial Statements include all accounts of the Company and its wholly-owned and majority-owned subsidiaries in which it has control. Inter-company accounts and transactions have been eliminated. Related party transactions between the Company and its equity method investees have not been eliminated. Non-controlling interest represents a non-controlling investor's interests in the results of subsidiaries that the Company controls and consolidates.

**Acquisition of Toshiba Carrier Corporation**

On February 6, 2022, the Company entered into a binding agreement to acquire a majority ownership interest in Toshiba Carrier Corporation ("TCC"), a variable refrigerant flow ("VRF") and light commercial HVAC joint venture between Carrier and Toshiba Corporation. The acquisition was completed on August 1, 2022. As a result, the assets, liabilities and results of operations of TCC are consolidated in the accompanying Unaudited Condensed Consolidated Financial Statements as of the date of acquisition and reported within the Company's HVAC segment. Upon closing, Toshiba Corporation retained a 5% ownership interest in TCC. See Note 15 – Acquisitions for additional information.

**Sale of Chubb Fire & Security Business**

On July 26, 2021, the Company entered into a stock purchase agreement to sell its Chubb Fire and Security business ("Chubb") to APi Group Corporation ("APi"). Chubb, which was reported within the Company's Fire & Security segment, delivered essential fire safety and security solutions from design and installation to monitoring, service and maintenance across more than 17 countries around the globe. The sale of Chubb was completed on January 3, 2022 (the "Chubb Sale"). See Note 16 - Divestitures for additional information.

**Separation from United Technologies**

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") on a one-for-one basis of all of the outstanding shares of common stock of Carrier to UTC shareowners who held shares of UTC common stock as of the close of business on March 19, 2020, the record date of 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.

## Recently Issued and Adopted Accounting Pronouncements

The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") is the sole source of authoritative U.S. 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 pending adoption were assessed and determined to be either not applicable or not expected to have a material impact on the accompanying Unaudited Condensed Consolidated Financial Statements.

## NOTE 3: INVENTORIES, NET

Inventories are stated at the lower of cost or estimated net 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 subsidiaries use the last-in, first-out inventory method ("LIFO").

Inventories, net consisted of the following:

<i>(In millions)</i>	March 31, 2023	December 31, 2022
Raw materials	\$ 881	\$ 884
Work-in-process	292	230
Finished goods	1,630	1,526
<b>Inventories, net</b>	<b>\$ 2,803</b>	<b>\$ 2,640</b>

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 the lower of cost or estimated net realizable value. Raw materials, work-in-process and finished goods are net of valuation reserves of \$221 million and \$190 million as of March 31, 2023 and December 31, 2022, respectively.

## NOTE 4: 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 value.

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

<i>(In millions)</i>	HVAC	Refrigeration	Fire & Security	Total
<b>Balance as of December 31, 2022</b>	<b>\$ 6,392</b>	<b>\$ 1,197</b>	<b>\$ 2,388</b>	<b>\$ 9,977</b>
Acquisitions / divestitures	(13)	(4)	—	(17)
Foreign currency translation	16	3	8	27
<b>Balance as of March 31, 2023</b>	<b>\$ 6,395</b>	<b>\$ 1,196</b>	<b>\$ 2,396</b>	<b>\$ 9,987</b>

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 the carrying amount of the asset. All other intangible assets with finite useful lives are amortized over their estimated useful lives.

Identifiable intangible assets consisted of the following:

<i>(In millions)</i>	March 31, 2023			December 31, 2022		
	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
<b>Amortized:</b>						
Customer relationships	\$ 1,426	\$ (734)	\$ 692	\$ 1,431	\$ (720)	\$ 711
Patents and trademarks	404	(199)	205	401	(191)	210
Service portfolios and other	956	(630)	326	953	(595)	358
	2,786	(1,563)	1,223	2,785	(1,506)	1,279
<b>Unamortized:</b>						
Trademarks and other	64	—	64	63	—	63
<b>Intangible assets, net</b>	<b>\$ 2,850</b>	<b>\$ (1,563)</b>	<b>\$ 1,287</b>	<b>\$ 2,848</b>	<b>\$ (1,506)</b>	<b>\$ 1,342</b>

Amortization of intangible assets was as follows:

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
Amortization expense of Intangible assets	\$ 64	\$ 21

## NOTE 5: BORROWINGS AND LINES OF CREDIT

Long-term debt consisted of the following:

<i>(In millions)</i>	March 31, 2023	December 31, 2022
2.242% Notes due February 15, 2025	\$ 1,200	\$ 1,200
2.493% Notes due February 15, 2027	900	900
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	8,350	8,350
Japanese Term Loan Facility	408	404
Other debt (including project financing obligations and finance leases)	152	149
Discounts and debt issuance costs	(60)	(61)
Total debt	8,850	8,842
Less: current portion of long-term debt	142	140
<b>Long-term debt, net of current portion</b>	<b>\$ 8,708</b>	<b>\$ 8,702</b>

### Japanese Term Loan Facility

On July 15, 2022, the Company entered into a five-year, JPY 54 billion (approximately \$400 million) senior unsecured term loan facility with MUFG Bank Ltd., as administrative agent and lender, and certain other lenders (the "Japanese Term Loan Facility"). Borrowings under the Japanese Term Loan Facility bear interest at a rate equal to the Tokyo Term Risk Free Rate plus 0.75%. In addition, the Japanese Term Loan Facility is subject to customary covenants including a covenant to maintain a maximum consolidated leverage ratio. On July 25, 2022, the Company borrowed JPY 54 billion under the Japanese Term Loan Facility and used the proceeds to fund a portion of the TCC acquisition and to pay related fees and expenses.

## 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. 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 borrowings bear interest at a variable rate based on daily simple SONIA plus 0.0326%, Euro borrowings bear interest at EURIBOR rates and U.S. Dollar borrowings bear interest at LIBOR plus a ratings-based margin, which was 125 basis points as of March 31, 2023. As of March 31, 2023, there were no borrowings outstanding under the Revolving Credit Facility.

## Commercial Paper Program

The Company has 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 March 31, 2023, there were no borrowings outstanding under the commercial paper program.

## Project Financing Arrangements

The Company is involved in long-term construction contracts in which it arranges project financing with certain customers. As a result, the Company issued \$5 million and \$14 million of debt during the three months ended March 31, 2023 and 2022, respectively. Long-term debt repayments associated with these financing arrangements during the three months ended March 31, 2023 and 2022 were \$2 million and \$8 million, respectively.

## Debt Covenants

The Revolving Credit Facility, the indenture for the long-term notes and the Japanese Term Loan Facility contain affirmative and negative covenants customary for financings of these types, 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. As of March 31, 2023, the Company was in compliance with the covenants under the agreements governing its outstanding indebtedness.

## Tender Offers

On March 15, 2022, the Company commenced tender offers to purchase up to \$1.15 billion ("Aggregate Tender Cap") aggregate principal of the Company's 2.242% Notes due 2025 and 2.493% Notes due 2027 (together, the "Senior Notes"). The tender offers included payment of applicable accrued and unpaid interest up to the settlement date, along with a fixed spread for early repayment. Based on participation, the Company elected to settle the tender offers on March 30, 2022. The aggregate principal amount of Senior Notes validly tendered and accepted was approximately \$1.15 billion, which included \$800 million of Notes due 2025 and \$350 million of Notes due 2027. As a result, the Company recognized a net gain of \$33 million and wrote off \$5 million of unamortized deferred financing costs within *Interest (expense) income, net* on the accompanying Unaudited Condensed Consolidated Statement of Operations during the three months ended March 31, 2022.

## NOTE 6: 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 in earnings in the accompanying Unaudited Condensed Consolidated Statement of Operations.

In connection with the TCC acquisition, the Company funded a portion of the Yen-denominated purchase price with cash on hand by entering into cross currency swaps with SMBC Capital Markets, Inc. as syndication swap arranger, and certain other financial institutions. The fair value of the cross currency swaps are measured at fair value on a recurring basis using observable market inputs, such as forward, discount and interest rates as well as credit default swap spreads. The Company designated the cross currency swaps as a partial hedge of its investment in certain subsidiaries whose functional currency is the Japanese Yen in order to manage foreign currency translation risk. As a result, changes in the fair value of the swaps are recorded in *Equity* in the accompanying Unaudited Condensed Consolidated Balance Sheet.

The remaining portion of the Yen-denominated purchase price was funded by the Japanese Term Loan Facility. The carrying value of the facility is translated on a recurring basis using the exchange rate at the end of the applicable period and approximates its fair value. The Company designated the Japanese Term Loan Facility as a partial hedge of its investment in certain subsidiaries whose functional currency is the Japanese Yen in order to manage foreign currency translation risk. As a result, changes in the carrying value of the Japanese Term Loan Facility associated with foreign exchange rate movements are recorded in *Equity* in the Unaudited Condensed Consolidated Balance Sheet.

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 accompanying Unaudited Condensed Consolidated Balance Sheet:

<i>(In millions)</i>	Total	Level 1	Level 2	Level 3
<b>March 31, 2023</b>				
Derivative assets <sup>(1)(3)</sup>	\$ 20	\$ —	\$ 20	\$ —
Derivative liabilities <sup>(2)(3)</sup>	\$ (71)	\$ —	\$ (71)	\$ —
<b>December 31, 2022</b>				
Derivative assets <sup>(1)(3)</sup>	\$ 28	\$ —	\$ 28	\$ —
Derivative liabilities <sup>(2)(3)</sup>	\$ (48)	\$ —	\$ (48)	\$ —

<sup>(1)</sup> Included in *Other assets, current* on the accompanying Unaudited Condensed Consolidated Balance Sheet.

<sup>(2)</sup> Included in *Accrued liabilities* on the accompanying Unaudited Condensed Consolidated Balance Sheet.

<sup>(3)</sup> Includes cross currency swaps.

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 accompanying Unaudited Condensed Consolidated Balance Sheet:

<i>(In millions)</i>	March 31, 2023		December 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Total long-term Notes <sup>(1)</sup>	\$ 8,350	\$ 7,105	\$ 8,350	\$ 6,832

<sup>(1)</sup> 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* and

Current portion of long-term debt on the accompanying Unaudited Condensed Consolidated Balance Sheet, approximate fair value and are classified as Level 3 in the fair value hierarchy.

#### NOTE 7: 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 pension plans.

Contributions to the plans were as follows:

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
Defined benefit plans	\$ 6	\$ 4
Defined contribution plans	\$ 37	\$ 38
Multi-employer pension plans	\$ 4	\$ 3

The components of net periodic pension expense (benefit) for the defined benefit pension plans are as follows:

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
Service cost	\$ 4	\$ 5
Interest cost	8	4
Expected return on plan assets	(8)	(7)
Amortization of prior service credit	—	1
Recognized actuarial net (gain) loss	—	2
<b>Net periodic pension expense (benefit)</b>	<b>\$ 4</b>	<b>\$ 5</b>

#### NOTE 8: 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 units and performance share units.

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 Unaudited Condensed Consolidated Statements of Operations.

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

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
Equity compensation costs - equity settled	\$ 22	\$ 21
Equity compensation costs - cash settled <sup>(1)</sup>	1	(6)
<b>Total stock-based compensation expense</b>	<b>\$ 23</b>	<b>\$ 15</b>

<sup>(1)</sup> The cash settled awards are classified as liability awards and are measured at fair value at each balance sheet date.

#### NOTE 9: 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 on the accompanying Unaudited Condensed Consolidated Balance Sheet as *Accrued liabilities* or *Other long-term liabilities* based on their anticipated settlement date.

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

<i>(In millions)</i>	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Balance as of January 1,</b>	\$ 552	\$ 524
Warranties, performance guarantees issued and changes in estimated liability	54	45
Settlements made	(45)	(43)
Other	2	—
<b>Balance as of March 31,</b>	<b>\$ 563</b>	<b>\$ 526</b>

## NOTE 10: EQUITY

The authorized number of shares of common stock of Carrier is 4,000,000,000 shares of \$0.01 par value. As of March 31, 2023 and December 31, 2022, 878,272,100 and 876,487,480 shares of common stock were issued, respectively, which includes 43,490,981 and 42,103,995 shares of treasury stock, respectively.

### Share Repurchase Program

The Company may repurchase its outstanding common stock from time to time subject to market conditions and at the Company's discretion. Repurchases occur in the open market or through one or more other public or private transactions pursuant to plans complying with Rules 10b5-1 and 10b-18 under the Exchange Act. Shares acquired are recognized at cost and presented separately on the balance sheet as a reduction to *Equity*. Since the initial authorization in February 2021, the Company's Board of Directors authorized the repurchase of up to \$4.1 billion of the Company's outstanding common stock. As of December 31, 2022, the Company repurchased 42.1 million shares of common stock for an aggregate purchase price of \$1.9 billion, including shares repurchased under an accelerated share repurchase agreement. As a result, the Company had approximately \$2.2 billion remaining under the current authorization at December 31, 2022.

During the three months ended March 31, 2023, the Company repurchased 1.4 million shares of common stock for an aggregate purchase price of \$62 million. As a result, the Company has approximately \$2.1 billion remaining under the current authorization at March 31, 2023.

### Accumulated Other Comprehensive Income (Loss)

A summary of changes in the components of *Accumulated other comprehensive income (loss)* for the three months ended March 31, 2023 is as follows:

<i>(In millions)</i>	<b>Foreign Currency Translation</b>	<b>Defined Benefit Pension and Post- retirement Plans</b>	<b>Accumulated Other Comprehensive Income (Loss)</b>
<b>Balance as of December 31, 2022</b>	\$ (1,604)	\$ (84)	\$ (1,688)
Other comprehensive income (loss) before reclassifications, net	52	—	52
Amounts reclassified, pre-tax	—	—	—
Tax expense (benefit) reclassified	—	—	—
<b>Balance as of March 31, 2023</b>	<b>\$ (1,552)</b>	<b>\$ (84)</b>	<b>\$ (1,636)</b>

A summary of changes in the components of *Accumulated other comprehensive income (loss)* for the three months ended March 31, 2022 is as follows:

<i>(In millions)</i>	Foreign Currency Translation	Defined Benefit Pension and Post- retirement Plans	Accumulated Other Comprehensive Income (Loss)
<b>Balance as of December 31, 2021</b>	\$ (505)	\$ (484)	\$ (989)
Other comprehensive income (loss) before reclassifications, net	(61)	(4)	(65)
Amounts reclassified, pre-tax	—	3	3
Tax expense (benefit) reclassified	—	(1)	(1)
Chubb divestiture	(574)	329	(245)
<b>Balance as of March 31, 2022</b>	<b>\$ (1,140)</b>	<b>\$ (157)</b>	<b>\$ (1,297)</b>

#### NOTE 11: 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 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.

Sales disaggregated by product and service are as follows:

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
<b>Sales Type</b>		
Product	\$ 3,201	\$ 2,639
Service	421	331
HVAC sales	3,622	2,970
Product	787	867
Service	111	109
Refrigeration sales	898	976
Product	813	771
Service	56	47
Fire & Security sales	869	818
Total segment sales	5,389	4,764
Eliminations and other	(116)	(110)
<b>Net sales</b>	<b>\$ 5,273</b>	<b>\$ 4,654</b>

## Contract Balances

Total contract assets and contract liabilities consisted of the following:

<i>(In millions)</i>	March 31, 2023	December 31, 2022
Contract assets, current	\$ 568	\$ 537
Contract assets, non-current (included within <i>Other assets</i> )	6	6
<b>Total contract assets</b>	<b>574</b>	<b>543</b>
Contract liabilities, current	(516)	(449)
Contract liabilities, non-current (included within <i>Other long-term liabilities</i> )	(174)	(174)
<b>Total contract liabilities</b>	<b>(690)</b>	<b>(623)</b>
<b>Net contract assets (liabilities)</b>	<b>\$ (116)</b>	<b>\$ (80)</b>

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 a contract or when the Company has a right to consideration that is conditioned upon transfer of a good or service to a customer. Contract liabilities are recognized as revenue as (or when) the Company performs under the contract.

The Company recognized revenue of \$178 million during the three months ended March 31, 2023 that related to contract liabilities as of January 1, 2023. The Company expects a majority of its current contract liabilities at the end of the period to be recognized as revenue in the next 12 months.

## NOTE 12: 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. Due to the size, nature and frequency of these discrete plans, they are fundamentally different from the Company's ongoing productivity actions.

The Company recorded net pre-tax restructuring costs for new and ongoing restructuring initiatives as follows:

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
HVAC	\$ (1)	\$ 4
Refrigeration	3	—
Fire & Security	13	6
Total Segment	15	10
General corporate expenses	2	—
<b>Total restructuring costs</b>	<b>\$ 17</b>	<b>\$ 10</b>
Cost of sales	\$ 6	\$ 2
Selling, general and administrative	11	8
<b>Total restructuring costs</b>	<b>\$ 17</b>	<b>\$ 10</b>

The following table summarizes the reserve and charges relating to the restructuring reserve, included in *Accrued liabilities* on the accompanying Unaudited Condensed Consolidated Balance Sheet:

<i>(In millions)</i>	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Balance as of January 1,	\$ 24	\$ 54
Net pre-tax restructuring costs	17	10
Utilization, foreign exchange and other	(6)	(21)
<b>Balance as of March 31,</b>	<b>\$ 35</b>	<b>\$ 43</b>

During the three months ended March 31, 2023 and 2022, 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 March 31, 2023, the Company had \$35 million accrued for costs associated with its announced restructuring initiatives, all of which is expected to be paid within one year.

#### **NOTE 13: INCOME TAXES**

The Company accounts for income tax expense in accordance with ASC 740, *Income Taxes* ("ASC 740"), which requires an estimate of the annual effective income tax rate for the full year to be applied to the respective interim period, taking into account year-to-date amounts and projected results for the full year. The effective tax rate was 24.0% for the three months ended March 31, 2023 compared with 17.8% for the three months ended March 31, 2022. The year-over-year increase was primarily driven by a lower effective tax rate on the \$1.1 billion Chubb gain compared with the Company's U.S. statutory rate and a favorable tax adjustment of \$32 million associated with foreign tax credits generated and utilized in the prior year.

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 that may be 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 whether valuation allowances against deferred tax assets are required. The Company maintains valuation allowances against certain deferred tax assets.

The Company conducts business globally and files income tax returns in U.S. federal, state and foreign jurisdictions. In certain jurisdictions, the Company's operations were included in UTC's combined tax returns for the periods through the Distribution. The U.S. Internal Revenue Service ("IRS") is currently auditing UTC's tax years 2017 and 2018 and this audit could conclude within the next twelve months. In the normal course of business, the Company is subject to examination by taxing authorities throughout the world, including Australia, Belgium, Canada, China, Czech Republic, France, Germany, Hong Kong, India, Italy, Mexico, the Netherlands, Singapore, the United Kingdom and the United States. 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 state, local and foreign income tax examinations for tax years prior to 2013.

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. The Company believes that it is reasonably possible that a net decrease in unrecognized tax benefits of \$50 million to \$65 million may occur within 12 months as a result of additional uncertain tax positions, the Separation, the revaluation of uncertain tax positions arising from examinations, appeals, court decisions and/or the expiration of tax statutes.

**NOTE 14: 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.

The following table summarizes the weighted-average number of shares of common stock outstanding for basic and diluted earnings per share calculations:

<i>(In millions, except per share amounts)</i>	Three Months Ended March 31,	
	2023	2022
<b>Net income attributable to common shareowners</b>	\$ 373	\$ 1,379
Basic weighted-average number of shares outstanding	835.0	853.3
Stock awards and equity units (share equivalent)	17.2	20.8
<b>Diluted weighted-average number of shares outstanding</b>	<b>852.2</b>	<b>874.1</b>
Antidilutive shares excluded from computation of diluted earnings per share	6.5	3.2
<b>Earnings Per Share</b>		
Basic	\$ 0.45	\$ 1.62
Diluted	\$ <b>0.44</b>	\$ <b>1.58</b>

**NOTE 15: ACQUISITIONS**

Acquisitions are recorded using the acquisition method of accounting in accordance with ASC 805, *Business Combinations*. 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.

**Toshiba Carrier Corporation**

On February 6, 2022, the Company entered into a binding agreement to acquire a majority ownership interest in TCC for \$920 million. TCC, a 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 included 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 acquisition was completed on August 1, 2022 and funded through the Japanese Term Loan Facility and cash on hand. Upon closing, Toshiba Corporation retained a 5% ownership interest in TCC.

The preliminary allocation of the purchase price is as follows:

<i>(In millions)</i>	<b>August 1, 2022</b>
Cash and cash equivalents	\$ 462
Accounts receivable	426
Inventories	373
Other assets, current	54
Fixed assets	343
Intangible assets	965
Goodwill	876
Other assets	293
Accounts payable	(412)
Accrued liabilities	(445)
Contract liabilities, current	(21)
Other long-term liabilities	(574)
Net assets acquired	\$ 2,340
Less: Fair value of non-controlling interests	(22)
Less: Fair value of previously held TCC equity investments	(1,398)
Total cash consideration	\$ 920

The excess purchase price over the estimated fair value of the net assets acquired was recognized as goodwill and totaled \$876 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 fixed assets was based on an assessment of the acquired assets' condition as well as an evaluation of the current market value of such assets. The sale agreement included several customary provisions to settle working capital and other transaction-related items as of the date of sale. During the year ended December 31, 2022, the parties finalized these amounts in accordance with the terms of the sale agreement and the Company paid an additional \$41 million to Toshiba Corporation during the first quarter of 2023. In addition, the parties finalized amounts related to pension funding levels during the period. As a result, the Company recorded a receivable of \$12 million which is expected to be paid by Toshiba Corporation during the second quarter of 2023.

The Company recorded intangible assets based on its preliminary estimate of fair value which consisted of the following:

<i>(In millions)</i>	<b>Estimated Useful Life (in years)</b>	<b>Intangible Assets Acquired</b>
Customer relationships	23	\$ 497
Technology	7	220
Trademark	26	180
Backlog	1	60
Land use rights	45	8
<b>Total intangible assets acquired</b>		<b>\$ 965</b>

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, EBIT margins, discount rates, customer attrition rates and royalty rates among others. The projected future cash flows are discounted to present value using an appropriate discount rate. As of March 31, 2023, the Company

finalized the process of allocating the purchase price and valuing the acquired assets and liabilities except for certain amounts associated with income taxes.

The Company previously accounted for its minority ownership in TCC under the equity method of accounting. In connection with the transaction, the carrying value of the Company's previously held TCC equity investments were recognized at fair value at the date of acquisition using an income approach methodology. As a result, the Company recognized a \$696 million non-cash gain within *Other income (expense), net* on the accompanying Unaudited Condensed Consolidated Statement of Operations. In addition, the assets, liabilities and results of operations of TCC are consolidated in the accompanying Unaudited Condensed Consolidated Financial Statements as of the date of acquisition and reported within the Company's HVAC segment. The Company incurred \$29 million of acquisition-related costs during 2022, of which \$6 million was recognized during the three months ended March 31, 2022 and included within *Selling, general and administrative* on the accompanying Unaudited Condensed Consolidated Statement of Operations. The Company has not included pro forma financial information required under ASC 805 as the pro forma impact was not significant.

#### **NOTE 16: DIVESTITURES**

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

On January 3, 2022, the Company completed the Chubb Sale for net proceeds of \$2.9 billion. Chubb, which was reported within the Company's Fire & Security segment, delivered essential fire safety and security solutions from design and installation to monitoring, service and maintenance across more than 17 countries around the globe. The sale agreement included several customary provisions to settle working capital and other transaction-related items as of the date of sale. The parties finalized these amounts in accordance with the terms of the sale agreement during 2022. During the three months ended March 31, 2022, the Company recognized a net gain on the sale of \$1.1 billion, which is included in *Other income (expense), net* on the accompanying Unaudited Condensed Consolidated Statement of Operations.

#### **NOTE 17: 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 Chief Operating Decision Maker in deciding how to allocate resources and in assessing performance.

- 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 and rail, 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.

The Company's customers are in both the public and private sectors and its businesses reflect extensive geographic diversification. Inter-company sales between segments are immaterial.

Net sales and Operating profit by segment are as follows:

<i>(In millions)</i>	Net Sales		Operating Profit	
	Three Months Ended March 31,		Three Months Ended March 31,	
	2023	2022	2023	2022
HVAC	\$ 3,622	\$ 2,970	\$ 435	\$ 470
Refrigeration	898	976	108	107
Fire & Security	869	818	93	1,218
Total segment	5,389	4,764	636	1,795
Eliminations and other	(116)	(110)	(38)	(24)
General corporate expenses	—	—	(43)	(34)
<b>Total Consolidated</b>	<b>\$ 5,273</b>	<b>\$ 4,654</b>	<b>\$ 555</b>	<b>\$ 1,737</b>

Geographic external sales are attributed to the geographic regions based on their location of origin. With the exception of the U.S. presented in the table below, there were no individually significant countries with sales exceeding 10% of total sales during the three months ended March 31, 2023 and 2022.

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
United States	\$ 2,860	\$ 2,784
International:		
Europe	1,196	1,045
Asia Pacific	1,033	652
Other	184	173
<b>Net sales</b>	<b>\$ 5,273</b>	<b>\$ 4,654</b>

## NOTE 18: 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. Amounts attributable to equity method investees are as follows:

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
Sales to equity method investees included in <i>Product sales</i>	\$ 754	\$ 624
Purchases from equity method investees included in <i>Cost of products sold</i>	\$ 43	\$ 110

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

<i>(In millions)</i>	March 31,	December 31,
	2023	2022
Receivables from equity method investees included in <i>Accounts receivable, net</i>	\$ 260	\$ 154
Payables to equity method investees included in <i>Accounts payable</i>	\$ 24	\$ 44

## NOTE 19: COMMITMENTS AND CONTINGENT LIABILITIES

The Company is involved in various litigation, claims and administrative proceedings, including those related to environmental (including asbestos) and legal matters. In accordance with ASC 450, *Contingencies*, 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 its 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.

The outstanding liabilities for environmental obligations are as follows:

<i>(In millions)</i>	March 31, 2023	December 31, 2022
Environmental reserves included in <i>Accrued liabilities</i>	\$ 19	\$ 24
Environmental reserves included in <i>Other long-term liabilities</i>	214	211
<b>Total Environmental reserves</b>	<b>\$ 233</b>	<b>\$ 235</b>

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 these 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's asbestos liabilities and related insurance recoveries are as follows:

<i>(In millions)</i>	March 31, 2023	December 31, 2022
Asbestos liabilities included in <i>Accrued liabilities</i>	\$ 16	\$ 16
Asbestos liabilities included in <i>Other long-term liabilities</i>	211	212
<b>Total Asbestos liabilities</b>	<b>\$ 227</b>	<b>\$ 228</b>
Asbestos-related recoveries included in <i>Other assets, current</i>	\$ 5	\$ 5
Asbestos-related recoveries included in <i>Other assets</i>	89	90
<b>Total Asbestos-related recoveries</b>	<b>\$ 94</b>	<b>\$ 95</b>

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. These amounts are undiscounted and exclude the Company's legal fees to defend the asbestos claims, which are expensed as incurred. In addition, the Company has recorded insurance recovery receivables for probable asbestos-related recoveries.

### 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 ("Raytheon"), Carrier, Otis Worldwide Corporation ("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 challenged the method by which UTC equity awards were converted to UTC, 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, with Raytheon, Carrier and Otis as the only defendants, asserted 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 sought specific performance. The Company believes all plaintiffs' claims against it are without merit. Defendants moved to dismiss the Amended Complaint. On September 30, 2022, the court dismissed the case against all defendants, with prejudice. Plaintiffs appealed the dismissal to the United States Court of Appeals for the Second Circuit. Oral arguments on the appeal is scheduled to occur before the Second Circuit on June 29, 2023.

### Aqueous Film Forming Foam Litigation

As of March 31, 2023, the Company and certain of its subsidiaries, including Kidde-Fenwal, Inc. ("KFI"), have been named as defendants in more than 3,800 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 and certain of its subsidiaries, including KFI, have also been named as a defendant in more than 370 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, 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 subsidiaries first entered the AFFF business with their acquisition of National Foam and Angus Fire in 2005 as part of the acquisition of KFI and Kidde Products Limited ("KPL"). In 2013, KFI and KPL divested the National Foam and Angus Fire businesses to a third party. The Company acquired KFI and KPL as part of the Separation in April 2020. During the eight-year period of its operation by KFI, 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. Neither the Company nor any of its former or current subsidiaries, including National Foam/Angus Fire and KFI/KPL, respectively, manufactured fluorosurfactants; they instead purchased these substances from unrelated third parties to, in turn, manufacture AFFF. 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 perfluorooctane sulfonate ("PFOS") and/or perfluorooctane 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 manufactured using a process known as ECF, and that this process was used exclusively by 3M. They also allege that PFOA contamination has resulted from the use of AFFF manufactured using a different process, known as telomerization, and that this process was used exclusively by the other AFFF manufacturers (including National Foam and Angus Fire). 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 firefighters' protective outerwear, 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 and KFI) AFFF manufacturers.

The defendants moved for summary judgment on the government contractor defense, which potentially applies to AFFF sold to or used by the U.S. government. After full briefing and oral argument, on September 16, 2022, the MDL court declined to enter summary judgment for the defendants. The defense, however, remains available at any trial to which it applies.

On September 23, 2022, after completion of discovery, the MDL court selected one water provider case, the *City of Stuart, FL v. 3M, et al.*, for a bellwether trial. That trial is scheduled for June 2023. The MDL court has ordered that the bellwether process for personal injury cases will begin in 2023. The court has not yet outlined details on that process or its timing.

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 and its subsidiaries, including KFI, and other defendants are also party to one action in Arizona state court brought by a firefighter claiming that occupational exposure to AFFF has caused him certain personal injuries. The Company and its subsidiaries, including KFI, believe that they have meritorious defenses to the claims in the MDL Proceedings and the other AFFF lawsuits. Based on its 2013 agreement for the sale of National Foam and Angus Fire, the Company and its subsidiaries, including KFI, are pursuing indemnification against these claims from the purchaser and current owner of National Foam and Angus Fire. The Company and its subsidiaries, including KFI, are 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 and its subsidiaries, including KFI, if one or more plaintiffs were to prevail in these cases. There can be no assurance that any such future exposure will not be material in any period.

## **Income Taxes**

Under the Tax Matters Agreement relating to the Separation, the Company is responsible to UTC for its share of the Tax Cuts and Jobs Act transition tax associated with foreign undistributed earnings as of December 31, 2017. As a result, liabilities of \$49 million and \$368 million are included within the accompanying Unaudited Condensed Consolidated Balance Sheet within *Accrued Liabilities* and *Other Long-Term Liabilities* as of March 31, 2023, respectively. This obligation is expected to be settled in annual installments ending in April 2026 with the next installment of \$49 million due in 2023. The Company believes that the likelihood of incurring losses materially in excess of this amount is remote.

## Other

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 results of operations, cash flows or financial condition.

## NOTE 20: SUBSEQUENT EVENTS

On April 25, 2023, the Company announced that it entered into a Share Purchase Agreement (the "Agreement") to acquire the climate solutions business (the "Business") of Viessmann Group GmbH & Co. KG ("Viessmann"), a privately-held company, for approximately €12 billion. The Business develops intelligent, integrated and sustainable technologies, including heat pumps, boilers, photovoltaic systems, home battery storage and digital solutions, primarily for residential customers in Europe. Under the terms of the Agreement, 20% of the purchase price will be paid in Carrier common stock, issued directly to Viessmann and subject to long-term lock-up provisions, and 80% will be paid in cash, subject to working capital and other adjustments. The Company intends to finance the acquisition with a combination of cash on hand and debt financing and expects the transaction to close around the end of 2023, subject to customary closing conditions and regulatory approvals. On April 26, 2023, the Company entered into a forward contract with a total notional amount of €7 billion to mitigate the foreign currency risk of the Euro cash outflows associated with the acquisition.

On April 25, 2023, the Company announced plans to exit its Fire & Security and Commercial Refrigeration businesses over the course of 2024. Carrier expects to use the proceeds from these transactions to reduce leverage, advance the Company's capital allocation priorities and for general corporate purposes. The planned exit is not expected to impact UTEC, Fire & Security's controls business for residential HVAC customers or the Company's Transicold transport refrigeration, Profroid mechanical systems or the Sensitech monitoring businesses.

With respect to the accompanying Unaudited Condensed Consolidated Financial Statements for the three months ended March 31, 2023 and 2022, PricewaterhouseCoopers LLP ("PricewaterhouseCoopers") reported that it has applied limited procedures in accordance with professional standards for a review of such information. However, its report dated April 26, 2023, appearing below, states that the firm did not audit and does not express an opinion on the accompanying Unaudited Condensed Consolidated Financial Statements. PricewaterhouseCoopers has not carried out any significant or additional audit tests beyond those that would have been necessary if their report had not been included. Accordingly, the degree of reliance on its report on such information should be restricted in light of the limited nature of the review procedures applied. PricewaterhouseCoopers is not subject to the liability provisions of Section 11 of the Securities Act of 1933, as amended (the "Securities Act"), for its report on the accompanying Unaudited Condensed Consolidated Financial Statements because that report is not a "report" or a "part" of a registration statement prepared or certified by PricewaterhouseCoopers within the meaning of Sections 7 and 11 of the Securities Act.

### **Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Shareowners of Carrier Global Corporation

#### ***Results of Review of Interim Financial Information***

We have reviewed the accompanying condensed consolidated balance sheet of Carrier Global Corporation and its subsidiaries (the "Company") as of March 31, 2023, and the related condensed consolidated statements of operations, of comprehensive income (loss), of changes in equity and of cash flows for the three-month periods ended March 31, 2023 and 2022, including the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Company as of December 31, 2022, and the related consolidated statements of operations, of comprehensive income (loss), of changes in equity and of cash flows for the year then ended (not presented herein), and in our report dated February 7, 2023, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2022, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

#### ***Basis for Review Results***

This interim financial information is the responsibility of the Company's management. 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 review in accordance with the standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ PricewaterhouseCoopers LLP

Hallandale Beach, Florida  
April 26, 2023

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### BUSINESS OVERVIEW

#### Business Summary

Carrier Global Corporation ("we" or "our") is the leading global provider of healthy, safe, sustainable and intelligent building and cold chain solutions with a focus on providing differentiated, digitally-enabled lifecycle solutions to our customers. Our portfolio includes industry-leading brands such as Carrier, Toshiba, Automated Logic, Carrier Transicold, Kidde, Edwards and LenelS2 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 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 the 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 end 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. 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

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 that have negatively impacted our sales and results of operations. Inflationary cost pressures have begun to moderate, but remain elevated and continue to affect our results. We expect that these challenges will continue to impact 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 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 limited disruption to the availability of our products, though it is possible that more significant disruptions could occur if these supply chain challenges continue.

### ***Acquisition of Toshiba Carrier Corporation***

On February 6, 2022, we entered into a binding agreement to acquire a majority ownership interest in Toshiba Carrier Corporation ("TCC"), a variable refrigerant flow ("VRF") and light commercial HVAC joint venture between Carrier and Toshiba Corporation. TCC 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 included 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 acquisition was completed on August 1, 2022. As a result, the assets, liabilities and results of operations of TCC are consolidated in the accompanying Unaudited Condensed Consolidated Financial Statements as of the date of acquisition and reported within our HVAC segment. Upon closing, Toshiba Corporation retained a 5% ownership interest in TCC.

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

On July 26, 2021, we entered into a stock purchase agreement to sell our Chubb Fire and Security business ("Chubb") to APi Group Corporation ("APi"). Chubb, which was reported within our Fire & Security segment, delivered essential fire safety and security solutions from design and installation to monitoring, service and maintenance across more than 17 countries around the globe. On January 3, 2022, we completed the sale of Chubb (the "Chubb Sale") for net proceeds of \$2.9 billion and recognized a gain on the sale of \$1.1 billion during the year ended December 31, 2022.

## **CRITICAL ACCOUNTING ESTIMATES**

Preparation of our financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, sales and expenses. We believe that the most complex and sensitive judgments, because of their potential significance to the accompanying Unaudited Condensed Consolidated Financial Statements, result primarily from the need to make estimates about the effects of matters that are inherently uncertain. In "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our 2022 Form 10-K, we describe the significant accounting estimates and policies used in the preparation of the accompanying Unaudited Condensed Consolidated Financial Statements. There have been no significant changes in our critical accounting estimates.

## RESULTS OF OPERATIONS

### Three Months Ended March 31, 2023 Compared with the Three Months Ended March 31, 2022

The results of TCC's operations are included in our consolidated results since the acquisition date of August 1, 2022. Prior to the acquisition, we accounted for our minority ownership in TCC under the equity method of accounting and recognized our portion of earnings within *Equity method investment in net earnings* as part of operating expenses. As a result, prior period results may not be comparable to the current period.

The following represents our consolidated net sales and operating results:

<i>(In millions)</i>	Three Months Ended March 31,			
	2023	2022	Period Change	% Change
Net sales	\$ 5,273	\$ 4,654	\$ 619	13 %
Cost of products and services sold	(3,895)	(3,361)	(534)	16 %
Gross margin	1,378	1,293	85	7 %
Operating expenses	(823)	444	(1,267)	(285) %
Operating profit	555	1,737	(1,182)	(68) %
Non-operating income (expenses), net	(46)	(49)	3	(6) %
Income from operations before income taxes	509	1,688	(1,179)	(70) %
Income tax expense	(122)	(301)	179	(59) %
Net income from operations	387	1,387	(1,000)	(72) %
Less: Non-controlling interest in subsidiaries' earnings from operations	14	8	6	75 %
<b>Net income attributable to common shareowners</b>	<b>\$ 373</b>	<b>\$ 1,379</b>	<b>\$ (1,006)</b>	<b>(73) %</b>

#### *Net Sales*

For the three months ended March 31, 2023, *Net sales* were \$5.3 billion, a 13% increase compared with the same period of 2022. The components of the year-over-year change were as follows:

	Three Months Ended March 31, 2023
Organic	4 %
Foreign currency translation	(2) %
Acquisitions and divestitures, net	11 %
<b>Total % change</b>	<b>13 %</b>

Organic sales for the three months ended March 31, 2023 increased by 4% compared with the same period of 2022. The organic increase was primarily driven by our Fire & Security segment due to price improvements and volume growth in each region. In addition, improved global end-markets in our Commercial HVAC business further benefited our results. Refrigeration results decreased as each of the segment's businesses experienced challenges in certain end-markets during the quarter. Refer to "Segment Review" below for a discussion of *Net sales* by segment.

#### *Gross Margin*

For the three months ended March 31, 2023, gross margin was \$1.4 billion, a 7% increase compared with the same period of

2022. The components were as follows:

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
Net sales	\$ 5,273	\$ 4,654
Cost of products and services sold	(3,895)	(3,361)
<b>Gross margin</b>	<b>\$ 1,378</b>	<b>\$ 1,293</b>
Percentage of net sales	26.1 %	27.8 %

Gross margin increased by \$85 million compared with the three months ended March 31, 2022. The main driver of the increase related to ongoing customer demand, pricing improvements and our continued focus on productivity initiatives. In addition, incremental results associated with TCC since the date of acquisition further benefited gross margin during the period. However, the results of TCC included inventory step-up, backlog amortization and intangible asset amortization resulting from the recognition of acquired assets at fair value. These costs had a 240 basis point unfavorable impact on gross margin as a percentage of *Net sales*. In addition, each of our segments continue to be impacted by the higher cost of commodities and components used in our products, certain supply chain constraints and higher freight costs. Although pricing improvements more than offset inflationary impacts and supply chain challenges, gross margin as a percentage of *Net sales* decreased by 170 basis points compared with the same period of 2022.

### **Operating Expenses**

For the three months ended March 31, 2023, operating expenses, including *Equity method investment net earnings*, were \$823 million, a 285% increase compared with the same period of 2022. The components were as follows:

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
Selling, general and administrative	\$ (721)	\$ (601)
Research and development	(139)	(125)
Equity method investment net earnings	44	58
Other income (expense), net	(7)	1,112
<b>Total operating expenses</b>	<b>\$ (823)</b>	<b>\$ 444</b>
Percentage of net sales	15.6 %	(9.5)%

For the three months ended March 31, 2023, *Selling, general and administrative expenses* were \$721 million, a 20% increase compared with the same period of 2022. The increase is primarily due to the incremental selling, general and administrative expenses associated with TCC since the date of acquisition. In addition, higher compensation and other employee-related costs further contributed to the increase. The current period also included \$12 million of acquisition-related costs compared with \$6 million during the three months ended March 31, 2022.

*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 three months ended March 31, 2023, *Equity method investment net earnings* were \$44 million, a 24% decrease compared with the same period of 2022. The decrease was primarily driven by the increase in our ownership interest in TCC on August 1, 2022. As a result, TCC is no longer accounted for under the equity method of accounting since the date of acquisition. During the three months ended March 31, 2022, pre-acquisition equity earnings of TCC totaled \$20 million.

*Other income (expense), net* primarily includes the impact of gains and losses related to the sale of businesses or 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. During the three months ended March 31, 2022, we completed the Chubb Sale and recognized a net gain on the sale of \$1.1 billion.

### ***Non-Operating Income (Expenses), net***

For the three months ended March 31, 2023, *Non-operating income (expenses), net* was \$46 million, an 6% increase compared with the same period of 2022. The components were as follows:

<i>(In millions)</i>	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Non-service pension (expense) benefit	\$ —	\$ (1)
Interest expense	\$ (71)	\$ (87)
Interest income	25	39
<b>Interest (expense) income, net</b>	<b>\$ (46)</b>	<b>\$ (48)</b>
<b>Non-operating income (expenses), net</b>	<b>\$ (46)</b>	<b>\$ (49)</b>

*Non-operating income (expenses), 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 three months ended March 31, 2023, *Interest expense* was \$71 million, a 18% decrease compared with the same period of 2022. During the three months ended March 31, 2022, we completed tender offers to repurchase approximately \$1.15 billion aggregate principal of our 2.242% Notes due 2025 and 2.493% Notes due 2027. Upon settlement, we wrote off \$5 million of unamortized deferred financing costs in *Interest expense* and recognized a net gain of \$33 million in *Interest income*.

### ***Income Taxes***

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Effective tax rate	<b>24.0 %</b>	<b>17.8 %</b>

We account for income tax expense in accordance with ASC 740, which requires an estimate of the annual effective income tax rate for the full year to be applied to the respective interim period, taking into account year-to-date amounts and projected results for the full year. The effective tax rate was 24.0% for the three months ended March 31, 2023 compared with 17.8% for the three months ended March 31, 2022. The year-over-year increase was primarily driven by a lower effective tax rate on the \$1.1 billion Chubb gain compared with our U.S. statutory rate and a favorable tax adjustment of \$32 million associated with foreign tax credits generated and utilized in the prior year.

## 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 and rail, 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 (the "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 17 - Segment Financial Data.

### *Three Months Ended March 31, 2023 Compared with Three Months Ended March 31, 2022*

Summary performance for each of our segments is as follows:

<i>(In millions)</i>	Net Sales		Operating Profit		Operating Profit Margin	
	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,	
	2023	2022	2023	2022	2023	2022
HVAC	\$ 3,622	\$ 2,970	\$ 435	\$ 470	12.0 %	15.8 %
Refrigeration	898	976	108	107	12.0 %	11.0 %
Fire & Security	869	818	93	1,218	10.7 %	148.9 %
<b>Total segment</b>	<b>\$ 5,389</b>	<b>\$ 4,764</b>	<b>\$ 636</b>	<b>\$ 1,795</b>	<b>11.8 %</b>	<b>37.7 %</b>

### *HVAC Segment*

For the three months ended March 31, 2023, *Net sales* in our HVAC segment were \$3.6 billion, a 22% increase compared with the same period of 2022. The components of the year-over-year change were as follows:

	Net Sales
Organic	6 %
Foreign currency translation	(2) %
Acquisitions and divestitures, net	18 %
<b>Total % change in Net sales</b>	<b>22 %</b>

The organic increase in *Net sales* of 6% was driven by continued strong results in the segment. Increased sales in our Commercial HVAC business (up 14%) benefited from pricing improvements and ongoing customer demand in our end-markets. The business saw strong growth in all regions including Europe and Asia as current economic conditions and inflationary cost pressures moderated from the prior year. In addition, increased sales in our Global Comfort Solutions business (up 18%) were primarily driven by pricing improvements. Lower sales in our North America residential and light commercial business (down 2%) were primarily driven by volume reductions in North America residential end-markets. These amounts were partially offset by pricing improvements and improved mix associated with regulatory changes effective as of the beginning of 2023.

On August 1, 2022, the Commercial HVAC business acquired a majority ownership interest in TCC, a VRF and light commercial HVAC joint venture between Carrier and Toshiba Corporation. The results of TCC have been included in our

Unaudited Condensed Consolidated Financial Statements since the date of acquisition. The transaction added 18% to *Net sales* during the three months ended March 31, 2023 and is included in Acquisitions and divestitures, net.

For the three months ended March 31, 2023, *Operating profit* in our HVAC segment was \$435 million, a 7% decrease compared with the same period of 2022. The components of the year-over-year change were as follows:

	<b>Operating Profit</b>
Operational	(7) %
Foreign currency translation	(1) %
Acquisitions and divestitures, net	8 %
Restructuring	1 %
Amortization of acquired intangibles	(7) %
Other	(1) %
<b>Total % change in Operating profit</b>	<b>(7) %</b>

The operational profit decrease of 7% was primarily attributable to volume reductions in certain end-markets compared with the prior year. In addition, lower earnings from equity method investments also impacted operational profit due to the increase in our ownership interest in TCC on August 1, 2022. As a result, TCC is no longer accounted for under the equity method of accounting since the date of acquisition. Pricing and productivity improvements more than offset higher costs for commodities and components used in our products as well as higher freight and logistics costs. Inflationary cost pressures have begun to moderate, but remain elevated and continue to impact our operating profit.

### **Refrigeration Segment**

For the three months ended March 31, 2023, *Net sales* in our Refrigeration segment were \$898 million, a 8% decrease compared with the same period of 2022. The components of the year-over-year change were as follows:

	<b>Net Sales</b>
Organic	(5) %
Foreign currency translation	(3) %
Acquisitions and divestitures, net	— %
<b>Total % change in Net sales</b>	<b>(8) %</b>

Organic *Net sales* decreased 5% compared to the prior year as each of the segment's businesses experienced challenges in certain end-markets during the period. Results for Commercial refrigeration decreased (down 15%) compared with the prior year, primarily driven by lower volumes in Europe as economic conditions and inflationary cost pressures impacted end-market demand. In addition, results in Asia continued to be affected by ongoing COVID-19 impacts. However, these impacts were partially offset by pricing improvements. Transport refrigeration sales increased (up 1%) compared to the prior year as pricing improvements and strong end-market demand in the U.S. and Europe were more than offset by continued weakness in container end-markets.

For the three months ended March 31, 2023, *Operating profit* in our Refrigeration segment was \$108 million, a 1% increase compared with the same period of 2022. The components of the year-over-year change were as follows:

	<b>Operating Profit</b>
Operational	(15) %
Foreign currency translation	(3) %
Restructuring	(3) %
Other	22 %
<b>Total % change in Operating profit</b>	<b>1 %</b>

The decrease in operational profit of 15% was primarily driven by volume reductions in certain end-markets compared with the prior year. In addition, the higher costs of commodities and components used in our products further impacted segment results. These amounts were partially offset by pricing improvements, favorable productivity initiatives and lower selling, general and administrative costs during the period. Inflationary cost pressures have begun to moderate, but remain elevated and continue to impact our operating profit. Amounts reported in Other represent a \$24 million gain on sale of a business within Transport refrigeration.

#### **Fire & Security Segment**

For the three months ended March 31, 2023, *Net sales* in our Fire & Security segment were \$869 million, a 6% increase compared with the same period of 2022. The components of the year-over-year change were as follows:

	<b>Net Sales</b>
Organic	9 %
Foreign currency translation	(3) %
<b>Total % change in Net sales</b>	<b>6 %</b>

The organic increase in *Net sales* of 9% was primarily driven by pricing improvements and volume growth compared with the prior year. Sales grew in all three regions with strong commercial results in Europe and Asia as current economic conditions and end-market demand improved. Growth in the Americas was impacted by reduced residential end-market demand. Global industrial sales benefited segment results due to pricing improvements and strong demand. The segment continues to be impacted by ongoing supply chain constraints for certain components used in our products.

For the three months ended March 31, 2023, *Operating profit* in our Fire & Security segment was \$93 million, a 92% decrease compared with the same period of 2022. The components of the year-over-year change were as follows:

	<b>Operating Profit</b>
Operational	— %
Restructuring	(1) %
Chubb gain	(91) %
<b>Total % change in Operating profit</b>	<b>(92)%</b>

Operational profit was flat compared to the prior year as each of the segment's businesses was impacted by the higher costs of commodities and components used in our products as well as higher freight and logistics costs. These amounts were offset by pricing improvements, volume growth and ongoing productivity initiatives. Inflationary cost pressures have moderated, but remain elevated and continue to impact our operating profit. Amounts reported in Other represent the net gain on the Chubb Sale of \$1.1 billion.

#### **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.

As of March 31, 2023, we had cash and cash equivalents of \$3.3 billion, of which approximately 37% was held by our foreign subsidiaries. We manage our worldwide cash requirements by reviewing available funds and the cost effectiveness with which we can access funds held by foreign subsidiaries. On occasion, we are required to maintain cash deposits in connection with contractual obligations related to acquisitions, divestitures or other legal obligations. As of March 31, 2023 and December 31, 2022, the amount of such restricted cash was approximately \$7 million and \$39 million, respectively.

We maintain 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. In addition, we maintain our \$2.0 billion revolving credit agreement with various banks (the "Revolving Credit Facility") that matures on April 3, 2025 which supports

our commercial paper borrowing program and cash requirements. 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. As of March 31, 2023, we had no borrowings outstanding under our commercial paper program and our Revolving Credit Facility.

We continue to actively manage and strengthen our business 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.

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, 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. There can be no assurance that we will be able to obtain additional financing on terms favorable to us, if at all.

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

<i>(In millions)</i>	<b>March 31, 2023</b>	<b>December 31, 2022</b>
Cash and cash equivalents	\$ 3,347	\$ 3,520
Total debt	\$ 8,850	\$ 8,842
Total equity	\$ 8,468	\$ 8,076
Net debt (total debt less cash and cash equivalents)	\$ 5,503	\$ 5,322
Total capitalization (total debt plus total equity)	\$ 17,318	\$ 16,918
Net capitalization (total debt plus total equity less cash and cash equivalents)	\$ 13,971	\$ 13,398
Total debt to total capitalization	51 %	52 %
Net debt to net capitalization	39 %	40 %

### **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 \$249 million per year, reflecting an approximate weighted-average interest rate of 2.85%. Any borrowings from the Revolving Credit Facility are subject to variable interest rates. See Note 5 – Borrowings and Lines of Credit in the Notes to the accompanying Unaudited Condensed Consolidated Financial Statements for additional information regarding the terms of our long-term debt obligations.

On March 15, 2022, we commenced tender offers to repurchase up to \$1.15 billion aggregate principal of our 2.242% Notes due 2025 and 2.493% Notes due 2027. The tender offers included payment of applicable accrued and unpaid interest up to the settlement date, along with a fixed spread for early repayment. Based on participation, we elected to settle the tender offers on March 30, 2022. The aggregate principal amount of Senior Notes validly tendered and accepted was approximately \$1.15 billion and included \$800 million of Notes due 2025 and \$350 million of Notes due 2027. Upon settlement, we recognized a net gain of \$33 million and wrote off \$5 million of unamortized deferred financing costs during the three months ended March 31, 2022.

On July 15, 2022, we entered into a five-year, JPY 54 billion (approximately \$400 million) senior unsecured term loan facility with MUFG Bank Ltd., as administrative agent and lender, and certain other lenders (the "Japanese Term Loan Facility"). Borrowings bear interest at a rate equal to the Tokyo Term Risk Free Rate plus 0.75%. In addition, it is subject to customary covenants including a covenant to maintain a maximum consolidated leverage ratio. On July 25, 2022, we borrowed JPY 54 billion under the Japanese Term Loan Facility and used the proceeds to fund a portion of the TCC acquisition and to pay

related fees and expenses.

The Revolving Credit Facility, the Japanese Term Loan Facility and the indentures for the long-term notes contain affirmative and negative covenants customary for financings of these types, which among other things, limit our ability to incur additional liens, to make certain fundamental changes and to enter into sale and leaseback transactions. As of March 31, 2023, we were compliant with the covenants under the agreements governing our outstanding indebtedness.

The following table presents our credit ratings and outlook as of March 31, 2023:

Rating Agency	Long-term Rating <sup>(1)</sup>	Short-term Rating	Outlook <sup>(2) (3)</sup>
Standards & Poor's ("S&P")	BBB	A2	Positive
Moody's Investors Service Inc. ("Moody's")	Baa3	P3	Positive
Fitch Ratings ("Fitch")	BBB-	F3	Stable

<sup>(1)</sup> The long-term rating for S&P was affirmed on May 14, 2021, and for Moody's on March 30, 2022. Fitch's long-term rating was affirmed on June 3, 2021.

<sup>(2)</sup> S&P revised its outlook to positive from stable on May 20, 2022.

<sup>(3)</sup> Moody's Investors Service revised its outlook to positive from stable on February 28, 2023.

## Share Repurchase Program

We may repurchase our outstanding common stock from time to time subject to market conditions and at our discretion. Repurchases occur in the open market or through one or more other public or private transactions pursuant to plans complying with Rules 10b5-1 and 10b-18 under the Exchange Act. Since the initial authorization in February 2021, our Board of Directors authorized the repurchase of up to \$4.1 billion of our outstanding common stock. As of December 31, 2022, we repurchased 42.1 million shares of common stock for an aggregate purchase price of \$1.9 billion, including shares repurchased under an accelerated share repurchase agreement. As a result, we had approximately \$2.2 billion remaining under the current authorization at December 31, 2022.

During the three months ended March 31, 2023, we repurchased 1.4 million shares of common stock for an aggregate purchase price of \$62 million. As a result, we have approximately \$2.1 billion remaining under the current authorization at March 31, 2023.

## Dividends

We paid dividends on common stock during the three months ended March 31, 2023, totaling \$154 million. In April 2023, the Board of Directors declared a dividend of \$0.185 per share of common stock payable on May 24, 2023 to shareowners of record at the close of business on May 5, 2023.

## Discussion of Cash Flows

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
<b>Net cash flows provided by (used in):</b>		
Operating activities	\$ 120	\$ (202)
Investing activities	(100)	2,820
Financing activities	(213)	(2,020)
Effect of foreign exchange rate changes on cash and cash equivalents	20	(1)
<b>Net increase (decrease) in cash and cash equivalents and restricted cash</b>	<b>\$ (173)</b>	<b>\$ 597</b>

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. The year-over-year increase in net cash provided by operating activities was primarily driven by a more moderate increase in working capital balances compared with the prior period. Prior year working capital balances increased due to higher safety stock and supply chain constraints. In addition, higher accounts payable balances more than offset higher accounts receivable balances in the current period.

Cash flows from investing activities primarily represent inflows and outflows associated with long-term assets. Primary activities include capital expenditures, acquisitions, divestitures and proceeds from the sale of fixed assets. During the three months ended March 31, 2023, net cash used in investing activities was \$100 million. The primary driver of the outflow related to \$70 million of capital expenditures. In addition, we settled working capital and other transaction-related items associated with the acquisition of TCC and invested in several businesses. These amounts totaled \$52 million, net of cash acquired and were partially offset by the proceeds from the sale of a business during the period. During the three months ended March 31, 2022, net cash provided by investing activities was \$2.8 billion. The primary driver of the inflow related to the net proceeds from the Chubb Sale. This amount was partially offset by the acquisition of several businesses and minority-owned businesses, which totaled \$9 million net of cash acquired and \$56 million of capital expenditures.

Cash flows from financing activities primarily represent inflows and outflows associated with equity or borrowings. During the three months ended March 31, 2023, net cash used in financing activities was \$213 million. The primary driver of the outflow related to the payment of \$154 million in dividends to our common shareowners. In addition, we paid \$62 million to repurchase shares of our common stock. During the three months ended March 31, 2022, net cash used in financing activities was \$2.0 billion. The primary driver of the outflow related to the settlement of our tender offers for \$1.15 billion. In addition, we paid \$129 million in dividends to our common shareowners and paid \$734 million to repurchase shares of our common stock.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

There has been no significant change in our exposure to market risk during the three months ended March 31, 2023. For discussion of our exposure to market risk, refer to the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Market Risk and Risk Management" in our 2022 Form 10-K.

### **Item 4. Controls and Procedures**

As required by Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we carried out an evaluation under the supervision and with the participation of our management, including the Chairman and Chief Executive Officer ("CEO"), the Senior Vice President and Chief Financial Officer ("CFO") and the Vice President, Controller ("Controller") of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2023. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, our CEO, CFO and Controller have concluded that, as of March 31, 2023, our disclosure controls and procedures were effective and provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our CEO, CFO and Controller, as appropriate, to allow timely decisions regarding required disclosure.

There has been no change in our internal control over financial reporting during the three months ended March 31, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **CAUTIONARY NOTE CONCERNING FACTORS THAT MAY AFFECT FUTURE RESULTS**

This Form 10-Q and other materials Carrier has filed or will file with the SEC contain or incorporate by reference 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. 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. These risks and uncertainties include, but are not limited to, those described above under Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, below under Part II, Item 1A. Risk Factors, and other risks and uncertainties listed from time to time in our filings with the SEC.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings

See Note 19 – Commitments and Contingent Liabilities in the Notes to the accompanying Unaudited Condensed Consolidated Financial Statements for information regarding legal proceedings.

Except as otherwise noted previously, there have been no material developments in legal proceedings. For previously reported information about legal proceedings refer to "Business – Legal Proceedings" in our 2022 Form 10-K.

### Item 1A. Risk Factors

Except as noted below, there have been no material changes in the Company's risk factors from those disclosed in "Risk Factors" in our 2022 Form 10-K.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

#### Issuer Purchases of Equity Securities

The following table provides information about our purchases during the three months ended March 31, 2023 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 <sup>(1)</sup>	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)
<b>2023</b>				
January 1 - January 31	459	\$43.55	459	\$2,171
February 1 - February 28	421	\$45.10	421	\$2,152
March 1 - March 31	506	\$45.40	506	\$2,129
<b>Total</b>	<b>1,386</b>	<b>\$44.70</b>	<b>1,386</b>	

<sup>(1)</sup> Excludes broker commissions.

We may purchase our outstanding common stock from time to time subject to market conditions and at our discretion. Repurchases occur in the open market or through one or more other public or private transactions pursuant to plans complying with Rules 10b5-1 and 10b-18 under the Exchange Act. In July 2021, our Board of Directors approved a \$1.75 billion increase to our existing \$350 million share repurchase program authorizing the repurchase of up to \$2.1 billion of our outstanding common stock. In October 2022, our Board of Directors approved a \$2 billion increase to our existing \$2.1 billion share repurchase program.

### Item 5. Other Information

#### Trade Compliance

Under Section 13(r) of the Exchange Act, the Company is required to disclose in its periodic reports if it or any of its affiliates knowingly conducted transactions or dealing with entities or individuals designated pursuant to certain executive orders issued by the U.S. government. The Company maintains a policy against dealings with sanctioned parties or countries. A Company subsidiary in the United Kingdom produces a product that is sold to marine engine builders. As part of a remediation safety notice campaign, the subsidiary became aware that certain of its products were installed on four ships now owned by various subsidiaries of the Islamic Republic of Iran Shipping Line. The original product sales were legal at the time of the sale. The Company sent the already created, standardized remediation safety notice to the current owner, as the provision of

informational materials is an exempt transaction under the International Emergencies Powers Act. The Company did not provide any parts or services as part of this activity.

**Departure of Executive Officer**

On April 25, 2023, the Company announced that Christopher Nelson, President, HVAC, will depart from the Company in May.

## Item 6. Exhibits

Exhibit Number	Exhibit Description
10.1	<a href="#">Schedule of Terms for Performance Share Unit Awards (annual) granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan (rev. February 1, 2023)*+</a>
10.2	<a href="#">Schedule of Terms for Restricted Stock Unit Awards (annual) granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan (February 1, 2023)*+</a>
10.3	<a href="#">Schedule of Terms for Stock Appreciation Right Awards (annual) granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan (February 1, 2023)*+</a>
10.4	<a href="#">Schedule of Terms for Performance Share Unit Awards (off-cycle) granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan (rev. February 1, 2023)*+</a>
10.5	<a href="#">Schedule of Terms for Restricted Stock Unit Awards (off-cycle) granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan (February 1, 2023)*+</a>
10.6	<a href="#">Schedule of Terms for Stock Appreciation Right Awards (off-cycle) granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan (February 1, 2023)*+</a>
10.7	<a href="#">Form of Award Agreement for 2023 Performance Share Unit and Stock Appreciation Right Awards granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan*+</a>
10.8	<a href="#">Carrier Global Corporation Executive Annual Bonus Plan (amended and restated January 1, 2023)*+</a>
15	<a href="#">Letter Re: Unaudited Interim Financial Information*</a>
31.1	<a href="#">Rule 13a-14(a)/15d-14(a) Certification*</a>
31.2	<a href="#">Rule 13a-14(a)/15d-14(a) Certification*</a>
31.3	<a href="#">Rule 13a-14(a)/15d-14(a) Certification*</a>
32	<a href="#">Section 1350 Certifications*</a>
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.* (File name: carr-20220331.xml)
101.SCH	XBRL Taxonomy Extension Schema Document.* (File name: carr-20220331.xsd)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.* (File name: carr-20220331_cal.xml)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.* (File name: carr-20220331_def.xml)
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.* (File name: carr-20220331_lab.xml)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.* (File name: carr-20220331_pre.xml)
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document and contained in Exhibit 101

### Notes to Exhibits List:

\* Filed herewith.

+ Exhibit is a management contract or compensatory plan or arrangement.

Attached as Exhibit 101 to this report are the following formatted in XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Statement of Operations for the three months ended March 31, 2023 and 2022, (ii) Condensed Consolidated Statement of Comprehensive Income for the three months ended March 31, 2023 and 2022, (iii) Condensed Consolidated Balance Sheet as of March 31, 2023 and December 31, 2022, (iv) Condensed Consolidated Statement of Cash Flows for the three months ended March 31, 2023 and 2022, (v) Condensed Consolidated Statement of Changes in Equity for the three months ended March 31, 2023 and 2022 and (vi) Notes to Condensed Consolidated Financial Statements.



**Carrier Global Corporation  
2020 Long-Term Incentive Plan**

**Performance Share Unit Award**  
*Schedule of Terms*

***(Rev. February 1, 2023)***

This Schedule of Terms describes the material features of the Participant's Performance Share Unit Award (the "PSU Award" or the "Award") granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan (the "LTIP"), subject to this Schedule of Terms, the Award Agreement, and the terms and conditions set forth in the LTIP. The LTIP Prospectus contains further information about the LTIP and this Award and is available on the Company's internal employee website and at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

## Certain Definitions

A Performance Share Unit (a "PSU") represents the right to receive one share of common stock of Carrier Global Corporation (the "Common Stock") (or a cash payment equal to the Fair Market Value thereof). PSUs generally vest and are converted into shares of Common Stock if, and to the extent, the associated pre-established performance targets are achieved and the Participant remains employed or otherwise engaged by the Company or the Corporation through the end of the applicable performance measurement period (see "Vesting" below), or upon an earlier Termination of Service under limited circumstances that result in accelerated vesting (see "Termination of Service" below). "Company" means Carrier Global Corporation, together with its subsidiaries, divisions and Affiliates (collectively, the "Corporation"). "Termination Date" means the date the Participant's employment ends, or, if different, the date a Participant ceases providing services to the Corporation as an employee, consultant, or in any other capacity. For the avoidance of doubt, absences from employment by reason of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service shall not be recognized as service in determining the Termination Date. All references to termination of employment in this Schedule of Terms will be deemed to refer to "Termination of Service" as defined in the LTIP. "Committee" means the Compensation Committee of the Board. Capitalized terms not otherwise defined in this Schedule of Terms have the same meaning as defined in the LTIP.

## Acknowledgement and Acceptance of Award

The number of PSUs awarded is set forth in the Award Agreement. The Award recipient (the "Participant") must affirmatively acknowledge and accept the terms and conditions of the PSU Award within 150 days following the Grant Date. A failure to acknowledge and accept the PSU Award within such 150-day period will result in forfeiture of the PSU Award, effective as of the 150th day following the Grant Date.

Participants must acknowledge and accept the terms and conditions of this PSU Award electronically via the UBS *One Source* website at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR). Participants based in certain countries may be required to acknowledge and accept the terms and conditions of this PSU Award by signing and returning the designated hard copy portion of the Award Agreement to the Stock Plan Administrator.

## Vesting

PSU Awards will vest in accordance with the schedule set forth in the Award Agreement, subject to performance relative to pre-established Performance Goals, and the Participant's continued employment or service with the Corporation through the applicable performance measurement period. The Award Agreement specifies the applicable Performance Goals, performance period, vesting date, minimum performance required for vesting, range of vesting and relative weighting for each Performance Goal.

Performance Goals include: (i) adjusted earnings per share growth ("EPS Growth"); and (ii) total shareholder return ("TSR") relative to a subset of industrial companies in the S&P 500 index.

EPS Growth is net income from continuing operations divided by average diluted shares outstanding, subject to adjustments for restructuring, non-recurring and other significant, defined non-operational items. The Committee may adjust the EPS Growth calculation (positively or negatively) to exclude the impact of certain items unrelated to operational performance. Such adjustment may be made when necessary to maintain the validity of the Performance Goal, as originally established. EPS Growth will be measured as a three-year compound annual growth rate target.

TSR is the change in share price over the cumulative three-year performance period (plus reinvested dividends). TSR is calculated using the trailing 20-day average share price at the beginning and end of the three-year performance period for Carrier and companies within a subset of industrial companies in the S&P 500 Index at the beginning of the performance period, assuming dividends distributed during the performance period are reinvested for additional shares of the issuing company's stock. Carrier's TSR is then compared to the TSR of a subset of industrial companies in the S&P 500 previously approved by the Committee to determine Carrier's percentile ranking. If Carrier's three-year TSR is negative, the payout portion of the PSU award is capped at 100% of the target, regardless of Carrier's performance vs. the subset of industrial companies in the S&P 500 Index.

Unvested PSUs will be forfeited in the event of Termination of Service prior to the vesting date except in certain earlier terminations involving Retirement, Involuntary Termination, Disability, Change-in-Control Termination, or death (see "Termination of Service" below).

PSUs may also be forfeited and value realized from previously vested PSUs may be recouped by the Company under certain circumstances (see "Forfeiture of Award and Repayment of Realized Gains" below).

### **No Shareowner Rights**

A PSU is the right to receive a share of Common Stock in the future (or a cash payment equal to the Fair Market Value), subject to continued employment or service, achievement of performance targets, and certain other conditions. The holder of a PSU has no voting, dividend or other rights accorded to owners of Common Stock unless and until PSUs are converted into shares of Common Stock.

### **Payment / Conversion of PSUs**

Vested PSUs will be converted into shares of Common Stock to be delivered to the Participant as soon as administratively practicable following, when the Committee determines if, and to what extent, PSUs have vested as a result of the achievement of Performance Goals, but in no event later than March 15<sup>th</sup> following the year in which such vesting date occurs (see special rules for specified employees below); provided that to the extent the PSUs constitute "nonqualified deferred compensation" subject to Section 409A as a result of the provisions under "Retirement" below, such settlement shall occur during the calendar year in which the vesting date occurs, except as otherwise set forth herein. If Performance Goals are not met, the PSUs that do not vest will be cancelled without value. PSUs may be paid in cash if the Committee so determines, including where local law restricts the distribution of Common Stock.

Furthermore, the Committee reserves the right to sell shares of Common Stock held by the Participant as a result of vesting of PSUs as soon as administratively practicable following the Participant's Termination Date where required by local law. By way of example, for Participants

subject to exchange control regulations in the People's Republic of China, if the Participant's Termination of Service is the result of an involuntary termination by the Corporation for reasons other than Cause, death, Disability, or a Change-in-Control Termination and the Participant is eligible for accelerated vesting on his/her outstanding PSUs as described below, the PSUs will vest (at target performance) and the Corporation's broker will sell the shares of Common Stock held by the Participant within six months following the Participant's Termination date, and the proceeds from such sale less any applicable withholdings, will be delivered to the Participant (or the Participant's estate) as soon as administratively practicable.

### **Termination of Service**

The treatment of PSUs upon Termination of Service depends upon the reason for termination, as detailed in the following sections. PSUs held for less than one year as of the Termination Date will be forfeited, except in the event of death, Disability, or Change-in-Control Termination, as discussed below.

Absences from employment because of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service will not be recognized as service in determining the Termination Date.

**Retirement.** If the Participant's termination results from Retirement, unvested PSUs held for at least one year as of the Termination Date will remain outstanding and, if and to the extent the Committee determines that Performance Goals have been achieved, will vest and convert into shares of Common Stock (or cash) to be delivered to the Participant as soon as administratively practicable thereafter (but in no event more than 90 days following the Termination Date (see special rules for specified employees below). For this purpose, Retirement means either a Normal Retirement or Early Retirement as defined below:

- "Normal Retirement" means retirement on or after age 65;
- "Early Retirement" means retirement on or after:
  - Age 55 with 10 or more years of continuous service as of the Termination Date; or
  - For all Participants who were actively employed by the Corporation at an M/P7 or F1/F2 level or above on December 31, 2021 (as those levels existed on December 31, 2021), Early Retirement shall also mean age 50, but before age 55, and the Participant's age and continuous service as of the Termination Date adds up to 65 or more ("Rule of 65").

A Participant will not be eligible to receive Retirement treatment with respect to any Award in the event of involuntary termination by the Corporation for Cause.

For purposes of this Retirement section, continuous service shall have the meaning ascribed to it in any policy that may be issued by the Company from time to time addressing the calculation

of an employee's (including a re-employed employee's) continuous service date. The calculation to determine Early Retirement will include partial years, rounded down to the nearest full month.

**Involuntary Termination for Cause.** If the Participant's termination results from an involuntary termination by the Corporation for Cause (as defined in the LTIP), unvested PSUs will be forfeited as of the Termination Date regardless of the Participant's Retirement eligibility. In addition, value realized from previously vested PSUs is subject to repayment in the event of termination for Cause or certain other occurrences (see "Forfeiture of Award and Repayment of Realized Gains" below).

**Involuntary Termination other than for Cause, death, or Disability.** If the Participant's termination results prior to the vesting date from an involuntary termination by the Corporation for reasons other than Cause, death, Disability, and does not constitute a Change-in-Control Termination, unvested PSUs held for at least one year as of the Termination Date will receive pro-rata vesting treatment, subject to the Participant providing the Company with a release of claims against the Corporation in a form and manner satisfactory to the Company. The pro-rata vesting of a PSU Award held for at least one year will be based on the number of months worked during the vesting period, including partial months, relative to the full vesting period. The pro-rata PSUs will remain outstanding and eligible to vest per the terms of the Award. Any PSUs not deemed eligible to vest under this pro-rata vesting formula will be forfeited as of the Termination Date.

Absences from employment because of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service will not be recognized as service in determining the pro-rata vesting percentage.

For the avoidance of doubt, the foregoing pro-rata vesting upon a Termination without Cause will include eligibility will occur for involuntary terminations resulting from workforce reductions, location closings, restructurings, layoffs or similar events, as determined by the Committee.

Retirement eligible Participants will be eligible to vest in accordance with the Retirement provisions set forth above. Change-in-Control Terminations are subject to vesting treatment as set forth in the Change-in-Control provisions below. A Participant who is involuntarily terminated for Cause is not eligible for pro-rata vesting of Awards.

**Voluntary Termination.** A Participant who voluntarily terminates employment or service (other than for Retirement or a Change-in-Control Termination) is not entitled to pro-rata vesting and will forfeit all unvested PSUs.

**Death or Disability.** If the Participant dies while still employed by or providing services to the Corporation, or if the Participant incurs a Disability (as defined in the LTIP), all unvested PSUs will vest as of the date of the death or Disability, as applicable, and will be converted (at target performance) to shares of Common Stock (or cash) to be delivered to the Participant's estate, net of taxes (where applicable), as soon as administratively practicable; provided that with respect to any individual who is eligible for Retirement vesting at the time of Disability and therefore the PSUs constitute "nonqualified deferred compensation" subject to Section 409A of the Code, such settlement will occur within 90 days after the Disability.

**Change-in-Control Termination.** If the PSUs are replaced with a Replacement Award in connection with a Change-in-Control in accordance with Section 10(c) of the LTIP, and a Participant's termination results from an involuntary termination by the Company for reasons other than for Cause, or due to the Participant's voluntary termination for "Good Reason," in each case, within 24 months following a Change-in-Control in accordance with Section 10(d) of the LTIP (such Termination of Service, a "CIC Termination"), then all unvested PSUs will vest at the greater of: (1) the applicable target level as of the Termination Date; or (2) the level of achievement as determined by the Committee not later than the date of the Change-in-Control, taking into account performance through the latest date preceding the Change-in-Control as to which performance can, as a practical matter be determined (but not later than the end of the applicable performance period) and be converted into shares of Common Stock (or cash) to be delivered to the Participant as soon as administratively practicable after the Termination Date, subject to the six-month delay noted below under "Specified Employees," if applicable.

**Specified Employees.** If a Participant is a "specified employee" within the meaning of Section 409A of the Code (i.e., generally the fifty highest paid employees, as determined by the Company) at the time of the Participant's Termination of Service, and PSUs are accelerated and will vest by reason of such Participant's Termination of Service (e.g., Change-in-Control Termination), then, to the extent necessary to avoid the application of any additional tax or penalty under IRC Section 409A and consistent with the terms of the Plan, PSUs will vest effective as of the Participant's Termination Date, but will not be released into the Participant's UBS account until the first day of the seventh month following the Termination Date or on the Participant's death or Disability if earlier. Upon vest, PSUs will convert into an equal number of shares of Common Stock (or cash) to be delivered to the Participant on the first day of the seventh month following the Termination Date. The value of the PSUs will be determined as of the date the shares are released, and the Participant shall be entitled to receive any dividend equivalents that are paid on the PSUs during the period between the vest date and the date the shares are released to the Participant, subject to the same payment timing requirements as the underlying PSUs.

#### **Forfeiture of Award and Repayment of Realized Gains**

PSUs will be immediately forfeited and a Participant will be obligated to repay to the Company the value realized from previously vested PSUs upon the occurrence of any of the following events:

- (i) Termination for Cause (as defined in the LTIP);
- (ii) The Committee determines that Award vesting was based on incorrect performance measurement calculations. In such event, vesting (and recoupment, if applicable) will be adjusted consistent with the actual corrected results;
- (iii) A determination that the Participant engaged in conduct that could have constituted the basis for a Termination for Cause, including determinations made within three years following the Termination Date;
- (iv) Within twenty-four months following the Termination Date, the Participant:
  - (A) Solicits a Corporation employee, or individual who had been a Corporation employee within the previous three months, for an opportunity outside of the Corporation; or

- (B) Publicly disparages the Corporation, its employees, directors, products, or otherwise makes a public statement that is materially detrimental to the interests of the Corporation or such individuals; or
- (v) At any time during the twelve-month period following the Termination Date: (A) the Participant becomes employed by, consults for, or otherwise renders services to any business entity or person engaged in activities that compete with the Corporation or the business unit that employed the Participant; or (B) that is a material customer of or a material supplier to the Corporation or the business unit that employed the Participant, unless, in either case, the Participant has first obtained the consent of the Chief Human Resources Officer or her or his delegate. This restriction applies to competitors, customers, and suppliers of each business unit that employed the Participant within the two-year period prior to the Termination Date. The determination of status of competitors, customers, and suppliers will be made by the Chief Human Resources Officer (or her or his delegate) in her or his sole discretion.

In addition to the provisions set forth above, and in consideration for the Participant's opportunity to earn the Award, the Participant agrees to be bound by the restrictive covenants set forth in Exhibit A to this Schedule of Terms even if the Participant ultimately forfeits the Award or otherwise fails to receive any benefits in connection with the Award.

Notwithstanding the foregoing, if the Participant is an individual covered under Section 16 of the Securities Exchange Act of 1934, the Participant understands and acknowledges that the Award may be subject to additional clawback and/or forfeiture provisions as set forth within any separate policy maintained by the Company from time to time, including without limitation any such provisions as may be required by SEC or stock exchange listing rules or otherwise, and of which the Company may require separate acknowledgement by the Participant at any time as a condition of receiving any amount with respect to this Award.

The Participant agrees that the foregoing restrictions are reasonable and that the value of the LTIP awards is reasonable consideration for accepting such restrictions and forfeiture contingencies. However, if any portion of this section is held by competent authority to be unenforceable or contrary to applicable law, this section shall be deemed amended to limit its scope to the broadest scope that such authority determines is enforceable, and as so amended shall continue in effect. The Participant acknowledges that this Award shall constitute compensation in satisfaction of these covenants. Further details concerning the forfeiture of awards and the obligation to repay gains realized from LTIP awards are set forth in Section 14(i) of the LTIP, which can be located at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

### **Adjustments**

PSU Awards may be subject to adjustment under the terms of the Plan if the Corporation engages in a transaction affecting its capital structure, such as a merger, distribution of a special dividend, spin-off of a business unit, stock split, subdivision or consolidation of shares of Common Stock, or other events affecting the value of Common Stock.

Further information concerning capital adjustments is set forth in Section 3(d) of the LTIP, which can be located at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

## **Change-in-Control**

In the event of a Change-in-Control or restructuring of the Corporation, the Committee may, in its sole discretion, take certain actions with respect to outstanding Awards to assure fair and equitable treatment of LTIP Participants. Such actions may include the acceleration of vesting, canceling an outstanding Award in exchange for its equivalent cash value (as determined by the Committee), or providing for other adjustments or modifications to outstanding Awards or Performance Goals, as the Committee may deem appropriate. In the event of a Change-In-Control where the PSUs are not replaced by a Replacement Award, the PSUs will fully vest and in accordance with Section 10(b) of the LTIP. Further details concerning Change-in-Control are set forth in Section 10 of the LTIP, which can be located at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

## **Awards Not to Affect Certain Transactions**

PSU Awards do not in any way affect the right of the Corporation or its shareowners to effect: (i) any adjustments, recapitalizations, reorganizations or other changes in the Corporation's capital or business structure; (ii) any merger or consolidation of the Corporation; (iii) any issue of bonds, debentures, shares of stock preferred to, or otherwise affecting the Common Stock of the Corporation or the rights of the holders of such Common Stock; (iv) the dissolution or liquidation of the Corporation; (v) any sale or transfer of all or any part of its assets or business; or (vi) any other corporate act or proceeding.

## **Taxes / Withholding**

The Participant acknowledges that, regardless of any action taken by the Company, the Participant is responsible for all income taxes, social insurance contributions, payroll taxes, payment on account or other tax-related items attributable to any Award ("Tax-Related Items"). The Fair Market Value of Common Stock on the New York Stock Exchange on the date the taxable event occurs will be used to calculate taxable income realized from the PSUs. The provisions of Section 14(d) (Required Taxes) of the LTIP apply to this Award; provided that, if the Participant is an individual covered under Section 16 of the Securities Exchange Act of 1934, as amended at the time that a taxable event occurs, then the Company's withholding obligations with respect to such taxable event will be satisfied by the Company withholding shares of Common Stock subject to the PSU Award having a Fair Market Value on the date of withholding equal to the amount required to be withheld for tax purposes (calculated using the minimum statutory withholding rate, except as otherwise approved by the Committee). The Company shall have the right to deduct directly from any payment or delivery of shares due to a Participant or from Participant's regular compensation to effect compliance with all Tax-Related Items, including withholding and reporting with respect to the vesting of any PSU. Acceptance of an Award constitutes affirmative consent by Participant to such reporting and withholding. The Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company. Further, if the Participant has become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, the Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction. In those countries where there is no withholding on account of such Tax-Related Items, Participants must pay the appropriate taxes as required by any country where they are

subject to tax. In those instances where Company is required to calculate and remit withholding on Tax-Related Items after shares have already been delivered, the Participant shall pay the Company any amount of Tax-Related Items that the Company is required to pay. The Company may refuse to distribute an Award if a Participant fails to comply with his or her obligations in connection with Tax-Related Items.

Important information about the U.S. Federal income tax consequences of LTIP Awards can be found in the LTIP Prospectus at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

### **Non-assignability**

Unless otherwise approved by the Committee or its delegate, no assignment or transfer of any right or interest of a Participant in any PSU Award, whether voluntary or involuntary, by operation of law or otherwise, is permitted except by will or the laws of descent and distribution. Any other attempt to assign such rights or interest shall be void and without force or effect.

### **Nature of Payments**

All Awards made pursuant to the LTIP are in consideration of services performed for the Corporation. Any gains realized pursuant to such Awards constitute a special incentive payment to the Participant and will not be taken into account as compensation for purposes of any of the employee benefit plans of the Company. Awards are made at the discretion of the Committee. Receipt of a current Award does not guarantee receipt of a future Award.

### **Right of Discharge Reserved**

Nothing in the LTIP or in any PSU Award shall confer upon any Participant the right to continued employment or service for any period of time, or affect any right that the Corporation may have to terminate the employment of any Participant at any time for any reason.

### **Administration**

The Board of Directors of the Corporation has delegated the administration and interpretation of the Awards granted pursuant to the LTIP to the Compensation Committee. The Committee establishes such procedures as it deems necessary and appropriate to administer Awards in a manner that is consistent with the terms of the LTIP. The Committee has, consistent with its charter and subject to certain limitations, delegated to the Chief Executive Officer and the Chief Human Resources Officer (and to such subordinates as he or she may further delegate) the authority to grant, administer, and interpret Awards, provided that, such delegation will not apply with respect to employees of the Corporation who are covered under Section 16 of the Securities Exchange Act of 1934, as amended, and to members of the Company's Executive Leadership Team. Awards to these individuals will be granted, administered, and interpreted exclusively by the Committee. The Committee's decision or that of its delegate on any matter related to an Award shall be binding, final, and conclusive on all parties in interest.

### **Data Privacy**

The Corporation maintains electronic records for the purpose of administering the LTIP and individual Awards. In the normal course of plan administration, electronic data may be transferred to different sites within the Company and to outside service providers. Acceptance of an Award constitutes consent by the Participant to the collection, use, processing, transmission, and holding of personal data, in electronic or other form, as required for the implementation, administration, and management of this Award and the LTIP by the Company or its third-party administrators within or outside the country in which the Participant resides or works. All such collection, use, processing, transmission, and holding of data will comply with applicable privacy protection requirements. If you do not want to have your personal data shared, you may choose to not accept this Award.

### **Company Compliance Policies**

Participants must comply with the Company's Code of Ethics and Corporate Policies and Procedures. Violations can result in the forfeiture of Awards and the obligation to repay previous gains realized from LTIP Awards. The Company's Code of Ethics and Corporate Policy Manual are available online on the Company's internal home page.

### **Interpretations**

This Schedule of Terms provides a summary of terms applicable to the PSU Award. This Schedule of Terms and each Award Agreement are subject in all respects to the terms of the LTIP, which can be located at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR). In the event that any provision of this Schedule of Terms or any Award Agreement is inconsistent with the terms of the LTIP, the terms of the LTIP shall govern. Capitalized terms used but not otherwise defined herein shall have the meanings as defined in the LTIP. Any question concerning administration or interpretation arising under the Schedule of Terms or any Award Agreement will be determined by the Committee or its delegates, and such determination shall be final, binding, and conclusive upon all parties in interest. If this Schedule of Terms or any other document related to this Award is translated into a language other than English and a conflict arises between the English and translated version, the English version will control.

### **Governing Law**

The LTIP, this Schedule of Terms, and the Award Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

### **Additional Information**

Questions concerning the LTIP or Awards and requests for LTIP documents can be directed to:

Stock Plan Administrator

[StockPlanAdmin@carrier.com](mailto:StockPlanAdmin@carrier.com)

OR

Carrier Global Corporation

Attn: Stock Plan Administrator  
13995 Pasteur Boulevard  
Palm Beach Gardens, FL 33418

The Corporation and / or its approved Stock Plan Administrator will send any Award-related communications to the Participant's email address or physical address on record. It is the responsibility of the Participant to ensure that both the e-mail and physical address on record are up-to-date and accurate at all times to ensure delivery of Award-related communications.

## Exhibit A

### Carrier Global Corporation 2020 Long-Term Incentive Plan 2023 Restrictive Covenant Addendum to Schedule of Terms

The Participant agrees that except where prohibited by local law, in consideration for the opportunity to earn the Award set forth in this Schedule of Terms and the accompanying Award Agreement and regardless of whether benefits under the Schedule of Terms are actually realized by the Participant, the Participant shall comply with the following terms and conditions, including the Restrictive Covenants set forth below.

#### 1. Acknowledgement

The Participant acknowledges that during his/her employment, the Participant will be provided with, develop and use Trade Secrets or Confidential Information belonging to Carrier Global Corporation or its successor, Affiliates and subsidiaries (the "Corporation"). The Participant recognizes and agrees that the Corporation has a legitimate business interest in maintaining the confidentiality of its Trade Secrets or Confidential Information and a legitimate need to protect itself from improper or unfair competition.

The Participant also recognizes the highly competitive nature of the Corporation's business and the investment the Corporation has made to protect its Trade Secrets or Confidential Information, and understands that if Trade Secrets or Confidential Information were to be disclosed to a competitor or used for an improper purpose, the Corporation would be irreparably harmed.

Finally, the Participant acknowledges that his/her agreement to comply with the terms of this Exhibit may limit the Participant's ability to work in a business similar to the business of the Corporation; provided, however that the Participant agrees that, in light of the Participant's education, skills, abilities and financial resources, the Participant shall not assert, and it shall not be relevant nor admissible as evidence in any dispute arising in respect of the Exhibit, including the Restrictive Covenants.

#### 2. Restrictive Covenants

The Participant acknowledges and agrees that he/she shall be bound by and shall abide by the following restrictive covenants which are necessary to protect the Corporation's legitimate business interests:

##### a. Confidentiality

At all times during and after the termination of the Participant's employment or relationship with the Corporation, the Participant will not, without the Corporation's prior written permission, directly or indirectly for any purpose other than the performance of the Participant's duties for the Corporation, use for his/her own benefit or for the benefit of any third party or disclose to anyone outside of the Corporation any Trade Secrets or Confidential Information or any information received by the Corporation in confidence from or about third parties, as long as such matters remain trade secrets or confidential.

These confidentiality obligations shall not prohibit the Participant from complying with a court order or disclosing Trade Secrets or Confidential Information as required by law; however, the Participant agrees to inform the Corporation as soon as practicable of any such court order or other legal requirement, and the Participant shall take reasonable steps to prevent disclosure of Trade Secrets or Confidential Information until the Company has been informed of such required disclosure and has had a reasonable opportunity to take protective measures such as seeking a protective order. Notwithstanding any other provisions of this Section 2(a), pursuant to 18 USC Section 1833(b), the Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Trade Secrets or Confidential Information

that is made: (A) confidentially to a federal, state or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If the Participant files a lawsuit for retaliation by the Corporation for reporting a suspected violation of law, the Participant may disclose such trade secret to the Participant's attorney and use the trade secret information in related court proceedings; provided that, the Participant files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order. Additionally, the provisions of this Exhibit are not intended to, and shall be interpreted in a manner that does not, limit or restrict the Participant from exercising any legally protected whistleblower rights (including pursuant to Rule 21F under the Securities Exchange Act of 1934).

**b. Non-Competition**

To further ensure the protection of the Corporation's Trade Secrets or Confidential Information, the Participant agrees that during the Participant's employment by the Corporation and during the Restrictive Period, that the Participant will not directly or indirectly, own, manage, operate, control (including indirectly through a debt, equity investment, or otherwise), accept employment with or provide services in any form to (including serving as a director or entering into a consulting relationship or similar arrangement) any person or entity engaged in any business venture that is deemed to be a Competitive Business. Notwithstanding the foregoing, it shall not be considered a breach of this Section 2(b) for the Participant to be a passive owner of not more than 5% of the outstanding stock or other securities or interests of a public company that is a Competitive Business, so long as the Participant has no direct or indirect active participation in the business or management of such corporation or entity.

**c. Non-Solicitation – Employees**

In consideration of the significant time and resources the Corporation has invested and will continue to invest to recruit and retain its employees, as well as the valuable information that the Participant has obtained about Corporation employees, including their respective talents and areas of expertise, the Participant agrees that during the Participant's employment by the Corporation and during the Restrictive Period, the Participant will not, directly or indirectly, on his/her own behalf or on behalf of another: (i) solicit, recruit, aid or induce any employee of the Corporation to leave their employment with the Corporation in order to accept employment with or render services to another person or entity unaffiliated with the Corporation, or (ii) hire or knowingly take any action to assist or aid any other person or entity in identifying or hiring any such employee.

**d. Non-Solicitation – Customers, Suppliers, Licensees, Business Partners and Vendors**

In consideration of the significant time and resources the Corporation has invested and will continue to invest to develop relationships and foster goodwill with its Customers as well as the valuable information the Participant has learned about the Corporation's Customers during his/her employment, the Participant agrees that during the Participant's employment by the Corporation and during the Restrictive Period that he or she will not directly or indirectly, for the Participant's own account or for others, (A) solicit or assist others in soliciting or attempt to solicit (or assist others in attempting to solicit) (i) any existing Customers with whom the Participant had contact, or of whom the Participant became aware while employed by the Corporation during the two (2) year period prior to the Participant's Termination of Employment, or (ii) any prospective Customers of the Corporation with whom the Participant had contact and with whom the Corporation took significant steps to do business during the two (2) year period prior to the Participant's Termination of Employment, for the purpose of inducing such existing or prospective Customers to cease doing business or reduce their business with the Corporation or to purchase, lease or utilize products or services that are competitive with, similar to, or that may be used as substitutes for any products or services offered

by the Corporation, or (B) otherwise interfere with the relationship of the Corporation with any of its Customers.

e. **Non-Disparagement**

The Participant agrees not to disparage or defame, through any public medium (including social media) the business reputation, technology, products, practices or conduct of the Corporation or any member of the board of directors or any executive officer of the Corporation in their capacity as such. Nothing in this Exhibit or elsewhere shall prevent the Participant from making statements in confidence to an immediate family member or to an attorney for the purpose of seeking legal advice, or from making truthful statements when required by law, subpoena or the like, or in arbitration or other proceeding permitted under this Exhibit and/or the Plan, as applicable.

The Participant acknowledges and agrees that the Participant has had the opportunity to seek the advice of counsel in connection with this Exhibit and that the Restrictive Covenants contained herein are reasonable in geographic scope, temporal duration, and in all other respects. The Participant further acknowledges and agrees that the opportunity to earn the Award(s) is reasonable consideration for accepting such restrictions.

**3. Defined Terms**

Capitalized terms used and not otherwise defined herein will have the meaning given thereto in the Plan or the Schedule of Terms for the Award(s), as applicable.

**Competitive Business:** shall mean any person, firm, corporation, or other entity that is (i) located in a region with respect to which the Participant had substantial responsibilities during the final two (2) years of the Participant's employment by the Corporation and is (ii) competitive, with (A) the business unit(s) of the Corporation the Participant was employed with during the final two (2) years of the Participant's employment (including any prospective business to be developed or acquired that was proposed at the date of termination and of which the Participant was aware), or (B) any other business of the Corporation with respect to which the Participant had substantial exposure during the final two (2) years of such employment. The determination of status of a person or entity as a Competitive Business will be made by the Chief Human Resources Officer of the Corporation (or his/her delegate) in his/her sole discretion.

**Customer:** shall mean the Corporation's customers, suppliers, licensees, business partners, and/or vendors.

**Restrictive Period:** shall mean the one (1) year period following the Participant's termination of employment with the Corporation for any reason. Notwithstanding the foregoing, with respect to the Corporation's Chief Executive Officer, and the executives serving as segment and functional leaders who directly report to the Corporation's Chief Executive Officer, the Restrictive Period shall mean the two (2) year period following the Participant's termination of employment with the Corporation for any reason.

**Trade Secrets or Confidential Information:** shall mean any business information or material which is not generally known to the public, and which (a) is generated or collected by or used in the operations of the Corporation and relates to the actual or anticipated business of the Corporation; or (b) results from any task assigned to the Participant by the Corporation or work performed by the Participant for or on behalf of the Corporation. Confidential information shall not be considered generally known to the public if it is revealed improperly to the public by the Participant or others without the Corporation's express written consent and/or in violation of an obligation of confidentiality to the Corporation. Examples of Trade Secrets or Confidential Information include, but are not limited to, customer and supplier contacts, confidential information about customers, pricing, margins, business plans, marketing plans, financial data, business and customer strategies, methods or techniques of manufacturing or producing the products manufactured or produced by the Company, formulations, technical know-

how, formulae, research, development and production information, processes, designs, software, solutions, patent applications and plans or proposals related to the foregoing.

#### **4. Miscellaneous**

##### **a. Governing Law**

This Exhibit will be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any choice of law or conflicting provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the laws of any jurisdiction other than the State of Delaware to be applied. In furtherance of the foregoing, the internal laws of the State of Delaware will control the interpretation and construction of this Exhibit, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

##### **b. Interaction**

Except as set forth below, this Exhibit and the Restrictive Covenants contained herein shall be in addition to, and not in lieu of, any other restrictive covenants that are or may be applicable to the Participant, including without limitation (i) the forfeiture and clawback provisions set forth in the Plan and Schedule of Terms, (ii) the restrictive covenants described in the Carrier Global Corporation Senior Executive Severance Plan, as in effect from time to time, (iii) if applicable, the restrictive covenants in the Executive Leadership Group Agreement that the Participant entered into when he/she was appointed to United Technologies Corporation's Executive Leadership Group ("ELG"), (iv) if applicable, the restrictive covenants in the ELG Restricted Stock Unit Retention Award Schedule of Terms that was provided to the Participant when he/she became a member of United Technologies Corporation's Executive Leadership Group and (v) the restrictive covenants described in the Carrier Global Corporation Change in Control Severance Plan, as in effect from time to time.

Notwithstanding the foregoing, to the extent that any of the Restrictive Covenants set forth in Section 2 of this Exhibit would invalidate or conflict with restrictive covenants that are similar in nature and that: (i) were independently agreed to in an employment agreement negotiated by and between the Participant and the Corporation, and (ii) provide comparable or greater protections and remedies to the Corporation, those specific Restrictive Covenants shall be deemed inapplicable with respect to the Participant.

##### **c. Validity; Severability; Blue Pencil**

It is the desire and intent of the parties hereto that the provisions of this Exhibit shall be enforced to the fullest extent legally-permissible. As such, the parties agree that the provisions of this Exhibit and obligations of the parties are severable, and that if it is determined that any part or portion of this Exhibit is invalid or unenforceable, the remainder of the provisions of this Exhibit shall not thereby be affected and shall be given full effect, without regard to the invalid portions. If any court or other decision-maker of competent jurisdiction determines that any of the covenants in this Exhibit is unenforceable because of the duration or geographic scope of such provision, then, after such determination becomes final and unappealable, the duration or scope of such provision, as the case may be, shall be reduced so that such provision becomes enforceable, and that, in its reduced form, such provision shall be enforced.

##### **d. Remedies**

The Participant acknowledges that a remedy at law for any breach or threatened breach of the provisions of this Exhibit would be inadequate and therefore agrees that in addition to any remedies that may be available to the Corporation under the Terms of the Plan or the Schedule of Terms, the Corporation shall be entitled to injunctive relief in case of any such breach or threatened breach. In the event that a court determines that the Participant has breached or threatened to breach this Exhibit, the Participant agrees

to reimburse the Corporation for all attorneys' fees and costs incurred in enforcing the terms of the Exhibit. However, nothing contained herein shall be construed as prohibiting the Corporation from pursuing any other remedies available for any such breach or threatened breach against the Participant or the Participant's then-current employer that may also include but not be limited to contract damages, lost profits and punitive damages.

**e. Participant's Future Employer**

To enable the Corporation to monitor compliance with this Exhibit, the Participant agrees that upon the termination of his/her employment for any reason and for the duration of the Restrictive Period, that he/she will advise the Corporation of the name and address of his/her intended future employer. Furthermore, for the duration of the Restrictive Period, the Participant will inform each new employer, prior to accepting employment, of the existence of this Exhibit and provide that employer with a copy of it. The Corporation has the right to inform any future employer of the existence of this Exhibit and to provide any future employers with a copy of it.

**f. Assignment**

This Exhibit (including Section 2 hereof) shall inure to the benefit of and be binding upon the Corporation and its successors and assigns. The Corporation may assign this Exhibit (including this Section 2), without the Participant's consent to, including but not limited to, any of the entities within the Corporation or to any successor (whether by merger, purchase, bankruptcy, reorganization or otherwise) to all or substantially all of the equity, assets or businesses of the Corporation. The Participant may not assign the Exhibit (or the obligations set forth in this Section 2).

**g. No Contract**

Neither the Award, the applicable Schedule of Terms for the Award, this Exhibit, nor the Plan constitute a contract of employment; nor do they guarantee the Participant's continued employment for any period required for all or any of the Participant's Awards to vest become exercisable, be earned or be paid out.

**Carrier Global Corporation  
2020 Long-Term Incentive Plan**

**Restricted Stock Unit Award**  
*Schedule of Terms*

***(February 1, 2023)***

This Schedule of Terms describes the material features of the Participant's Restricted Stock Unit Award (the "RSU Award" or the "Award") granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan (the "LTIP"), subject to this Schedule of Terms, the Award Agreement, and the terms and conditions set forth in the LTIP. The LTIP Prospectus contains further information about the LTIP and this Award and is available on the Company's internal employee website and at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

## Certain Definitions

A Restricted Stock Unit (an "RSU") represents the right to receive one share of common stock of Carrier Global Corporation (the "Common Stock") (or a cash payment equal to the Fair Market Value thereof). RSUs generally vest and are converted into shares of Common Stock if the Participant remains employed or otherwise engaged by the Company or the Corporation through the applicable vesting date schedule set forth on the Award Agreement (see "Vesting" below), or upon an earlier Termination of Service under limited circumstances that result in accelerated vesting (see "Termination of Service" below). "Company" means Carrier Global Corporation, together with its subsidiaries, divisions and Affiliates (collectively, the "Corporation"). "Termination Date" means the date the Participant's employment ends, or, if different, the date a Participant ceases providing services to the Corporation as an employee, consultant, or in any other capacity. For the avoidance of doubt, absences from employment by reason of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service shall not be recognized as service in determining the Termination Date. All references to termination of employment in this Schedule of Terms will be deemed to refer to "Termination of Service" as defined in the LTIP. "Committee" means the Compensation Committee of the Board. Capitalized terms not otherwise defined in this Schedule of Terms have the same meaning as defined in the LTIP.

## Acknowledgement and Acceptance of Award

The number of RSUs awarded is set forth in the Award Agreement. The Award recipient (the "Participant") must affirmatively acknowledge and accept the terms and conditions of the RSU Award within 150 days following the Grant Date. A failure to acknowledge and accept the RSU Award within such 150-day period will result in forfeiture of the RSU Award, effective as of the 150th day following the Grant Date.

Participants must acknowledge and accept the terms and conditions of this RSU Award electronically via the UBS *One Source* website at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR). Participants based in certain countries may be required to acknowledge and accept the terms and conditions of this RSU Award by signing and returning the designated hard copy portion of the Award Agreement to the Stock Plan Administrator.

## Dividends

RSUs granted under this Award will earn dividend equivalent units each time the Corporation pays a cash dividend to Common Stock shareholders of record. Dividend equivalents will be credited as additional RSUs to Awards outstanding on the dividend payment date and will vest on the same date as the underlying RSUs. The number of additional RSUs that will be credited on any dividend payment date will equal (1) the per share cash dividend amount, multiplied by (2) the number of RSUs subject to the RSU Award (including RSUs resulting from prior dividend equivalents), divided by (3) the Fair Market Value of a share of Common Stock on the dividend payment date, rounded down to the nearest whole number of RSUs.

## Vesting

RSUs will vest in accordance with the schedule set forth in the Award Agreement, subject to the Participant's continued employment or service with the Corporation through each applicable vesting date. Unvested RSUs will be forfeited in the event of Termination of Service prior to the vesting date, except in certain earlier terminations involving Retirement, Involuntary Termination, Disability, Change-in-Control Termination, or death (see "Termination of Service" below).

RSUs may also be forfeited and value realized from previously vested RSUs may be recouped by the Company under certain circumstances (see "Forfeiture of Award and Repayment of Realized Gains" below).

### **No Shareowner Rights**

An RSU is the right to receive a share of Common Stock in the future (or a cash payment equal to the Fair Market Value), subject to continued employment or service and certain other conditions. The holder of an RSU has no voting or other rights accorded to owners of Common Stock, unless and until RSUs are converted into shares of Common Stock.

### **Payment / Conversion of RSUs**

Vested RSUs will be converted into shares of Common Stock to be delivered to the Participant as soon as administratively practicable following the applicable vesting date, but in no event later than March 15<sup>th</sup> following the year in which such vesting date occurs (see special rules for specified employees below); provided that to the extent the RSUs constitute "nonqualified deferred compensation" subject to Section 409A as a result of the provisions under "Retirement" below, such settlement shall occur during the calendar year in which the vesting date occurs, except as otherwise set forth herein. RSUs may instead be paid in cash if the Committee so determines, including where local law restricts the distribution of Common Stock.

Furthermore, the Committee reserves the right to sell shares of Common Stock held by the Participant as a result of vesting of RSUs as soon as administratively practicable following the Participant's Termination Date where required by local law. By way of example, for Participants subject to exchange control regulations in the People's Republic of China, the Corporation's broker will sell the shares of Common Stock held by the Participant within six months following the Participant's Termination date, and the proceeds from such sale less any applicable withholdings, will be delivered to the Participant (or the Participant's estate) as soon as administratively practicable.

### **Termination of Service**

The treatment of RSUs upon Termination of Service depends upon the reason for termination, as detailed in the following sections. RSUs held for less than one year as of the Termination Date will be forfeited, except in the event of death, Disability, or Change-in-Control Termination, as discussed below.

Absences from employment because of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service will not be recognized as service in determining the Termination Date.

**Retirement.** If the Participant's termination results from Retirement, unvested RSUs held for at least one year as of the Termination Date will fully vest and convert into shares of Common Stock (or cash) to be delivered to the Participant as soon as administratively practicable thereafter (but in no event more than 90 days following the Termination Date (see special rules for specified employees below). For this purpose, Retirement means either a Normal Retirement or Early Retirement as defined below:

- "Normal Retirement" means retirement on or after age 65;
- "Early Retirement" means retirement on or after:
  - Age 55 with 10 or more years of continuous service as of the Termination Date; or
  - For all Participants who were actively employed by the Corporation at an M/P7 or F1/F2 level or above on December 31, 2021 (as those levels existed on December 31, 2021), Early Retirement shall also mean age 50, but before age 55, and the Participant's age and continuous service as of the Termination Date adds up to 65 or more ("Rule of 65").

A Participant will not be eligible to receive Retirement treatment with respect to any Award in the event of involuntary termination by the Corporation for Cause.

For purposes of this Retirement section, continuous service shall have the meaning ascribed to it in any policy that may be issued by the Company from time to time addressing the calculation of an employee's (including a re-employed employee's) continuous service date. The calculation to determine Early Retirement will include partial years, rounded down to the nearest full month.

**Involuntary Termination for Cause.** If the Participant's termination results from an involuntary termination by the Corporation for Cause (as defined in the LTIP), unvested RSUs will be forfeited as of the Termination Date regardless of the Participant's Retirement eligibility. In addition, value realized from previously vested RSUs is subject to repayment in the event of termination for Cause or certain other occurrences (see "Forfeiture of Award and Repayment of Realized Gains" below).

**Involuntary Termination other than for Cause, death, or Disability.** If the Participant's termination results prior to the vesting date from an involuntary termination by the Corporation for reasons other than Cause, death, Disability, and does not constitute a Change-in-Control Termination, unvested RSUs held for at least one year as of the Termination Date will receive pro-rata vesting treatment, subject to the Participant providing the Company with a release of claims against the Corporation in a form and manner satisfactory to the Company. The pro-rata vesting of an RSU Award held for at least one year will be based on the number of months worked during the vesting period, including partial months, relative to the full vesting period. Any RSUs not vested under this pro-rata vesting formula will be forfeited as of the Termination Date.

Absences from employment because of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service will not be recognized as service in determining the pro-rata vesting percentage.

For the avoidance of doubt, the foregoing pro-rata vesting upon a Termination without Cause will include involuntary terminations resulting from workforce reductions, location closings, restructurings, layoffs, or similar events, as determined by the Committee.

Retirement eligible Participants will be eligible to vest in accordance with the Retirement provisions set forth above. Change-in-Control Terminations are subject to vesting treatment as set forth in the Change-in-Control provisions below. A Participant who is involuntarily terminated for Cause is not eligible for pro-rata vesting of Awards.

**Voluntary Termination.** A Participant who voluntarily terminates employment or service (other than for Retirement or a Change-in-Control Termination) is not entitled to pro-rata vesting and will forfeit all unvested RSUs.

**Death or Disability.** If the Participant dies while still employed by or providing services to the Corporation, or if the Participant incurs a Disability (as defined in the LTIP), all unvested RSUs will vest as of the date of the death or Disability, as applicable, and will be converted to shares of Common Stock (or cash) to be delivered to the Participant or the Participant's estate as applicable, net of taxes (where applicable), as soon as administratively practicable; provided that with respect to any individual who is eligible for Retirement vesting at the time of Disability and therefore the RSUs constitute "nonqualified deferred compensation" subject to Section 409A of the Code, such settlement will occur within 90 days after the Disability.

**Change-in-Control Termination.** If the RSUs are replaced with a Replacement Award in connection with a Change-in-Control in accordance with Section 10(c) of the LTIP, and a Participant's termination results from an involuntary termination by the Company for reasons other than for Cause, or due to the Participant's voluntary termination for "Good Reason," in each case, within 24 months following a Change-in-Control in accordance with Section 10(d) of the LTIP (such Termination of Service, a "CIC Termination"), then all unvested RSUs will vest as of the Termination Date and be converted into shares of Common Stock (or cash) to be delivered to the Participant as soon as administratively practicable after the Termination Date, subject to the six-month delay noted below under "Specified Employees", if applicable.

**Specified Employees.** If a Participant is a "specified employee" within the meaning of Section 409A of the Code (i.e., generally the fifty highest paid employees, as determined by the Company) at the time of the Participant's Termination of Service, and the RSUs will vest by reason of such Participant's Termination of Service, then, to the extent necessary to avoid the application of any additional tax or penalty under IRC Section 409A and consistent with the terms of the Plan, RSUs will vest effective as of the Participant's Termination Date, but will not be released into the Participant's UBS account until the first day of the seventh month following the Termination Date or on the Participant's death or Disability if earlier. Upon vest, RSUs will convert into an equal number of shares of Common Stock (or cash) to be delivered to the Participant on the first day of the seventh month following the Termination Date. The value of the RSUs will be determined as of the date the shares are released, and the Participant shall be entitled to receive any dividend equivalents that are paid on the RSUs during the period between the vest date and the date the shares are released to the Participant, subject to the same payment timing requirements as the underlying RSUs.

#### **Forfeiture of Award and Repayment of Realized Gains**

RSUs will be immediately forfeited and a Participant will be obligated to repay to the Company the value realized from previously vested RSUs upon the occurrence of any of the following events:

- (i) Termination for Cause (as defined in the LTIP);

- (ii) A determination that the Participant engaged in conduct that could have constituted the basis for a Termination for Cause, including determinations made within three years following the Termination Date;
- (iii) Within twenty-four months following the Termination Date, the Participant:
  - (A) Solicits a Corporation employee, or individual who had been a Corporation employee within the previous three months, for an opportunity outside of the Corporation; or
  - (B) Publicly disparages the Corporation, its employees, directors, products, or otherwise makes a public statement that is materially detrimental to the interests of the Corporation or such individuals; or
- (iv) At any time during the twelve-month period following the Termination Date: (A) the Participant becomes employed by, consults for, or otherwise renders services to any business entity or person engaged in activities that compete with the Corporation or the business unit that employed the Participant; or (B) that is a material customer of or a material supplier to the Corporation or the business unit that employed the Participant, unless, in either case, the Participant has first obtained the consent of the Chief Human Resources Officer or her or his delegate. This restriction applies to competitors, customers, and suppliers of each business unit that employed the Participant within the two-year period prior to the Termination Date. The determination of status of competitors, customers, and suppliers will be made by the Chief Human Resources Officer (or her or his delegate) in her or his sole discretion.

Further details concerning the forfeiture of awards and the obligation to repay gains realized from LTIP awards are set forth in Section 14(i) of the LTIP, which can be located at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

In addition to the provisions set forth above, and in consideration for the Participant's opportunity to earn the Award, the Participant agrees to be bound by the restrictive covenants set forth in Exhibit A to this Schedule of Terms even if the Participant ultimately forfeits the Award or otherwise fails to receive any benefits in connection with the Award.

Notwithstanding the foregoing, if the Participant is an individual covered under Section 16 of the Securities Exchange Act of 1934, the Participant understands and acknowledges that the Award may be subject to additional clawback and/or forfeiture provisions as set forth within any separate policy maintained by the Company from time to time, including without limitation any such provisions as may be required by SEC or stock exchange listing rules or otherwise, and of which the Company may require separate acknowledgement by the Participant at any time as a condition of receiving any amount with respect to this Award.

The Participant agrees that the foregoing restrictions are reasonable and that the value of the LTIP awards is reasonable consideration for accepting such restrictions and forfeiture contingencies. However, if any portion of this section is held by competent authority to be unenforceable or contrary to applicable law, this section shall be deemed amended to limit its scope to the broadest scope that such authority determines is enforceable, and as so amended shall continue in effect. The Participant acknowledges that this Award shall constitute compensation in satisfaction of these covenants.

## **Adjustments**

RSU Awards may be subject to adjustment under the terms of the Plan if the Corporation engages in a transaction affecting its capital structure, such as a merger, distribution of a special dividend, spin-off of a business unit, stock split, subdivision or consolidation of shares of Common Stock or other events affecting the value of Common Stock.

Further information concerning capital adjustments is set forth in Section 3(d) of the LTIP, which can be located at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

## **Change-in-Control**

In the event of a Change-in-Control or restructuring of the Corporation, the Committee may, in its sole discretion, take certain actions with respect to outstanding Awards to assure fair and equitable treatment of LTIP Participants. Such actions may include the acceleration of vesting, canceling an outstanding Award in exchange for its equivalent cash value (as determined by the Committee), or providing for other adjustments or modifications to outstanding Awards as the Committee may deem appropriate. In the event of a Change-In-Control where the RSUs are not replaced by a Replacement Award, the RSUs will fully vest and in accordance with Section 10(b) of the LTIP. Further details concerning Change-in-Control are set forth in Section 10 of the LTIP, which can be located [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

## **Awards Not to Affect Certain Transactions**

RSU Awards do not in any way affect the right of the Corporation or its shareowners to effect: (i) any adjustments, recapitalizations, reorganizations or other changes in the Corporation's capital or business structure; (ii) any merger or consolidation of the Corporation; (iii) any issue of bonds, debentures, shares of stock preferred to, or otherwise affecting the Common Stock of the Corporation or the rights of the holders of such Common Stock; (iv) the dissolution or liquidation of the Corporation; (v) any sale or transfer of all or any part of its assets or business; or (vi) any other corporate act or proceeding.

## **Taxes / Withholding**

The Participant acknowledges that, regardless of any action taken by the Company, the Participant is responsible for all income taxes, social insurance contributions, payroll taxes, payment on account or other tax-related items attributable to any Award ("Tax-Related Items"). The Fair Market Value of Common Stock on the New York Stock Exchange on the date the taxable event occurs will be used to calculate taxable income realized from the RSUs. The provisions of Section 14(d) (Required Taxes) of the LTIP apply to this Award; provided that, if the Participant is an individual covered under Section 16 of the Securities Exchange Act of 1934, as amended at the time that a taxable event occurs, then the Company's withholding obligations with respect to such taxable event will be satisfied by the Company withholding shares of Common Stock subject to the RSU Award having a Fair Market Value on the date of withholding equal to the amount required to be withheld for tax purposes (calculated using the minimum statutory withholding rate, except as otherwise approved by the Committee). The Company shall have the right to deduct directly from any payment or delivery of shares due to a Participant or

from Participant's regular compensation to effect compliance with all Tax-Related Items, including withholding and reporting with respect to the vesting of any RSU. Acceptance of an Award constitutes affirmative consent by Participant to such reporting and withholding. The Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company. Further, if the Participant has become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, the Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction. In those countries where there is no withholding on account of such Tax-Related Items, Participants must pay the appropriate taxes as required by any country where they are subject to tax. In those instances where Company is required to calculate and remit withholding on Tax-Related Items after shares have already been delivered, the Participant shall pay the Company any amount of Tax-Related Items that the Company is required to pay. The Company may refuse to distribute an Award if a Participant fails to comply with his or her obligations in connection with Tax-Related Items.

Important information about the U.S. Federal income tax consequences of LTIP Awards can be found in the LTIP Prospectus at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

### **Non-assignability**

Unless otherwise approved by the Committee or its delegate, no assignment or transfer of any right or interest of a Participant in any RSU Award, whether voluntary or involuntary, by operation of law or otherwise, is permitted except by will or the laws of descent and distribution. Any other attempt to assign such rights or interest shall be void and without force or effect.

### **Nature of Payments**

All Awards made pursuant to the LTIP are in consideration of services performed for the Corporation. Any gains realized pursuant to such Awards constitute a special incentive payment to the Participant and will not be taken into account as compensation for purposes of any of the employee benefit plans of the Company. Awards are made at the discretion of the Committee. Receipt of a current Award does not guarantee receipt of a future Award.

### **Right of Discharge Reserved**

Nothing in the LTIP or in any RSU Award shall confer upon any Participant the right to continued employment or service for any period of time, or affect any right that the Corporation may have to terminate the employment of any Participant at any time for any reason.

### **Administration**

The Board of Directors of the Corporation has delegated the administration and interpretation of the Awards granted pursuant to the LTIP to the Compensation Committee. The Committee establishes such procedures as it deems necessary and appropriate to administer Awards in a manner that is consistent with the terms of the LTIP. The Committee has, consistent with its charter and subject to certain limitations, delegated to the Chief Executive Officer and the Chief Human Resources Officer (and to such subordinates as he or she may further delegate) the

authority to grant, administer, and interpret Awards, provided that, such delegation will not apply with respect to employees of the Corporation who are covered under Section 16 of the Securities Exchange Act of 1934, as amended, and to members of the Company's Executive Leadership Team. Awards to these individuals will be granted, administered, and interpreted exclusively by the Committee. The Committee's decision or that of its delegate on any matter related to an Award shall be binding, final, and conclusive on all parties in interest.

### **Data Privacy**

The Corporation maintains electronic records for the purpose of administering the LTIP and individual Awards. In the normal course of plan administration, electronic data may be transferred to different sites within the Corporation and to outside service providers. Acceptance of an Award constitutes consent by the Participant to the collection, use, processing, transmission, and holding of personal data, in electronic or other form, as required for the implementation, administration, and management of this Award and the LTIP by the Company or its third-party administrators within or outside the country in which the Participant resides or works. All such collection, use, processing, transmission, and holding of data will comply with applicable privacy protection requirements. If you do not want to have your personal data shared, you may choose to not accept this Award.

### **Company Compliance Policies**

Participants must comply with the Company's Code of Ethics and Corporate Policies and Procedures. Violations can result in the forfeiture of Awards and the obligation to repay previous gains realized from LTIP Awards. The Company's Code of Ethics and Corporate Policy Manual are available online on the Company's internal home page.

### **Interpretations**

This Schedule of Terms provides a summary of terms applicable to the RSU Award. This Schedule of Terms and each Award Agreement are subject in all respects to the terms of the LTIP, which can be located at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR). In the event that any provision of this Schedule of Terms or any Award Agreement is inconsistent with the terms of the LTIP, the terms of the LTIP shall govern. Capitalized terms used but not otherwise defined herein shall have the meanings as defined in the LTIP. Any question concerning administration or interpretation arising under the Schedule of Terms or any Award Agreement will be determined by the Committee or its delegates, and such determination shall be final, binding, and conclusive upon all parties in interest. If this Schedule of Terms or any other document related to this Award is translated into a language other than English and a conflict arises between the English and translated version, the English version will control.

### **Governing Law**

The LTIP, this Schedule of Terms, and the Award Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

### **Additional Information**

Questions concerning the LTIP or Awards and requests for LTIP documents can be directed to:

Stock Plan Administrator

StockPlanAdmin@carrier.com

OR

Carrier Global Corporation  
Attn: Stock Plan Administrator  
13995 Pasteur Boulevard  
Palm Beach Gardens, FL 33418

The Corporation and / or its approved Stock Plan Administrator will send any Award-related communications to the Participant's email address or physical address on record. It is the responsibility of the Participant to ensure that both the e-mail and physical address on record are up-to-date and accurate at all times to ensure delivery of Award-related communications.

## Exhibit A

### Carrier Global Corporation 2020 Long-Term Incentive Plan 2023 Restrictive Covenant Addendum to Schedule of Terms

The Participant agrees that except where prohibited by local law, in consideration for the opportunity to earn the Award set forth in this Schedule of Terms and the accompanying Award Agreement and regardless of whether benefits under the Schedule of Terms are actually realized by the Participant, the Participant shall comply with the following terms and conditions, including the Restrictive Covenants set forth below.

#### 1. Acknowledgement

The Participant acknowledges that during his/her employment, the Participant will be provided with, develop and use Trade Secrets or Confidential Information belonging to Carrier Global Corporation or its successor, Affiliates and subsidiaries (the "Corporation"). The Participant recognizes and agrees that the Corporation has a legitimate business interest in maintaining the confidentiality of its Trade Secrets or Confidential Information and a legitimate need to protect itself from improper or unfair competition.

The Participant also recognizes the highly competitive nature of the Corporation's business and the investment the Corporation has made to protect its Trade Secrets or Confidential Information, and understands that if Trade Secrets or Confidential Information were to be disclosed to a competitor or used for an improper purpose, the Corporation would be irreparably harmed.

Finally, the Participant acknowledges that his/her agreement to comply with the terms of this Exhibit may limit the Participant's ability to work in a business similar to the business of the Corporation; provided, however that the Participant agrees that, in light of the Participant's education, skills, abilities and financial resources, the Participant shall not assert, and it shall not be relevant nor admissible as evidence in any dispute arising in respect of the Exhibit, including the Restrictive Covenants.

#### 2. Restrictive Covenants

The Participant acknowledges and agrees that he/she shall be bound by and shall abide by the following restrictive covenants which are necessary to protect the Corporation's legitimate business interests:

##### a. Confidentiality

At all times during and after the termination of the Participant's employment or relationship with the Corporation, the Participant will not, without the Corporation's prior written permission, directly or indirectly for any purpose other than the performance of the Participant's duties for the Corporation, use for his/her own benefit or for the benefit of any third party or disclose to anyone outside of the Corporation any Trade Secrets or Confidential Information or any information received by the Corporation in confidence from or about third parties, as long as such matters remain trade secrets or confidential.

These confidentiality obligations shall not prohibit the Participant from complying with a court order or disclosing Trade Secrets or Confidential Information as required by law; however, the Participant agrees to inform the Corporation as soon as practicable of any such court order or other legal requirement, and the Participant shall take reasonable steps to prevent disclosure of Trade Secrets or Confidential Information until the Company has been informed of such required disclosure and has had a reasonable opportunity to take protective measures such as seeking a protective order. Notwithstanding any other provisions of this Section 2(a), pursuant to 18 USC Section 1833(b), the Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Trade Secrets or Confidential Information that is made: (A) confidentially to a federal, state or local government official, either

directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If the Participant files a lawsuit for retaliation by the Corporation for reporting a suspected violation of law, the Participant may disclose such trade secret to the Participant's attorney and use the trade secret information in related court proceedings; provided that, the Participant files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order. Additionally, the provisions of this Exhibit are not intended to, and shall be interpreted in a manner that does not, limit or restrict the Participant from exercising any legally protected whistleblower rights (including pursuant to Rule 21F under the Securities Exchange Act of 1934).

**b. Non-Competition**

To further ensure the protection of the Corporation's Trade Secrets or Confidential Information, the Participant agrees that during the Participant's employment by the Corporation and during the Restrictive Period, that the Participant will not directly or indirectly, own, manage, operate, control (including indirectly through a debt, equity investment, or otherwise), accept employment with or provide services in any form to (including serving as a director or entering into a consulting relationship or similar arrangement) any person or entity engaged in any business venture that is deemed to be a Competitive Business. Notwithstanding the foregoing, it shall not be considered a breach of this Section 2(b) for the Participant to be a passive owner of not more than 5% of the outstanding stock or other securities or interests of a public company that is a Competitive Business, so long as the Participant has no direct or indirect active participation in the business or management of such corporation or entity.

**c. Non-Solicitation – Employees**

In consideration of the significant time and resources the Corporation has invested and will continue to invest to recruit and retain its employees, as well as the valuable information that the Participant has obtained about Corporation employees, including their respective talents and areas of expertise, the Participant agrees that during the Participant's employment by the Corporation and during the Restrictive Period, the Participant will not, directly or indirectly, on his/her own behalf or on behalf of another: (i) solicit, recruit, aid or induce any employee of the Corporation to leave their employment with the Corporation in order to accept employment with or render services to another person or entity unaffiliated with the Corporation, or (ii) hire or knowingly take any action to assist or aid any other person or entity in identifying or hiring any such employee.

**d. Non-Solicitation – Customers, Suppliers, Licensees, Business Partners and Vendors**

In consideration of the significant time and resources the Corporation has invested and will continue to invest to develop relationships and foster goodwill with its Customers as well as the valuable information the Participant has learned about the Corporation's Customers during his/her employment, the Participant agrees that during the Participant's employment by the Corporation and during the Restrictive Period that he or she will not directly or indirectly, for the Participant's own account or for others, (A) solicit or assist others in soliciting or attempt to solicit (or assist others in attempting to solicit) (i) any existing Customers with whom the Participant had contact, or of whom the Participant became aware while employed by the Corporation during the two (2) year period prior to the Participant's Termination of Employment, or (ii) any prospective Customers of the Corporation with whom the Participant had contact and with whom the Corporation took significant steps to do business during the two (2) year period prior to the Participant's Termination of Employment, for the purpose of inducing such existing or prospective Customers to cease doing business or reduce their business with the Corporation or to purchase, lease or utilize products or services that are competitive with, similar to, or that may be used as substitutes for any products or services offered by the Corporation, or (B) otherwise interfere with the relationship of the Corporation with any of its Customers.

**e. Non-Disparagement**

The Participant agrees not to disparage or defame, through any public medium (including social media) the business reputation, technology, products, practices or conduct of the Corporation or any member of the board of directors or any executive officer of the Corporation in their capacity as such. Nothing in this Exhibit or elsewhere shall prevent the Participant from making statements in confidence to an immediate family member or to an attorney for the purpose of seeking legal advice, or from making truthful statements when required by law, subpoena or the like, or in arbitration or other proceeding permitted under this Exhibit and/or the Plan, as applicable.

The Participant acknowledges and agrees that the Participant has had the opportunity to seek the advice of counsel in connection with this Exhibit and that the Restrictive Covenants contained herein are reasonable in geographic scope, temporal duration, and in all other respects. The Participant further acknowledges and agrees that the opportunity to earn the Award(s) is reasonable consideration for accepting such restrictions.

### 3. Defined Terms

Capitalized terms used and not otherwise defined herein will have the meaning given thereto in the Plan or the Schedule of Terms for the Award(s), as applicable.

**Competitive Business:** shall mean any person, firm, corporation, or other entity that is (i) located in a region with respect to which the Participant had substantial responsibilities during the final two (2) years of the Participant's employment by the Corporation and is (ii) competitive, with (A) the business unit(s) of the Corporation the Participant was employed with during the final two (2) years of the Participant's employment (including any prospective business to be developed or acquired that was proposed at the date of termination and of which the Participant was aware), or (B) any other business of the Corporation with respect to which the Participant had substantial exposure during the final two (2) years of such employment. The determination of status of a person or entity as a Competitive Business will be made by the Chief Human Resources Officer of the Corporation (or his/her delegate) in his/her sole discretion.

**Customer:** shall mean the Corporation's customers, suppliers, licensees, business partners, and/or vendors.

**Restrictive Period:** shall mean the one (1) year period following the Participant's termination of employment with the Corporation for any reason. Notwithstanding the foregoing, with respect to the Corporation's Chief Executive Officer, and the executives serving as segment and functional leaders who directly report to the Corporation's Chief Executive Officer, the Restrictive Period shall mean the two (2) year period following the Participant's termination of employment with the Corporation for any reason.

**Trade Secrets or Confidential Information:** shall mean any business information or material which is not generally known to the public, and which (a) is generated or collected by or used in the operations of the Corporation and relates to the actual or anticipated business of the Corporation; or (b) results from any task assigned to the Participant by the Corporation or work performed by the Participant for or on behalf of the Corporation. Confidential information shall not be considered generally known to the public if it is revealed improperly to the public by the Participant or others without the Corporation's express written consent and/or in violation of an obligation of confidentiality to the Corporation. Examples of Trade Secrets or Confidential Information include, but are not limited to, customer and supplier contacts, confidential information about customers, pricing, margins, business plans, marketing plans, financial data, business and customer strategies, methods or techniques of manufacturing or producing the products manufactured or produced by the Company, formulations, technical know-how, formulae, research, development and production information, processes, designs, software, solutions, patent applications and plans or proposals related to the foregoing.

### 4. Miscellaneous

**a. Governing Law**

This Exhibit will be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any choice of law or conflicting provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the laws of any jurisdiction other than the State of Delaware to be applied. In furtherance of the foregoing, the internal laws of the State of Delaware will control the interpretation and construction of this Exhibit, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

**b. Interaction**

Except as set forth below, this Exhibit and the Restrictive Covenants contained herein shall be in addition to, and not in lieu of, any other restrictive covenants that are or may be applicable to the Participant, including without limitation (i) the forfeiture and clawback provisions set forth in the Plan and Schedule of Terms, (ii) the restrictive covenants described in the Carrier Global Corporation Senior Executive Severance Plan, as in effect from time to time, (iii) if applicable, the restrictive covenants in the Executive Leadership Group Agreement that the Participant entered into when he/she was appointed to United Technologies Corporation's Executive Leadership Group ("ELG"), (iv) if applicable, the restrictive covenants in the ELG Restricted Stock Unit Retention Award Schedule of Terms that was provided to the Participant when he/she became a member of United Technologies Corporation's Executive Leadership Group and (v) the restrictive covenants described in the Carrier Global Corporation Change in Control Severance Plan, as in effect from time to time.

Notwithstanding the foregoing, to the extent that any of the Restrictive Covenants set forth in Section 2 of this Exhibit would invalidate or conflict with restrictive covenants that are similar in nature and that: (i) were independently agreed to in an employment agreement negotiated by and between the Participant and the Corporation, and (ii) provide comparable or greater protections and remedies to the Corporation, those specific Restrictive Covenants shall be deemed inapplicable with respect to the Participant.

**c. Validity; Severability; Blue Pencil**

It is the desire and intent of the parties hereto that the provisions of this Exhibit shall be enforced to the fullest extent legally-permissible. As such, the parties agree that the provisions of this Exhibit and obligations of the parties are severable, and that if it is determined that any part or portion of this Exhibit is invalid or unenforceable, the remainder of the provisions of this Exhibit shall not thereby be affected and shall be given full effect, without regard to the invalid portions. If any court or other decision-maker of competent jurisdiction determines that any of the covenants in this Exhibit is unenforceable because of the duration or geographic scope of such provision, then, after such determination becomes final and unappealable, the duration or scope of such provision, as the case may be, shall be reduced so that such provision becomes enforceable, and that, in its reduced form, such provision shall be enforced.

**d. Remedies**

The Participant acknowledges that a remedy at law for any breach or threatened breach of the provisions of this Exhibit would be inadequate and therefore agrees that in addition to any remedies that may be available to the Corporation under the Terms of the Plan or the Schedule of Terms, the Corporation shall be entitled to injunctive relief in case of any such breach or threatened breach. In the event that a court determines that the Participant has breached or threatened to breach this Exhibit, the Participant agrees to reimburse the Corporation for all attorneys' fees and costs incurred in enforcing the terms of the Exhibit. However, nothing contained herein shall be construed as prohibiting the Corporation from pursuing any other remedies available for any such breach or threatened breach against the Participant or the Participant's then-current employer that

may also include but not be limited to contract damages, lost profits and punitive damages.

**e. Participant's Future Employer**

To enable the Corporation to monitor compliance with this Exhibit, the Participant agrees that upon the termination of his/her employment for any reason and for the duration of the Restrictive Period, that he/she will advise the Corporation of the name and address of his/her intended future employer. Furthermore, for the duration of the Restrictive Period, the Participant will inform each new employer, prior to accepting employment, of the existence of this Exhibit and provide that employer with a copy of it. The Corporation has the right to inform any future employer of the existence of this Exhibit and to provide any future employers with a copy of it.

**f. Assignment**

This Exhibit (including Section 2 hereof) shall inure to the benefit of and be binding upon the Corporation and its successors and assigns. The Corporation may assign this Exhibit (including this Section 2), without the Participant's consent to, including but not limited to, any of the entities within the Corporation or to any successor (whether by merger, purchase, bankruptcy, reorganization or otherwise) to all or substantially all of the equity, assets or businesses of the Corporation. The Participant may not assign the Exhibit (or the obligations set forth in this Section 2).

**g. No Contract**

Neither the Award, the applicable Schedule of Terms for the Award, this Exhibit, nor the Plan constitute a contract of employment; nor do they guarantee the Participant's continued employment for any period required for all or any of the Participant's Awards to vest become exercisable, be earned or be paid out.

**Carrier Global Corporation  
2020 Long-Term Incentive Plan**

**Stock Appreciation Right Award**  
*Schedule of Terms*

***(February 1, 2023)***

This Schedule of Terms describes the material features of the Participant's Stock Appreciation Right Award (the "SAR Award" or the "Award") granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan (the "LTIP"), subject to this Schedule of Terms, the Award Agreement, and the terms and conditions set forth in the LTIP. The LTIP Prospectus contains further information about the LTIP and this Award and is available on the Company's internal employee website and at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

## **Certain Definitions**

A Stock Appreciation Right (a "SAR") represents the right to receive the appreciation in one share of common stock of Carrier Global Corporation (the "Common Stock") measured from the date of grant to the date of exercise. The appreciation, upon exercise, is generally paid to the Participant in the form of shares of Common Stock. SARs generally vest if the Participant remains employed or otherwise engaged by the Company or the Corporation through the applicable vesting date schedule set forth on the Award Agreement (see "Vesting" below), or upon an earlier Termination of Service under limited circumstances that may result in accelerated vesting (see "Termination of Service" below). "Company" means Carrier Global Corporation, together with its subsidiaries, divisions and Affiliates (collectively, the "Corporation"). "Termination Date" means the date the Participant's employment ends, or, if different, the date a Participant ceases providing services to the Corporation as an employee, consultant, or in any other capacity. For the avoidance of doubt, absences from employment by reason of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service shall not be recognized as service in determining the Termination Date. All references to termination of employment in this Schedule of Terms will be deemed to refer to "Termination of Service" as defined in the LTIP. "Committee" means the Compensation Committee of the Board. Capitalized terms not otherwise defined in this Schedule of Terms have the same meaning as defined in the LTIP.

## **Acknowledgement and Acceptance of Award**

The number of SARs awarded and the SAR grant price are set forth in the Award Agreement. The Award recipient (the "Participant") must affirmatively acknowledge and accept the terms and conditions of the SAR Award within 150 days following the Grant Date. A failure to acknowledge and accept the SAR Award within such 150-day period will result in forfeiture of the SAR Award, effective as of the 150th day following the Grant Date.

Participants must acknowledge and accept the terms and conditions of this SAR Award electronically via the UBS *One Source* website at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR). Participants based in certain countries may be required to acknowledge and accept the terms and conditions of this SAR Award by signing and returning the designated hard copy portion of the Award Agreement to the Stock Plan Administrator.

## **Exercise Price (or "Grant Price")**

The Grant Price represents the Fair Market Value of the Corporation's Common Stock on the date of grant. "Fair Market Value" means, as of any given date, the closing price of the Common Stock on the New York Stock Exchange.

## **Vesting and Expiration**

SARs will vest and expire (if unexercised) in accordance with the schedule set forth in the Award Agreement, subject to the Participant's continued employment or service with the Corporation through each applicable vesting date. Unvested SARs will be forfeited in the event of Termination of Service prior to the vesting date, except in certain earlier terminations involving

Retirement, Involuntary Termination, Disability, Change-in-Control Termination, or death (see “Termination of Service” below).

Vested SARs may be exercised on or after the vesting date until the earlier of the:

- (i) Expiration date specified in the Award Agreement, at which time the SARs and all associated rights lapse; or
- (ii) Last day permitted on or following Termination of Service as specified in “Termination of Service” below.

SARs may also be forfeited and value realized from exercised SARs may be recouped by the Company under certain circumstances (see “Forfeiture of Award and Repayment of Realized Gains” below).

### **No Shareowner Rights**

A SAR is the right to receive the appreciation in a share of Common Stock, subject to continued employment or service and certain other conditions. The holder of a SAR has no voting, dividend, or other rights accorded to owners of Common Stock, unless and until SARs are exercised and settled in Common Stock.

### **Exercise and Payment**

While a Participant is employed by the Corporation, the Participant may exercise vested SARs on or after the applicable vesting date until the expiration date. The value a Participant will realize upon the exercise of a SAR is the difference between the price of the Common Stock at the time of exercise and the Grant Price. The Participant will generally receive shares of Common Stock as soon as administratively practicable following exercise of SARs. The value of the exercised SARs may instead be paid in cash if the Committee so determines, including where local law restricts the distribution of Common Stock.

It is the responsibility of the Participant to track the expiration of the Award and exercise SARs in a timely manner. The Company assumes no responsibility for, and will make no adjustments with respect to, SARs that expire unexercised. Any communication from the Plan Administrator or the Company to the Participant with respect to expiration is provided as a courtesy only.

Please note that in some regions, exercise periods will be reduced where required by local law. For example, in no event will SARs be exercisable after 6 months following a Participant’s Termination Date for those Participants subject to exchange control regulations in the People’s Republic of China. The proceeds from SARs exercised by Participants in the People’s Republic of China less any applicable withholdings, will be delivered to the Participant (or the Participant’s estate) in local currency through a special exchange control account established by the Corporation as soon as administratively practicable. The Participant agrees to bear any

currency fluctuation risk between the time the shares of Carrier common stock are sold and the time the sale proceeds are distributed through such special exchange account.

### **Termination of Service**

The treatment of SARs upon Termination of Service depends upon the reason for termination, as detailed in the following sections. SARs held for less than one year as of the Termination Date will be forfeited, except in the event of death, Disability, or Change-in-Control Termination, as discussed below.

Absences from employment because of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service will not be recognized as service in determining the Termination Date.

**Retirement.** If the Participant's termination results from Retirement, unvested SARs held for at least one year as of the Termination Date will fully vest and become exercisable. For this purpose, Retirement means either a Normal Retirement or Early Retirement as defined below:

- "Normal Retirement" means retirement on or after age 65;
- "Early Retirement" means retirement on or after:
  - Age 55 with 10 or more years of continuous service as of the Termination Date; or
  - For all Participants who were actively employed by the Corporation at an M/P7 or F1/F2 level or above on December 31, 2021 (as those levels existed on December 31, 2021), Early Retirement shall also mean age 50, but before age 55, and the Participant's age and continuous service as of the Termination Date adds up to 65 or more ("Rule of 65").

Upon Retirement, vested SARs may be exercised as detailed in the chart below:

Retirement Type	Company Consents to Early Retirement *	Exercise Period***
Normal Retirement (age 65)	N/A	SARs may be exercised until the expiration of their term
Early Retirement on or after age 55 + 10 years of continuous service as of the Termination Date	Yes	SARs may be exercised until the expiration of their term
	No	SARs may be exercised for three (3) years following the Termination Date or until the expiration of the SAR, whichever is earlier
Rule of 65** (Early Retirement on or after age 50, but prior to age 55 + years of continuous service = 65+ as of the Termination Date)	Yes	SARs may be exercised for five (5) years following the Termination Date or until the expiration of the SAR, whichever is earlier
	No	SARs may be exercised for three (3) years following the Termination Date or until the expiration of the SAR, whichever is earlier
<p>* The Company's consent to the Participant's Retirement will be at the sole discretion of the Company based on its ability to effectively transition the Participant's responsibilities as of the Termination Date and such other factors as it may deem appropriate.</p> <p>** Applicable only for Participants who were actively employed by the Corporation at an M/P7 or F1/F2 level or above on December 31, 2021.</p> <p>*** Exercise periods for certain employees may be shorter where required by local law. For example, in no event will SARs be exercisable after 6 months following the Termination Date for Participants subject to exchange control regulations in the People's Republic of China.</p>		

A Participant will not be eligible to receive Retirement treatment with respect to any Award in the event of involuntary termination by the Corporation for Cause.

For purposes of this Retirement section, continuous service shall have the meaning ascribed to it in any policy that may be issued by the Company from time to time addressing the calculation of an employee's (including a re-employed employee's) continuous service date. The calculation to determine Early Retirement will include partial years, rounded down to the nearest full month.

**Involuntary Termination for Cause.** If the Participant's termination results from an involuntary termination by the Corporation for Cause (as defined in the LTIP), both vested and unvested SARs will be forfeited as of the Termination Date regardless of the Participant's Retirement eligibility. In addition, value realized from previously exercised SARs is subject to repayment in the event of termination for Cause or certain other occurrences (see "Forfeiture of Award and Repayment of Realized Gains" below).

**Involuntary Termination other than for Cause, death, or Disability.** If the Participant's termination results prior to the vesting date from an involuntary termination by the Corporation for reasons other than Cause, death, or Disability, and does not constitute a Change-in-Control Termination, unvested SARs held for at least one year as of the Termination Date will receive

pro-rata vesting treatment, subject to the Participant providing the Company with a release of claims against the Corporation in a form and manner satisfactory to the Company. The pro-rata vesting of a SAR Award held for at least one year will be based on the number of months worked during the vesting period, including partial months, relative to the full vesting period. Any SARs not vested under this pro-rata vesting formula will be forfeited as of the Termination Date.

Upon involuntary termination for reasons other than Cause, vested SARs may be exercised for one (1) year following the Termination Date (except where a shorter period is required by local law) or until the expiration of the SAR, whichever is earlier. Unexercised vested SARs will expire without value at the close of the NYSE on the first anniversary of the Termination Date, or the expiration date, whichever comes first. In the event that the date falls on a weekend or market holiday, the SARs will be cancelled at the end of the last trading day prior to such date.

Absences from employment because of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service will not be recognized as service in determining the pro-rata vesting percentage.

For the avoidance of doubt, the foregoing pro-rata vesting upon a Termination without Cause will include involuntary terminations resulting from workforce reductions, location closings, restructurings, layoffs, or similar events, as determined by the Committee.

Retirement eligible Participants will be eligible to vest in accordance with the Retirement provisions set forth above. Change-in-Control Terminations are subject to vesting treatment as set forth in the Change-in-Control provisions below. A Participant who is involuntarily terminated for Cause is not eligible for pro-rata vesting of Awards.

**Voluntary Termination.** A Participant who voluntarily terminates employment or service (other than for Retirement or a Change-in-Control Termination) is not entitled to pro-rata vesting and will forfeit all unvested SARs. Vested SARs may be exercised for up to ninety (90) days from the Termination Date or until the expiration of the SAR (if earlier). Unexercised SARs will expire without value at the close of the NYSE on the ninetieth (90<sup>th</sup>) day following the Termination Date, or the expiration date, whichever comes first. In the event that the date falls on a weekend or market holiday, the SARs will be cancelled at the end of the last trading day prior to the 90<sup>th</sup> day.

**Death or Disability.** If the Participant dies while still employed by or providing services to the Corporation, or if the Participant incurs a Disability (as defined in the LTIP), all unvested SARs will vest as of the date of death or Disability, as applicable, and become exercisable. The Participant, Participant's estate or designated beneficiary, as applicable, will have three (3) years from the date of death or the Disability except as restricted by local law, or until the expiration of the SAR if earlier, to exercise all outstanding SARs, provided however, that if the expiration of the SAR occurs prior to the end of such three-year period following the death or Disability, the SAR will be deemed to be exercised by the Participant, Participant's estate or designated beneficiary (if such a designation has been provided to the Corporation, and to the extent the Corporation determines such designation to be valid), as may be determined in the Corporation's sole discretion, as of the SAR expiration date and (where applicable) the resulting amount held for distribution to the Participant, Participant's estate or beneficiary, as applicable. Different tax rules may apply when the estate or heir exercises the deceased Participant's SARs. A personal tax or financial advisor should be consulted under this scenario.

**Change-in-Control Termination.** If the SARs are replaced with a Replacement Award in connection with a Change-in-Control in accordance with Section 10(c) of the LTIP, and a Participant's termination results from an involuntary termination by the Corporation for reasons other than for Cause, death or Disability, or due to the Participant's voluntary termination for "Good Reason," in each case, within 24 months following a Change-in-Control in accordance with Section 10(d) of the LTIP (such Termination of Service, a "CIC Termination"), then all unvested SARs will vest and become exercisable as of the Termination Date and all vested

SARs will be exercisable until the third anniversary of the Termination Date (or until the expiration of the SAR, if earlier).

### **Forfeiture of Award and Repayment of Realized Gains**

SARs, whether or not vested, will be immediately forfeited and a Participant will be obligated to repay to the Company the value realized from the prior exercise of SARs upon the occurrence of any of the following events:

- (i) Termination for Cause (as defined in the LTIP);
- (ii) A determination that the Participant engaged in conduct that could have constituted the basis for a Termination for Cause, including determinations made within three years following the Termination Date;
- (iii) Within twenty-four months following the Termination Date, the Participant:
  - (A) Solicits a Corporation employee, or individual who had been a Corporation employee within the previous three months, for an opportunity outside of the Corporation; or
  - (B) Publicly disparages the Corporation, its employees, directors, products, or otherwise makes a public statement that is materially detrimental to the interests of the Corporation or such individuals; or
- (iv) At any time during the twelve-month period following the Termination Date: (A) the Participant becomes employed by, consults for, or otherwise renders services to any business entity or person engaged in activities that compete with the Corporation or the business unit that employed the Participant; or (B) that is a material customer of or a material supplier to the Corporation or the business unit that employed the Participant, unless, in either case, the Participant has first obtained the consent of the Chief Human Resources Officer or her or his delegate. This restriction applies to competitors, customers, and suppliers of each business unit that employed the Participant within the two-year period prior to the Termination Date. The determination of status of competitors, customers, and suppliers will be made by the Chief Human Resources Officer (or her or his delegate) in her or his sole discretion.

Further details concerning the forfeiture of Awards and the obligation to repay gains realized from LTIP Awards are set forth in Section 14(i) of the LTIP, which can be located at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

In addition to the provisions set forth above, and in consideration for the Participant's opportunity to earn the Award, the Participant agrees to be bound by the restrictive covenants set forth in Exhibit A to this Schedule of Terms even if the Participant ultimately forfeits the Award or otherwise fails to receive any benefits in connection with the Award.

Notwithstanding the foregoing, if the Participant is an individual covered under Section 16 of the Securities Exchange Act of 1934, the Participant understands and acknowledges that the Award may be subject to additional clawback and/or forfeiture provisions as set forth within any separate policy maintained by the Company from time to time, including without limitation any such provisions as may be required by SEC or stock exchange listing rules or otherwise, and of which the Company may require separate acknowledgement by the Participant at any time as a condition of receiving any amount with respect to this Award.

The Participant agrees that the foregoing restrictions are reasonable and that the value of the LTIP awards is reasonable consideration for accepting such restrictions and forfeiture contingencies. However, if any portion of this section is held by competent authority to be unenforceable or contrary to applicable law, this section shall be deemed amended to limit its scope to the broadest scope that such authority determines is enforceable, and as so amended shall continue in effect. The Participant acknowledges that this Award shall constitute compensation in satisfaction of these covenants.

### **Adjustments**

SAR Awards may be subject to adjustment under the terms of the Plan if the Corporation engages in a transaction affecting its capital structure, such as a merger, distribution of a special dividend, spin-off of a business unit, stock split, subdivision or consolidation of shares of Common Stock or other events affecting the value of Common Stock.

Further information concerning capital adjustments is set forth in Section 3(d) of the LTIP, which can be located at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

### **Change-in-Control**

In the event of a Change-in-Control or restructuring of the Corporation, the Committee may, in its sole discretion, take certain actions with respect to outstanding Awards to assure fair and equitable treatment of LTIP Participants. Such actions may include the acceleration of vesting, canceling an outstanding Award in exchange for its equivalent cash value (as determined by the Committee), or providing for other adjustments or modifications to outstanding Awards as the Committee may deem appropriate. In the event of a Change-In-Control where the SARs are not replaced by a Replacement Award, the SARs will fully vest and become exercisable in accordance with Section 10(b) of the LTIP. Further details concerning Change-in-Control are set forth in Section 10 of the LTIP, which can be located at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

### **Awards Not to Affect Certain Transactions**

SAR Awards do not in any way affect the right of the Corporation or its shareowners to effect: (i) any adjustments, recapitalizations, reorganizations or other changes in the Corporation's capital or business structure; (ii) any merger or consolidation of the Corporation; (iii) any issue of bonds, debentures, shares of stock preferred to, or otherwise affecting the Common Stock of the Corporation or the rights of the holders of such Common Stock; (iv) the dissolution or liquidation of the Corporation; (v) any sale or transfer of all or any part of its assets or business; or (vi) any other corporate act or proceeding.

## **Taxes / Withholding**

The Participant acknowledges that, regardless of any action taken by the Company, the Participant is responsible for all income taxes, social insurance contributions, payroll taxes, payment on account or other tax-related items attributable to any Award ("Tax-Related Items"). The provisions of Section 14(d) (Required Taxes) of the LTIP apply to this Award; provided that, if the Participant is an individual covered under Section 16 of the Securities Exchange Act of 1934, as amended, at the time that a taxable event occurs, then the Company's withholding obligations with respect to such taxable event will be satisfied by the Company withholding shares of Common Stock on the date of exercise equal to the amount required to be withheld for tax purposes (calculated using the minimum statutory withholding rate as applied to the value of the SAR Award at the time of exercise, except as otherwise approved by the Committee). The Company shall have the right to deduct directly from any payment or delivery of shares due to a Participant or from a Participant's regular compensation to effect compliance with all Tax-Related Items, including withholding and reporting with respect to the exercise of any SAR. Acceptance of an Award constitutes affirmative consent by a Participant to such reporting and withholding. The Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company. Further, if the Participant has become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, the Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction. In those countries where there is no withholding on account of such Tax-Related Items, Participants must pay the appropriate taxes as required by any country where they are subject to tax. In those instances where Company is required to calculate and remit withholding on Tax-Related Items after shares have already been delivered, the Participant shall pay the Company any amount of Tax-Related Items that the Company is required to pay. The Company may refuse to distribute an Award if a Participant fails to comply with his or her obligations in connection with Tax-Related Items.

Important information about the U.S. Federal income tax consequences of LTIP Awards can be found in the LTIP Prospectus at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

## **Non-assignability**

Unless otherwise approved by the Committee or its delegate, no assignment or transfer of any right or interest of a Participant in any SAR Award, whether voluntary or involuntary, by operation of law or otherwise, is permitted except by will or the laws of descent and distribution. Any other attempt to assign such rights or interest shall be void and without force or effect.

## **Nature of Payments**

All Awards made pursuant to the LTIP are in consideration of services performed for the Corporation. Any gains realized pursuant to such Awards constitute a special incentive payment to the Participant and will not be taken into account as compensation for purposes of any of the employee benefit plans of the Company. Awards are made at the discretion of the Committee. Receipt of a current Award does not guarantee receipt of a future Award.

## **Right of Discharge Reserved**

Nothing in the LTIP or in any SAR Award shall confer upon any Participant the right to continued employment or service for any period of time, or affect any right that the Corporation may have to terminate the employment of any Participant at any time for any reason.

## **Administration**

The Board of Directors of the Corporation has delegated the administration and interpretation of the Awards granted pursuant to the LTIP to the Compensation Committee. The Committee establishes such procedures as it deems necessary and appropriate to administer Awards in a manner that is consistent with the terms of the LTIP. The Committee has, consistent with its charter and subject to certain limitations, delegated to the Chief Executive Officer and the Chief Human Resources Officer (and to such subordinates as he or she may further delegate) the authority to grant, administer, and interpret Awards, provided that, such delegation will not apply with respect to employees of the Corporation who are covered under Section 16 of the Securities Exchange Act of 1934, as amended, and to members of the Company's Executive Leadership Team. Awards to these individuals will be granted, administered, and interpreted exclusively by the Committee. The Committee's decision or that of its delegate on any matter related to an Award shall be binding, final, and conclusive on all parties in interest.

## **Data Privacy**

The Corporation maintains electronic records for the purpose of administering the LTIP and individual Awards. In the normal course of plan administration, electronic data may be transferred to different sites within the Corporation and to outside service providers. Acceptance of an Award constitutes consent by the Participant to the collection, use, processing, transmission, and holding of personal data, in electronic or other form, as required for the implementation, administration, and management of this Award and the LTIP by the Company or its third-party administrators within or outside the country in which the Participant resides or works. All such collection, use, processing, transmission, and holding of data will comply with applicable privacy protection requirements. If you do not want to have your personal data shared, you may choose to not accept this Award.

## **Company Compliance Policies**

Participants must comply with the Company's Code of Ethics and Corporate Policies and Procedures. Violations can result in the forfeiture of Awards and the obligation to repay previous gains realized from LTIP Awards. The Company's Code of Ethics and Corporate Policy Manual are available online on the Company's internal home page.

## **Interpretations**

This Schedule of Terms provides a summary of terms applicable to the SAR Award. This Schedule of Terms and each Award Agreement are subject in all respects to the terms of the LTIP, which can be located at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR). In the event that any provision of this Schedule of Terms or any Award Agreement is inconsistent with the terms of the LTIP, the

terms of the LTIP shall govern. Capitalized terms used but not otherwise defined herein shall have the meanings as defined in the LTIP. Any question concerning administration or interpretation arising under the Schedule of Terms or any Award Agreement will be determined by the Committee or its delegates, and such determination shall be final, binding, and conclusive upon all parties in interest. If this Schedule of Terms or any other document related to this Award is translated into a language other than English and a conflict arises between the English and translated version, the English version will control.

### **Governing Law**

The LTIP, this Schedule of Terms, and the Award Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

### **Additional Information**

Questions concerning the LTIP or Awards and requests for LTIP documents can be directed to:

Stock Plan Administrator

StockPlanAdmin@carrier.com

OR

Carrier Global Corporation  
Attn: Stock Plan Administrator  
13995 Pasteur Boulevard  
Palm Beach Gardens, FL 33418

The Corporation and / or its approved Stock Plan Administrator will send any Award-related communications to the Participant's email address or physical address on record. It is the responsibility of the Participant to ensure that both the e-mail and physical address on record are up-to-date and accurate at all times to ensure delivery of Award-related communications.

## Exhibit A

### Carrier Global Corporation 2020 Long-Term Incentive Plan 2023 Restrictive Covenant Addendum to Schedule of Terms

The Participant agrees that except where prohibited by local law, in consideration for the opportunity to earn the Award set forth in this Schedule of Terms and the accompanying Award Agreement and regardless of whether benefits under the Schedule of Terms are actually realized by the Participant, the Participant shall comply with the following terms and conditions, including the Restrictive Covenants set forth below.

#### 1. Acknowledgement

The Participant acknowledges that during his/her employment, the Participant will be provided with, develop and use Trade Secrets or Confidential Information belonging to Carrier Global Corporation or its successor, Affiliates and subsidiaries (the "Corporation"). The Participant recognizes and agrees that the Corporation has a legitimate business interest in maintaining the confidentiality of its Trade Secrets or Confidential Information and a legitimate need to protect itself from improper or unfair competition.

The Participant also recognizes the highly competitive nature of the Corporation's business and the investment the Corporation has made to protect its Trade Secrets or Confidential Information, and understands that if Trade Secrets or Confidential Information were to be disclosed to a competitor or used for an improper purpose, the Corporation would be irreparably harmed.

Finally, the Participant acknowledges that his/her agreement to comply with the terms of this Exhibit may limit the Participant's ability to work in a business similar to the business of the Corporation; provided, however that the Participant agrees that, in light of the Participant's education, skills, abilities and financial resources, the Participant shall not assert, and it shall not be relevant nor admissible as evidence in any dispute arising in respect of the Exhibit, including the Restrictive Covenants.

#### 2. Restrictive Covenants

The Participant acknowledges and agrees that he/she shall be bound by and shall abide by the following restrictive covenants which are necessary to protect the Corporation's legitimate business interests:

##### a. Confidentiality

At all times during and after the termination of the Participant's employment or relationship with the Corporation, the Participant will not, without the Corporation's prior written permission, directly or indirectly for any purpose other than the performance of the Participant's duties for the Corporation, use for his/her own benefit or for the benefit of any third party or disclose to anyone outside of the Corporation any Trade Secrets or Confidential Information or any information received by the Corporation in confidence from or about third parties, as long as such matters remain trade secrets or confidential.

These confidentiality obligations shall not prohibit the Participant from complying with a court order or disclosing Trade Secrets or Confidential Information as required by law; however, the Participant agrees to inform the Corporation as soon as practicable of any such court order or other legal requirement, and the Participant shall take reasonable steps to prevent disclosure of Trade Secrets or Confidential Information until the Company has been informed of such required disclosure and has had a reasonable opportunity to take protective measures such as seeking a protective order.

Notwithstanding any other provisions of this Section 2(a), pursuant to 18 USC Section 1833(b), the Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Trade Secrets or Confidential Information

that is made: (A) confidentially to a federal, state or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If the Participant files a lawsuit for retaliation by the Corporation for reporting a suspected violation of law, the Participant may disclose such trade secret to the Participant's attorney and use the trade secret information in related court proceedings; provided that, the Participant files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order. Additionally, the provisions of this Exhibit are not intended to, and shall be interpreted in a manner that does not, limit or restrict the Participant from exercising any legally protected whistleblower rights (including pursuant to Rule 21F under the Securities Exchange Act of 1934).

**b. Non-Competition**

To further ensure the protection of the Corporation's Trade Secrets or Confidential Information, the Participant agrees that during the Participant's employment by the Corporation and during the Restrictive Period, that the Participant will not directly or indirectly, own, manage, operate, control (including indirectly through a debt, equity investment, or otherwise), accept employment with or provide services in any form to (including serving as a director or entering into a consulting relationship or similar arrangement) any person or entity engaged in any business venture that is deemed to be a Competitive Business. Notwithstanding the foregoing, it shall not be considered a breach of this Section 2(b) for the Participant to be a passive owner of not more than 5% of the outstanding stock or other securities or interests of a public company that is a Competitive Business, so long as the Participant has no direct or indirect active participation in the business or management of such corporation or entity.

**c. Non-Solicitation – Employees**

In consideration of the significant time and resources the Corporation has invested and will continue to invest to recruit and retain its employees, as well as the valuable information that the Participant has obtained about Corporation employees, including their respective talents and areas of expertise, the Participant agrees that during the Participant's employment by the Corporation and during the Restrictive Period, the Participant will not, directly or indirectly, on his/her own behalf or on behalf of another: (i) solicit, recruit, aid or induce any employee of the Corporation to leave their employment with the Corporation in order to accept employment with or render services to another person or entity unaffiliated with the Corporation, or (ii) hire or knowingly take any action to assist or aid any other person or entity in identifying or hiring any such employee.

**d. Non-Solicitation – Customers, Suppliers, Licensees, Business Partners and Vendors**

In consideration of the significant time and resources the Corporation has invested and will continue to invest to develop relationships and foster goodwill with its Customers as well as the valuable information the Participant has learned about the Corporation's Customers during his/her employment, the Participant agrees that during the Participant's employment by the Corporation and during the Restrictive Period that he or she will not directly or indirectly, for the Participant's own account or for others, (A) solicit or assist others in soliciting or attempt to solicit (or assist others in attempting to solicit) (i) any existing Customers with whom the Participant had contact, or of whom the Participant became aware while employed by the Corporation during the two (2) year period prior to the Participant's Termination of Employment, or (ii) any prospective Customers of the Corporation with whom the Participant had contact and with whom the Corporation took significant steps to do business during the two (2) year period prior to the Participant's Termination of Employment, for the purpose of inducing such existing or prospective Customers to cease doing business or reduce their business with the Corporation or to purchase, lease or utilize products or services that are competitive with, similar to, or that may be used as substitutes for any products or services offered

by the Corporation, or (B) otherwise interfere with the relationship of the Corporation with any of its Customers.  
e. **Non-Disparagement**

The Participant agrees not to disparage or defame, through any public medium (including social media) the business reputation, technology, products, practices or conduct of the Corporation or any member of the board of directors or any executive officer of the Corporation in their capacity as such. Nothing in this Exhibit or elsewhere shall prevent the Participant from making statements in confidence to an immediate family member or to an attorney for the purpose of seeking legal advice, or from making truthful statements when required by law, subpoena or the like, or in arbitration or other proceeding permitted under this Exhibit and/or the Plan, as applicable.

The Participant acknowledges and agrees that the Participant has had the opportunity to seek the advice of counsel in connection with this Exhibit and that the Restrictive Covenants contained herein are reasonable in geographic scope, temporal duration, and in all other respects. The Participant further acknowledges and agrees that the opportunity to earn the Award(s) is reasonable consideration for accepting such restrictions.

### 3. **Defined Terms**

Capitalized terms used and not otherwise defined herein will have the meaning given thereto in the Plan or the Schedule of Terms for the Award(s), as applicable.

**Competitive Business:** shall mean any person, firm, corporation, or other entity that is (i) located in a region with respect to which the Participant had substantial responsibilities during the final two (2) years of the Participant's employment by the Corporation and is (ii) competitive, with (A) the business unit(s) of the Corporation the Participant was employed with during the final two (2) years of the Participant's employment (including any prospective business to be developed or acquired that was proposed at the date of termination and of which the Participant was aware), or (B) any other business of the Corporation with respect to which the Participant had substantial exposure during the final two (2) years of such employment. The determination of status of a person or entity as a Competitive Business will be made by the Chief Human Resources Officer of the Corporation (or his/her delegate) in his/her sole discretion.

**Customer:** shall mean the Corporation's customers, suppliers, licensees, business partners, and/or vendors.

**Restrictive Period:** shall mean the one (1) year period following the Participant's termination of employment with the Corporation for any reason. Notwithstanding the foregoing, with respect to the Corporation's Chief Executive Officer, and the executives serving as segment and functional leaders who directly report to the Corporation's Chief Executive Officer, the Restrictive Period shall mean the two (2) year period following the Participant's termination of employment with the Corporation for any reason.

**Trade Secrets or Confidential Information:** shall mean any business information or material which is not generally known to the public, and which (a) is generated or collected by or used in the operations of the Corporation and relates to the actual or anticipated business of the Corporation; or (b) results from any task assigned to the Participant by the Corporation or work performed by the Participant for or on behalf of the Corporation. Confidential information shall not be considered generally known to the public if it is revealed improperly to the public by the Participant or others without the Corporation's express written consent and/or in violation of an obligation of confidentiality to the Corporation. Examples of Trade Secrets or Confidential Information include, but are not limited to, customer and supplier contacts, confidential information about customers, pricing, margins, business plans, marketing plans, financial data, business and customer strategies, methods or techniques of manufacturing or producing

the products manufactured or produced by the Company, formulations, technical know-how, formulae, research, development and production information, processes, designs, software, solutions, patent applications and plans or proposals related to the foregoing.

#### **4. Miscellaneous**

##### **a. Governing Law**

This Exhibit will be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any choice of law or conflicting provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the laws of any jurisdiction other than the State of Delaware to be applied. In furtherance of the foregoing, the internal laws of the State of Delaware will control the interpretation and construction of this Exhibit, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

##### **b. Interaction**

Except as set forth below, this Exhibit and the Restrictive Covenants contained herein shall be in addition to, and not in lieu of, any other restrictive covenants that are or may be applicable to the Participant, including without limitation (i) the forfeiture and clawback provisions set forth in the Plan and Schedule of Terms, (ii) the restrictive covenants described in the Carrier Global Corporation Senior Executive Severance Plan, as in effect from time to time, (iii) if applicable, the restrictive covenants in the Executive Leadership Group Agreement that the Participant entered into when he/she was appointed to United Technologies Corporation's Executive Leadership Group ("ELG"), (iv) if applicable, the restrictive covenants in the ELG Restricted Stock Unit Retention Award Schedule of Terms that was provided to the Participant when he/she became a member of United Technologies Corporation's Executive Leadership Group and (v) the restrictive covenants described in the Carrier Global Corporation Change in Control Severance Plan, as in effect from time to time.

Notwithstanding the foregoing, to the extent that any of the Restrictive Covenants set forth in Section 2 of this Exhibit would invalidate or conflict with restrictive covenants that are similar in nature and that: (i) were independently agreed to in an employment agreement negotiated by and between the Participant and the Corporation, and (ii) provide comparable or greater protections and remedies to the Corporation, those specific Restrictive Covenants shall be deemed inapplicable with respect to the Participant.

##### **c. Validity; Severability; Blue Pencil**

It is the desire and intent of the parties hereto that the provisions of this Exhibit shall be enforced to the fullest extent legally-permissible. As such, the parties agree that the provisions of this Exhibit and obligations of the parties are severable, and that if it is determined that any part or portion of this Exhibit is invalid or unenforceable, the remainder of the provisions of this Exhibit shall not thereby be affected and shall be given full effect, without regard to the invalid portions. If any court or other decision-maker of competent jurisdiction determines that any of the covenants in this Exhibit is unenforceable because of the duration or geographic scope of such provision, then, after such determination becomes final and unappealable, the duration or scope of such provision, as the case may be, shall be reduced so that such provision becomes enforceable, and that, in its reduced form, such provision shall be enforced.

##### **d. Remedies**

The Participant acknowledges that a remedy at law for any breach or threatened breach of the provisions of this Exhibit would be inadequate and therefore agrees that in addition to any remedies that may be available to the Corporation under the Terms of the Plan or the Schedule of Terms, the Corporation shall be entitled to injunctive relief in case of any such breach or threatened breach. In the event that a court determines that

the Participant has breached or threatened to breach this Exhibit, the Participant agrees to reimburse the Corporation for all attorneys' fees and costs incurred in enforcing the terms of the Exhibit. However, nothing contained herein shall be construed as prohibiting the Corporation from pursuing any other remedies available for any such breach or threatened breach against the Participant or the Participant's then-current employer that may also include but not be limited to contract damages, lost profits and punitive damages.

**e. Participant's Future Employer**

To enable the Corporation to monitor compliance with this Exhibit, the Participant agrees that upon the termination of his/her employment for any reason and for the duration of the Restrictive Period, that he/she will advise the Corporation of the name and address of his/her intended future employer. Furthermore, for the duration of the Restrictive Period, the Participant will inform each new employer, prior to accepting employment, of the existence of this Exhibit and provide that employer with a copy of it. The Corporation has the right to inform any future employer of the existence of this Exhibit and to provide any future employers with a copy of it.

**f. Assignment**

This Exhibit (including Section 2 hereof) shall inure to the benefit of and be binding upon the Corporation and its successors and assigns. The Corporation may assign this Exhibit (including this Section 2), without the Participant's consent to, including but not limited to, any of the entities within the Corporation or to any successor (whether by merger, purchase, bankruptcy, reorganization or otherwise) to all or substantially all of the equity, assets or businesses of the Corporation. The Participant may not assign the Exhibit (or the obligations set forth in this Section 2).

**g. No Contract**

Neither the Award, the applicable Schedule of Terms for the Award, this Exhibit, nor the Plan constitute a contract of employment; nor do they guarantee the Participant's continued employment for any period required for all or any of the Participant's Awards to vest become exercisable, be earned or be paid out.

**Carrier Global Corporation  
2020 Long-Term Incentive Plan**

**Performance Share Unit Award  
(Off-Cycle)  
*Schedule of Terms***

***(Rev. February 1, 2023)***

This Schedule of Terms describes the material features of the Participant's Performance Share Unit Award (the "PSU Award" or the "Award") granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan (the "LTIP"), subject to this Schedule of Terms, the Award Agreement, and the terms and conditions set forth in the LTIP. The LTIP Prospectus contains further information about the LTIP and this Award and is available on the Company's internal employee website and at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

## Certain Definitions

A Performance Share Unit (a "PSU") represents the right to receive one share of common stock of Carrier Global Corporation (the "Common Stock") (or a cash payment equal to the Fair Market Value thereof). PSUs generally vest and are converted into shares of Common Stock if, and to the extent, the associated pre-established performance targets are achieved and the Participant remains employed or otherwise engaged by the Company or the Corporation through the end of the applicable performance measurement period (see "Vesting" below), or upon an earlier Termination of Service under limited circumstances that result in accelerated vesting (see "Termination of Service" below). "Company" means Carrier Global Corporation, together with its subsidiaries, divisions and Affiliates (collectively, the "Corporation"). "Termination Date" means the date the Participant's employment ends, or, if different, the date a Participant ceases providing services to the Corporation as an employee, consultant, or in any other capacity. For the avoidance of doubt, absences from employment by reason of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service shall not be recognized as service in determining the Termination Date. All references to termination of employment in this Schedule of Terms will be deemed to refer to "Termination of Service" as defined in the LTIP. "Committee" means the Compensation Committee of the Board. Capitalized terms not otherwise defined in this Schedule of Terms have the same meaning as defined in the LTIP.

## Acknowledgement and Acceptance of Award

The number of PSUs awarded is set forth in the Award Agreement. The Award recipient (the "Participant") must affirmatively acknowledge and accept the terms and conditions of the PSU Award within 150 days following the Grant Date. A failure to acknowledge and accept the PSU Award within such 150-day period will result in forfeiture of the PSU Award, effective as of the 150th day following the Grant Date.

Participants must acknowledge and accept the terms and conditions of this PSU Award electronically via the UBS *One Source* website at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR). Participants based in certain countries may be required to acknowledge and accept the terms and conditions of this PSU Award by signing and returning the designated hard copy portion of the Award Agreement to the Stock Plan Administrator.

## Vesting

PSU Awards will vest in accordance with the schedule set forth in the Award Agreement, subject to performance relative to pre-established Performance Goals, and the Participant's continued employment or service with the Corporation through the applicable performance measurement period. The Award Agreement specifies the applicable Performance Goals, performance period, vesting date, minimum performance required for vesting, range of vesting and relative weighting for each Performance Goal.

Performance Goals include: (i) adjusted earnings per share growth ("EPS Growth"); and (ii) total shareholder return ("TSR") relative to a subset of industrial companies in the S&P 500 index.

EPS Growth is net income from continuing operations divided by average diluted shares outstanding, subject to adjustments for restructuring, non-recurring and other significant, defined non-operational items. The Committee may adjust the EPS Growth calculation (positively or negatively) to exclude the impact of certain items unrelated to operational performance. Such adjustment may be made when necessary to maintain the validity of the Performance Goal, as originally established. EPS Growth will be measured as a three-year compound annual growth rate target.

TSR is the change in share price over the cumulative three-year performance period (plus reinvested dividends). TSR is calculated using the trailing 20-day average share price at the beginning and end of the three-year performance period for Carrier and companies within a subset of industrial companies in the S&P 500 Index at the beginning of the performance period, assuming dividends distributed during the performance period are reinvested for additional shares of the issuing company's stock. Carrier's TSR is then compared to the TSR of a subset of industrial companies in the S&P 500 previously approved by the Committee to determine Carrier's percentile ranking. If Carrier's three-year TSR is negative, the payout portion of the PSU award is capped at 100% of the target, regardless of Carrier's performance vs. the subset of industrial companies in the S&P 500 Index.

Unvested PSUs will be forfeited in the event of Termination of Service prior to the vesting date except in the case of Disability, Change-in-Control Termination, or death (see "Termination of Service" below).

PSUs may also be forfeited, and value realized from previously vested PSUs may be recouped by the Company under certain circumstances (see "Forfeiture of Award and Repayment of Realized Gains" below).

### **No Shareowner Rights**

A PSU is the right to receive a share of Common Stock in the future (or a cash payment equal to the Fair Market Value), subject to continued employment or service, achievement of performance targets, and certain other conditions. The holder of a PSU has no voting, dividend or other rights accorded to owners of Common Stock unless and until PSUs are converted into shares of Common Stock.

### **Payment / Conversion of PSUs**

Vested PSUs will be converted into shares of Common Stock to be delivered to the Participant as soon as administratively practicable following, when the Committee determines if, and to what extent, PSUs have vested as a result of the achievement of Performance Goals, but in no event later than March 15<sup>th</sup> following the year in which such vesting date occurs (see special rules for specified employees below); provided that to the extent the PSUs constitute "nonqualified deferred compensation" subject to Section 409A as a result of the provisions under "Retirement" below, such settlement shall occur during the calendar year in which the vesting date occurs, except as otherwise set forth herein. If Performance Goals are not met, the PSUs that do not vest will be cancelled without value. PSUs may be paid in cash if the Committee so determines, including where local law restricts the distribution of Common Stock.

Furthermore, the Committee reserves the right to sell shares of Common Stock held by the Participant as a result of vesting of PSUs as soon as administratively practicable following the Participant's Termination Date where required by local law. By way of example, for Participants

subject to exchange control regulations in the People's Republic of China, if the Participant's Termination of Service is the result of an involuntary termination by the Corporation for reasons other than Cause, death, Disability, or a Change-in-Control Termination and the Participant is eligible for accelerated vesting on his/her outstanding PSUs as described below, the PSUs will vest (at target performance) and the Corporation's broker will sell the shares of Common Stock held by the Participant within six months following the Participant's Termination date, and the proceeds from such sale less any applicable withholdings, will be delivered to the Participant (or the Participant's estate) as soon as administratively practicable.

### **Termination of Service**

The treatment of PSUs upon Termination of Service depends upon the reason for termination, as detailed in the following sections. PSUs will be forfeited, except in the event of death, Disability, or Change-in-Control Termination, as discussed below.

Absences from employment because of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service will not be recognized as service in determining the Termination Date.

**Retirement.** There will be no accelerated vesting of PSUs in the event of Retirement prior to vest. All unvested PSUs will be cancelled as of the Termination Date.

**Involuntary Termination for Cause.** If the Participant's termination results from an involuntary termination by the Corporation for Cause (as defined in the LTIP), unvested PSUs will be forfeited as of the Termination Date. In addition, value realized from previously vested PSUs is subject to repayment in the event of termination for Cause or certain other occurrences (see "Forfeiture of Award and Repayment of Realized Gains" below).

**Voluntary or Involuntary Termination other than for Cause, death, or Disability.** A Participant who voluntarily terminates employment (other than for a Change-in-Control Termination), or is involuntarily terminated will forfeit all unvested PSUs.

**Death or Disability.** If the Participant dies while still employed by or providing services to the Corporation, or if the Participant incurs a Disability (as defined in the LTIP), all unvested PSUs will vest as of the date of the death or Disability, as applicable, and will be converted (at target performance) to shares of Common Stock (or cash) to be delivered to the Participant's estate, net of taxes (where applicable), as soon as administratively practicable; provided that with respect to any individual who is eligible for Retirement vesting at the time of Disability and therefore the PSUs constitute "nonqualified deferred compensation" subject to Section 409A of the Code, such settlement will occur within 90 days after the Disability.

**Change-in-Control Termination.** If the PSUs are replaced with a Replacement Award in connection with a Change-in-Control in accordance with Section 10(c) of the LTIP, and a Participant's termination results from an involuntary termination by the Company for reasons other than for Cause, or due to the Participant's voluntary termination for "Good Reason," in each case, within 24 months following a Change-in-Control in accordance with Section 10(d) of the LTIP (such Termination of Service, a "CIC Termination"), then all unvested PSUs will vest at the greater of: (1) the applicable target level as of the Termination Date; or (2) the level of achievement as determined by the Committee not later than the date of the Change-in-Control,

taking into account performance through the latest date preceding the Change-in-Control as to which performance can, as a practical matter be determined (but not later than the end of the applicable performance period) and be converted into shares of Common Stock (or cash) to be delivered to the Participant as soon as administratively practicable after the Termination Date, subject to the six-month delay noted below under “Specified Employees,” if applicable.

**Specified Employees.** If a Participant is a “specified employee” within the meaning of Section 409A of the Code (i.e., generally the fifty highest paid employees, as determined by the Company) at the time of the Participant’s Termination of Service, and PSUs are accelerated and will vest by reason of such Participant’s Termination of Service (e.g., Change-in-Control Termination), then, to the extent necessary to avoid the application of any additional tax or penalty under IRC Section 409A and consistent with the terms of the Plan, PSUs will vest effective as of the Participant’s Termination Date, but will not be released into the Participant’s UBS account until the first day of the seventh month following the Termination Date or on the Participant’s death or Disability if earlier. Upon vest, PSUs will convert into an equal number of shares of Common Stock (or cash) to be delivered to the Participant on the first day of the seventh month following the Termination Date. The value of the PSUs will be determined as of the date the shares are released, and the Participant shall be entitled to receive any dividend equivalents that are paid on the PSUs during the period between the vest date and the date the shares are released to the Participant, subject to the same payment timing requirements as the underlying PSUs.

### **Forfeiture of Award and Repayment of Realized Gains**

PSUs will be immediately forfeited and a Participant will be obligated to repay to the Company the value realized from previously vested PSUs upon the occurrence of any of the following events:

- (i) Termination for Cause (as defined in the LTIP);
- (ii) The Committee determines that Award vesting was based on incorrect performance measurement calculations. In such event, vesting (and recoupment, if applicable) will be adjusted consistent with the actual corrected results;
- (iii) A determination that the Participant engaged in conduct that could have constituted the basis for a Termination for Cause, including determinations made within three years following the Termination Date;
- (iv) Within twenty-four months following the Termination Date, the Participant:
  - (A) Solicits a Corporation employee, or individual who had been a Corporation employee within the previous three months, for an opportunity outside of the Corporation; or
  - (B) Publicly disparages the Corporation, its employees, directors, products, or otherwise makes a public statement that is materially detrimental to the interests of the Corporation or such individuals; or
- (v) At any time during the twelve-month period following the Termination Date: (A) the Participant becomes employed by, consults for, or otherwise renders services to any

business entity or person engaged in activities that compete with the Corporation or the business unit that employed the Participant; or (B) that is a material customer of or a material supplier to the Corporation or the business unit that employed the Participant, unless, in either case, the Participant has first obtained the consent of the Chief Human Resources Officer or her or his delegate. This restriction applies to competitors, customers, and suppliers of each business unit that employed the Participant within the two-year period prior to the Termination Date. The determination of status of competitors, customers, and suppliers will be made by the Chief Human Resources Officer (or her or his delegate) in her or his sole discretion.

In addition to the provisions set forth above, and in consideration for the Participant's opportunity to earn the Award, the Participant agrees to be bound by the restrictive covenants set forth in Exhibit A to this Schedule of Terms even if the Participant ultimately forfeits the Award or otherwise fails to receive any benefits in connection with the Award.

Notwithstanding the foregoing, if the Participant is an individual covered under Section 16 of the Securities Exchange Act of 1934, the Participant understands and acknowledges that the Award may be subject to additional clawback and/or forfeiture provisions as set forth within any separate policy maintained by the Company from time to time, including without limitation any such provisions as may be required by SEC or stock exchange listing rules or otherwise, and of which the Company may require separate acknowledgement by the Participant at any time as a condition of receiving any amount with respect to this Award.

The Participant agrees that the foregoing restrictions are reasonable and that the value of the LTIP awards is reasonable consideration for accepting such restrictions and forfeiture contingencies. However, if any portion of this section is held by competent authority to be unenforceable or contrary to applicable law, this section shall be deemed amended to limit its scope to the broadest scope that such authority determines is enforceable, and as so amended shall continue in effect. The Participant acknowledges that this Award shall constitute compensation in satisfaction of these covenants. Further details concerning the forfeiture of awards and the obligation to repay gains realized from LTIP awards are set forth in Section 14(j) of the LTIP, which can be located at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

### **Adjustments**

PSU Awards may be subject to adjustment under the terms of the Plan if the Corporation engages in a transaction affecting its capital structure, such as a merger, distribution of a special dividend, spin-off of a business unit, stock split, subdivision or consolidation of shares of Common Stock, or other events affecting the value of Common Stock.

Further information concerning capital adjustments is set forth in Section 3(d) of the LTIP, which can be located at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

### **Change-in-Control**

In the event of a Change-in-Control or restructuring of the Corporation, the Committee may, in its sole discretion, take certain actions with respect to outstanding Awards to assure fair and equitable treatment of LTIP Participants. Such actions may include the acceleration of vesting, canceling an outstanding Award in exchange for its equivalent cash value (as determined by

the Committee), or providing for other adjustments or modifications to outstanding Awards or Performance Goals, as the Committee may deem appropriate. In the event of a Change-In-Control where the PSUs are not replaced by a Replacement Award, the PSUs will fully vest and in accordance with Section 10(b) of the LTIP. Further details concerning Change-in-Control are set forth in Section 10 of the LTIP, which can be located at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

### **Awards Not to Affect Certain Transactions**

PSU Awards do not in any way affect the right of the Corporation or its shareowners to effect: (i) any adjustments, recapitalizations, reorganizations or other changes in the Corporation's capital or business structure; (ii) any merger or consolidation of the Corporation; (iii) any issue of bonds, debentures, shares of stock preferred to, or otherwise affecting the Common Stock of the Corporation or the rights of the holders of such Common Stock; (iv) the dissolution or liquidation of the Corporation; (v) any sale or transfer of all or any part of its assets or business; or (vi) any other corporate act or proceeding.

### **Taxes / Withholding**

The Participant acknowledges that, regardless of any action taken by the Company, the Participant is responsible for all income taxes, social insurance contributions, payroll taxes, payment on account or other tax-related items attributable to any Award ("Tax-Related Items"). The Fair Market Value of Common Stock on the New York Stock Exchange on the date the taxable event occurs will be used to calculate taxable income realized from the PSUs. The provisions of Section 14(d) (Required Taxes) of the LTIP apply to this Award; provided that, if the Participant is an individual covered under Section 16 of the Securities Exchange Act of 1934, as amended at the time that a taxable event occurs, then the Company's withholding obligations with respect to such taxable event will be satisfied by the Company withholding shares of Common Stock subject to the PSU Award having a Fair Market Value on the date of withholding equal to the amount required to be withheld for tax purposes (calculated using the minimum statutory withholding rate, except as otherwise approved by the Committee). The Company shall have the right to deduct directly from any payment or delivery of shares due to a Participant or from Participant's regular compensation to effect compliance with all Tax-Related Items, including withholding and reporting with respect to the vesting of any PSU. Acceptance of an Award constitutes affirmative consent by Participant to such reporting and withholding. The Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company. Further, if the Participant has become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, the Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction. In those countries where there is no withholding on account of such Tax-Related Items, Participants must pay the appropriate taxes as required by any country where they are subject to tax. In those instances where Company is required to calculate and remit withholding on Tax-Related Items after shares have already been delivered, the Participant shall pay the Company any amount of Tax-Related Items that the Company is required to pay. The Company may refuse to distribute an Award if a Participant fails to comply with his or her obligations in connection with Tax-Related Items.

Important information about the U.S. Federal income tax consequences of LTIP Awards can be found in the LTIP Prospectus at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

### **Non-assignability**

Unless otherwise approved by the Committee or its delegate, no assignment or transfer of any right or interest of a Participant in any PSU Award, whether voluntary or involuntary, by operation of law or otherwise, is permitted except by will or the laws of descent and distribution. Any other attempt to assign such rights or interest shall be void and without force or effect.

### **Nature of Payments**

All Awards made pursuant to the LTIP are in consideration of services performed for the Corporation. Any gains realized pursuant to such Awards constitute a special incentive payment to the Participant and will not be taken into account as compensation for purposes of any of the employee benefit plans of the Company. Awards are made at the discretion of the Committee. Receipt of a current Award does not guarantee receipt of a future Award.

### **Right of Discharge Reserved**

Nothing in the LTIP or in any PSU Award shall confer upon any Participant the right to continued employment or service for any period of time, or affect any right that the Corporation may have to terminate the employment of any Participant at any time for any reason.

### **Administration**

The Board of Directors of the Corporation has delegated the administration and interpretation of the Awards granted pursuant to the LTIP to the Compensation Committee. The Committee establishes such procedures as it deems necessary and appropriate to administer Awards in a manner that is consistent with the terms of the LTIP. The Committee has, consistent with its charter and subject to certain limitations, delegated to the Chief Executive Officer and the Chief Human Resources Officer (and to such subordinates as he or she may further delegate) the authority to grant, administer, and interpret Awards, provided that, such delegation will not apply with respect to employees of the Corporation who are covered under Section 16 of the Securities Exchange Act of 1934, as amended, and to members of the Company's Executive Leadership Team. Awards to these individuals will be granted, administered, and interpreted exclusively by the Committee. The Committee's decision or that of its delegate on any matter related to an Award shall be binding, final, and conclusive on all parties in interest.

### **Data Privacy**

The Corporation maintains electronic records for the purpose of administering the LTIP and individual Awards. In the normal course of plan administration, electronic data may be transferred to different sites within the Company and to outside service providers. Acceptance of an Award constitutes consent by the Participant to the collection, use, processing, transmission, and holding of personal data, in electronic or other form, as required for the implementation, administration, and management of this Award and the LTIP by the Company or its third-party administrators within or outside the country in which the Participant resides or

works. All such collection, use, processing, transmission, and holding of data will comply with applicable privacy protection requirements. If you do not want to have your personal data shared, you may choose to not accept this Award.

### **Company Compliance Policies**

Participants must comply with the Company's Code of Ethics and Corporate Policies and Procedures. Violations can result in the forfeiture of Awards and the obligation to repay previous gains realized from LTIP Awards. The Company's Code of Ethics and Corporate Policy Manual are available online on the Company's internal home page.

### **Interpretations**

This Schedule of Terms provides a summary of terms applicable to the PSU Award. This Schedule of Terms and each Award Agreement are subject in all respects to the terms of the LTIP, which can be located at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR). In the event that any provision of this Schedule of Terms or any Award Agreement is inconsistent with the terms of the LTIP, the terms of the LTIP shall govern. Capitalized terms used but not otherwise defined herein shall have the meanings as defined in the LTIP. Any question concerning administration or interpretation arising under the Schedule of Terms or any Award Agreement will be determined by the Committee or its delegates, and such determination shall be final, binding, and conclusive upon all parties in interest. If this Schedule of Terms or any other document related to this Award is translated into a language other than English and a conflict arises between the English and translated version, the English version will control.

### **Governing Law**

The LTIP, this Schedule of Terms, and the Award Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

### **Additional Information**

Questions concerning the LTIP or Awards and requests for LTIP documents can be directed to:

Stock Plan Administrator

[StockPlanAdmin@carrier.com](mailto:StockPlanAdmin@carrier.com)

OR

Carrier Global Corporation  
Attn: Stock Plan Administrator  
13995 Pasteur Boulevard  
Palm Beach Gardens, FL 33418

The Corporation and / or its approved Stock Plan Administrator will send any Award-related communications to the Participant's email address or physical address on record. It is the responsibility of the Participant to ensure that both the e-mail and physical address on record are up-to-date and accurate at all times to ensure delivery of Award-related communications.

## Exhibit A

### Carrier Global Corporation 2020 Long-Term Incentive Plan 2023 Restrictive Covenant Addendum to Schedule of Terms

The Participant agrees that except where prohibited by local law, in consideration for the opportunity to earn the Award set forth in this Schedule of Terms and the accompanying Award Agreement and regardless of whether benefits under the Schedule of Terms are actually realized by the Participant, the Participant shall comply with the following terms and conditions, including the Restrictive Covenants set forth below.

#### 1. Acknowledgement

The Participant acknowledges that during his/her employment, the Participant will be provided with, develop and use Trade Secrets or Confidential Information belonging to Carrier Global Corporation or its successor, Affiliates and subsidiaries (the "Corporation"). The Participant recognizes and agrees that the Corporation has a legitimate business interest in maintaining the confidentiality of its Trade Secrets or Confidential Information and a legitimate need to protect itself from improper or unfair competition.

The Participant also recognizes the highly competitive nature of the Corporation's business and the investment the Corporation has made to protect its Trade Secrets or Confidential Information, and understands that if Trade Secrets or Confidential Information were to be disclosed to a competitor or used for an improper purpose, the Corporation would be irreparably harmed.

Finally, the Participant acknowledges that his/her agreement to comply with the terms of this Exhibit may limit the Participant's ability to work in a business similar to the business of the Corporation; provided, however that the Participant agrees that, in light of the Participant's education, skills, abilities and financial resources, the Participant shall not assert, and it shall not be relevant nor admissible as evidence in any dispute arising in respect of the Exhibit, including the Restrictive Covenants.

#### 2. Restrictive Covenants

The Participant acknowledges and agrees that he/she shall be bound by and shall abide by the following restrictive covenants which are necessary to protect the Corporation's legitimate business interests:

##### a. Confidentiality

At all times during and after the termination of the Participant's employment or relationship with the Corporation, the Participant will not, without the Corporation's prior written permission, directly or indirectly for any purpose other than the performance of the Participant's duties for the Corporation, use for his/her own benefit or for the benefit of any third party or disclose to anyone outside of the Corporation any Trade Secrets or Confidential Information or any information received by the Corporation in confidence from or about third parties, as long as such matters remain trade secrets or confidential.

These confidentiality obligations shall not prohibit the Participant from complying with a court order or disclosing Trade Secrets or Confidential Information as required by law; however, the Participant agrees to inform the Corporation as soon as practicable of any such court order or other legal requirement, and the Participant shall take reasonable steps to prevent disclosure of Trade Secrets or Confidential Information until the Company has been informed of such required disclosure and has had a reasonable opportunity to take protective measures such as seeking a protective order. Notwithstanding any other provisions of this Section 2(a), pursuant to 18 USC Section 1833(b), the Participant shall not be held criminally or civilly liable under any federal or

state trade secret law for the disclosure of any Trade Secrets or Confidential Information that is made: (A) confidentially to a federal, state or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If the Participant files a lawsuit for retaliation by the Corporation for reporting a suspected violation of law, the Participant may disclose such trade secret to the Participant's attorney and use the trade secret information in related court proceedings; provided that, the Participant files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order. Additionally, the provisions of this Exhibit are not intended to, and shall be interpreted in a manner that does not, limit or restrict the Participant from exercising any legally protected whistleblower rights (including pursuant to Rule 21F under the Securities Exchange Act of 1934).

**b. Non-Competition**

To further ensure the protection of the Corporation's Trade Secrets or Confidential Information, the Participant agrees that during the Participant's employment by the Corporation and during the Restrictive Period, that the Participant will not directly or indirectly, own, manage, operate, control (including indirectly through a debt, equity investment, or otherwise), accept employment with or provide services in any form to (including serving as a director or entering into a consulting relationship or similar arrangement) any person or entity engaged in any business venture that is deemed to be a Competitive Business. Notwithstanding the foregoing, it shall not be considered a breach of this Section 2(b) for the Participant to be a passive owner of not more than 5% of the outstanding stock or other securities or interests of a public company that is a Competitive Business, so long as the Participant has no direct or indirect active participation in the business or management of such corporation or entity.

**c. Non-Solicitation – Employees**

In consideration of the significant time and resources the Corporation has invested and will continue to invest to recruit and retain its employees, as well as the valuable information that the Participant has obtained about Corporation employees, including their respective talents and areas of expertise, the Participant agrees that during the Participant's employment by the Corporation and during the Restrictive Period, the Participant will not, directly or indirectly, on his/her own behalf or on behalf of another: (i) solicit, recruit, aid or induce any employee of the Corporation to leave their employment with the Corporation in order to accept employment with or render services to another person or entity unaffiliated with the Corporation, or (ii) hire or knowingly take any action to assist or aid any other person or entity in identifying or hiring any such employee.

**d. Non-Solicitation – Customers, Suppliers, Licensees, Business Partners and Vendors**

In consideration of the significant time and resources the Corporation has invested and will continue to invest to develop relationships and foster goodwill with its Customers as well as the valuable information the Participant has learned about the Corporation's Customers during his/her employment, the Participant agrees that during the Participant's employment by the Corporation and during the Restrictive Period that he or she will not directly or indirectly, for the Participant's own account or for others, (A) solicit or assist others in soliciting or attempt to solicit (or assist others in attempting to solicit) (i) any existing Customers with whom the Participant had contact, or of whom the Participant became aware while employed by the Corporation during the two (2) year period prior to the Participant's Termination of Employment, or (ii) any prospective Customers of the Corporation with whom the Participant had contact and with whom the Corporation took significant steps to do business during the two (2) year period prior to the Participant's Termination of Employment, for the purpose of inducing such existing or prospective Customers to cease doing business or reduce their business with the Corporation or to purchase, lease or utilize products or services that are competitive with, similar to, or that may be used as substitutes for any products or services offered

by the Corporation, or (B) otherwise interfere with the relationship of the Corporation with any of its Customers.

e. **Non-Disparagement**

The Participant agrees not to disparage or defame, through any public medium (including social media) the business reputation, technology, products, practices or conduct of the Corporation or any member of the board of directors or any executive officer of the Corporation in their capacity as such. Nothing in this Exhibit or elsewhere shall prevent the Participant from making statements in confidence to an immediate family member or to an attorney for the purpose of seeking legal advice, or from making truthful statements when required by law, subpoena or the like, or in arbitration or other proceeding permitted under this Exhibit and/or the Plan, as applicable.

The Participant acknowledges and agrees that the Participant has had the opportunity to seek the advice of counsel in connection with this Exhibit and that the Restrictive Covenants contained herein are reasonable in geographic scope, temporal duration, and in all other respects. The Participant further acknowledges and agrees that the opportunity to earn the Award(s) is reasonable consideration for accepting such restrictions.

**3. Defined Terms**

Capitalized terms used and not otherwise defined herein will have the meaning given thereto in the Plan or the Schedule of Terms for the Award(s), as applicable.

**Competitive Business:** shall mean any person, firm, corporation, or other entity that is (i) located in a region with respect to which the Participant had substantial responsibilities during the final two (2) years of the Participant's employment by the Corporation and is (ii) competitive, with (A) the business unit(s) of the Corporation the Participant was employed with during the final two (2) years of the Participant's employment (including any prospective business to be developed or acquired that was proposed at the date of termination and of which the Participant was aware), or (B) any other business of the Corporation with respect to which the Participant had substantial exposure during the final two (2) years of such employment. The determination of status of a person or entity as a Competitive Business will be made by the Chief Human Resources Officer of the Corporation (or his/her delegate) in his/her sole discretion.

**Customer:** shall mean the Corporation's customers, suppliers, licensees, business partners, and/or vendors.

**Restrictive Period:** shall mean the one (1) year period following the Participant's termination of employment with the Corporation for any reason. Notwithstanding the foregoing, with respect to the Corporation's Chief Executive Officer, and the executives serving as segment and functional leaders who directly report to the Corporation's Chief Executive Officer, the Restrictive Period shall mean the two (2) year period following the Participant's termination of employment with the Corporation for any reason.

**Trade Secrets or Confidential Information:** shall mean any business information or material which is not generally known to the public, and which (a) is generated or collected by or used in the operations of the Corporation and relates to the actual or anticipated business of the Corporation; or (b) results from any task assigned to the Participant by the Corporation or work performed by the Participant for or on behalf of the Corporation. Confidential information shall not be considered generally known to the public if it is revealed improperly to the public by the Participant or others without the Corporation's express written consent and/or in violation of an obligation of confidentiality to the Corporation. Examples of Trade Secrets or Confidential Information include, but are not limited to, customer and supplier contacts, confidential information about customers, pricing, margins, business plans, marketing plans, financial data, business and customer strategies, methods or techniques of manufacturing or producing the products manufactured or produced by the Company, formulations, technical know-

how, formulae, research, development and production information, processes, designs, software, solutions, patent applications and plans or proposals related to the foregoing.

#### **4. Miscellaneous**

##### **a. Governing Law**

This Exhibit will be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any choice of law or conflicting provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the laws of any jurisdiction other than the State of Delaware to be applied. In furtherance of the foregoing, the internal laws of the State of Delaware will control the interpretation and construction of this Exhibit, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

##### **b. Interaction**

Except as set forth below, this Exhibit and the Restrictive Covenants contained herein shall be in addition to, and not in lieu of, any other restrictive covenants that are or may be applicable to the Participant, including without limitation (i) the forfeiture and clawback provisions set forth in the Plan and Schedule of Terms, (ii) the restrictive covenants described in the Carrier Global Corporation Senior Executive Severance Plan, as in effect from time to time, (iii) if applicable, the restrictive covenants in the Executive Leadership Group Agreement that the Participant entered into when he/she was appointed to United Technologies Corporation's Executive Leadership Group ("ELG"), (iv) if applicable, the restrictive covenants in the ELG Restricted Stock Unit Retention Award Schedule of Terms that was provided to the Participant when he/she became a member of United Technologies Corporation's Executive Leadership Group and (v) the restrictive covenants described in the Carrier Global Corporation Change in Control Severance Plan, as in effect from time to time.

Notwithstanding the foregoing, to the extent that any of the Restrictive Covenants set forth in Section 2 of this Exhibit would invalidate or conflict with restrictive covenants that are similar in nature and that: (i) were independently agreed to in an employment agreement negotiated by and between the Participant and the Corporation, and (ii) provide comparable or greater protections and remedies to the Corporation, those specific Restrictive Covenants shall be deemed inapplicable with respect to the Participant.

##### **c. Validity; Severability; Blue Pencil**

It is the desire and intent of the parties hereto that the provisions of this Exhibit shall be enforced to the fullest extent legally-permissible. As such, the parties agree that the provisions of this Exhibit and obligations of the parties are severable, and that if it is determined that any part or portion of this Exhibit is invalid or unenforceable, the remainder of the provisions of this Exhibit shall not thereby be affected and shall be given full effect, without regard to the invalid portions. If any court or other decision-maker of competent jurisdiction determines that any of the covenants in this Exhibit is unenforceable because of the duration or geographic scope of such provision, then, after such determination becomes final and unappealable, the duration or scope of such provision, as the case may be, shall be reduced so that such provision becomes enforceable, and that, in its reduced form, such provision shall be enforced.

##### **d. Remedies**

The Participant acknowledges that a remedy at law for any breach or threatened breach of the provisions of this Exhibit would be inadequate and therefore agrees that in addition to any remedies that may be available to the Corporation under the Terms of the Plan or the Schedule of Terms, the Corporation shall be entitled to injunctive relief in case of any such breach or threatened breach. In the event that a court determines that the Participant has breached or threatened to breach this Exhibit, the Participant agrees

to reimburse the Corporation for all attorneys' fees and costs incurred in enforcing the terms of the Exhibit. However, nothing contained herein shall be construed as prohibiting the Corporation from pursuing any other remedies available for any such breach or threatened breach against the Participant or the Participant's then-current employer that may also include but not be limited to contract damages, lost profits and punitive damages.

**e. Participant's Future Employer**

To enable the Corporation to monitor compliance with this Exhibit, the Participant agrees that upon the termination of his/her employment for any reason and for the duration of the Restrictive Period, that he/she will advise the Corporation of the name and address of his/her intended future employer. Furthermore, for the duration of the Restrictive Period, the Participant will inform each new employer, prior to accepting employment, of the existence of this Exhibit and provide that employer with a copy of it. The Corporation has the right to inform any future employer of the existence of this Exhibit and to provide any future employers with a copy of it.

**f. Assignment**

This Exhibit (including Section 2 hereof) shall inure to the benefit of and be binding upon the Corporation and its successors and assigns. The Corporation may assign this Exhibit (including this Section 2), without the Participant's consent to, including but not limited to, any of the entities within the Corporation or to any successor (whether by merger, purchase, bankruptcy, reorganization or otherwise) to all or substantially all of the equity, assets or businesses of the Corporation. The Participant may not assign the Exhibit (or the obligations set forth in this Section 2).

**g. No Contract**

Neither the Award, the applicable Schedule of Terms for the Award, this Exhibit, nor the Plan constitute a contract of employment; nor do they guarantee the Participant's continued employment for any period required for all or any of the Participant's Awards to vest become exercisable, be earned or be paid out.

**Carrier Global Corporation  
2020 Long-Term Incentive Plan**

**Restricted Stock Unit Award  
(Off-Cycle)  
*Schedule of Terms***

***(February 1, 2023)***

This Schedule of Terms describes the material features of the Participant's Restricted Stock Unit Award (the "RSU Award" or the "Award") granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan (the "LTIP"), subject to this Schedule of Terms, the Award Agreement, and the terms and conditions set forth in the LTIP. The LTIP Prospectus contains further information about the LTIP and this Award and is available on the Company's internal employee website and at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

## Certain Definitions

A Restricted Stock Unit (an "RSU") represents the right to receive one share of common stock of Carrier Global Corporation (the "Common Stock") (or a cash payment equal to the Fair Market Value thereof). RSUs generally vest and are converted into shares of Common Stock if the Participant remains employed or otherwise engaged by the Company or the Corporation through the applicable vesting date schedule set forth on the Award Agreement (see "Vesting" below), or upon an earlier Termination of Service under limited circumstances that result in accelerated vesting (see "Termination of Service" below). "Company" means Carrier Global Corporation, together with its subsidiaries, divisions and Affiliates (collectively, the "Corporation"). "Termination Date" means the date the Participant's employment ends, or, if different, the date a Participant ceases providing services to the Corporation as an employee, consultant, or in any other capacity. For the avoidance of doubt, absences from employment by reason of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service shall not be recognized as service in determining the Termination Date. All references to termination of employment in this Schedule of Terms will be deemed to refer to "Termination of Service" as defined in the LTIP. "Committee" means the Compensation Committee of the Board. Capitalized terms not otherwise defined in this Schedule of Terms have the same meaning as defined in the LTIP.

## Acknowledgement and Acceptance of Award

The number of RSUs awarded is set forth in the Award Agreement. The Award recipient (the "Participant") must affirmatively acknowledge and accept the terms and conditions of the RSU Award within 150 days following the Grant Date. A failure to acknowledge and accept the RSU Award within such 150-day period will result in forfeiture of the RSU Award, effective as of the 150th day following the Grant Date.

Participants must acknowledge and accept the terms and conditions of this RSU Award electronically via the UBS *One Source* website at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR). Participants based in certain countries may be required to acknowledge and accept the terms and conditions of this RSU Award by signing and returning the designated hard copy portion of the Award Agreement to the Stock Plan Administrator.

## Dividends

RSUs granted under this Award will earn dividend equivalent units each time the Corporation pays a cash dividend to Common Stock shareholders of record. Dividend equivalents will be credited as additional RSUs to Awards outstanding on the dividend payment date and will vest on the same date as the underlying RSUs. The number of additional RSUs that will be credited on any dividend payment date will equal (1) the per share cash dividend amount, multiplied by (2) the number of RSUs subject to the RSU Award (including RSUs resulting from prior dividend equivalents), divided by (3) the Fair Market Value of a share of Common Stock on the dividend payment date, rounded down to the nearest whole number of RSUs.

## Vesting

RSUs will vest in accordance with the schedule set forth in the Award Agreement, subject to the Participant's continued employment or service with the Corporation through each applicable vesting date. Unvested RSUs will be forfeited in the event of Termination of Service prior to the vesting date, except in the case of Disability, Change-in-Control Termination, or death (see "Termination of Service" below).

RSUs may also be forfeited and value realized from previously vested RSUs may be recouped by the Company under certain circumstances (see "Forfeiture of Award and Repayment of Realized Gains" below).

### **No Shareowner Rights**

An RSU is the right to receive a share of Common Stock in the future (or a cash payment equal to the Fair Market Value), subject to continued employment or service and certain other conditions. The holder of an RSU has no voting or other rights accorded to owners of Common Stock, unless and until RSUs are converted into shares of Common Stock.

### **Payment / Conversion of RSUs**

Vested RSUs will be converted into shares of Common Stock to be delivered to the Participant as soon as administratively practicable following the applicable vesting date, but in no event later than March 15<sup>th</sup> following the year in which such vesting date occurs (see special rules for specified employees below); provided that to the extent the RSUs constitute "nonqualified deferred compensation" subject to Section 409A as a result of the provisions under "Retirement" below, such settlement shall occur during the calendar year in which the vesting date occurs, except as otherwise set forth herein. RSUs may instead be paid in cash if the Committee so determines, including where local law restricts the distribution of Common Stock.

Furthermore, the Committee reserves the right to sell shares of Common Stock held by the Participant as a result of vesting of RSUs as soon as administratively practicable following the Participant's Termination Date where required by local law. By way of example, for Participants subject to exchange control regulations in the People's Republic of China, the Corporation's broker will sell the shares of Common Stock held by the Participant within six months following the Participant's Termination date, and the proceeds from such sale less any applicable withholdings, will be delivered to the Participant (or the Participant's estate) as soon as administratively practicable.

### **Termination of Service**

The treatment of RSUs upon Termination of Service depends upon the reason for termination, as detailed in the following sections. RSUs will be forfeited, except in the event of Death, Disability, or Change-in-Control Termination, as discussed below.

Absences from employment because of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service will not be recognized as service in determining the Termination Date.

**Retirement.** There will be no accelerated vesting of RSUs in the event of Retirement prior to vest. All unvested RSUs will be cancelled as of the Termination Date.

**Involuntary Termination for Cause.** If the Participant's termination results from an involuntary termination by the Corporation for Cause (as defined in the LTIP), unvested RSUs will be forfeited as of the Termination Date. In addition, value realized from previously vested RSUs is subject to repayment in the event of termination for Cause or certain other occurrences (see "Forfeiture of Award and Repayment of Realized Gains" below).

**Voluntary or Involuntary Termination other than for Cause, death, or Disability.** A Participant who voluntarily terminates employment (other than for a Change-in-Control Termination), or is involuntarily terminated by the Corporation for reasons other than Cause, death, Disability, and does not constitute a Change-in-Control Termination will forfeit all unvested RSUs.

**Death or Disability.** If the Participant dies while still employed by or providing services to the Corporation, or if the Participant incurs a Disability (as defined in the LTIP), all unvested RSUs will vest as of the date of the death or Disability, as applicable, and will be converted to shares of Common Stock (or cash) to be delivered to the Participant or the Participant's estate as applicable, net of taxes (where applicable), as soon as administratively practicable; provided that with respect to any individual who is eligible for Retirement vesting at the time of Disability and therefore the RSUs constitute "nonqualified deferred compensation" subject to Section 409A of the Code, such settlement will occur within 90 days after the Disability.

**Change-in-Control Termination.** If the RSUs are replaced with a Replacement Award in connection with a Change-in-Control in accordance with Section 10(c) of the LTIP, and a Participant's termination results from an involuntary termination by the Company for reasons other than for Cause, or due to the Participant's voluntary termination for "Good Reason," in each case, within 24 months following a Change-in-Control in accordance with Section 10(d) of the LTIP (such Termination of Service, a "CIC Termination"), then all unvested RSUs will vest as of the Termination Date and be converted into shares of Common Stock (or cash) to be delivered to the Participant as soon as administratively practicable after the Termination Date, subject to the six-month delay noted below under "Specified Employees", if applicable.

**Specified Employees.** If a Participant is a "specified employee" within the meaning of Section 409A of the Code (i.e., generally the fifty highest paid employees, as determined by the Company) at the time of the Participant's Termination of Service, and the RSUs will vest by reason of such Participant's Termination of Service, then, to the extent necessary to avoid the application of any additional tax or penalty under IRC Section 409A and consistent with the terms of the Plan, RSUs will vest effective as of the Participant's Termination Date, but will not be released into the Participant's UBS account until the first day of the seventh month following the Termination Date or on the Participant's death or Disability if earlier. Upon vest, RSUs will convert into an equal number of shares of Common Stock (or cash) to be delivered to the Participant on the first day of the seventh month following the Termination Date. The value of the RSUs will be determined as of the date the shares are released, and the Participant shall be entitled to receive any dividend equivalents that are paid on the RSUs during the period between the vest date and the date the shares are released to the Participant, subject to the same payment timing requirements as the underlying RSUs.

## **Forfeiture of Award and Repayment of Realized Gains**

RSUs will be immediately forfeited and a Participant will be obligated to repay to the Company the value realized from previously vested RSUs upon the occurrence of any of the following events:

- (i) Termination for Cause (as defined in the LTIP);
- (ii) A determination that the Participant engaged in conduct that could have constituted the basis for a Termination for Cause, including determinations made within three years following the Termination Date;
- (iii) Within twenty-four months following the Termination Date, the Participant:
  - (A) Solicits a Corporation employee, or individual who had been a Corporation employee within the previous three months, for an opportunity outside of the Corporation; or
  - (B) Publicly disparages the Corporation, its employees, directors, products, or otherwise makes a public statement that is materially detrimental to the interests of the Corporation or such individuals; or
- (iv) At any time during the twelve-month period following the Termination Date: (A) the Participant becomes employed by, consults for, or otherwise renders services to any business entity or person engaged in activities that compete with the Corporation or the business unit that employed the Participant; or (B) that is a material customer of or a material supplier to the Corporation or the business unit that employed the Participant, unless, in either case, the Participant has first obtained the consent of the Chief Human Resources Officer or her or his delegate. This restriction applies to competitors, customers, and suppliers of each business unit that employed the Participant within the two-year period prior to the Termination Date. The determination of status of competitors, customers, and suppliers will be made by the Chief Human Resources Officer (or her or his delegate) in her or his sole discretion.

Further details concerning the forfeiture of awards and the obligation to repay gains realized from LTIP awards are set forth in Section 14(i) of the LTIP, which can be located at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

In addition to the provisions set forth above, and in consideration for the Participant's opportunity to earn the Award, the Participant agrees to be bound by the restrictive covenants set forth in Exhibit A to this Schedule of Terms even if the Participant ultimately forfeits the Award or otherwise fails to receive any benefits in connection with the Award.

Notwithstanding the foregoing, if the Participant is an individual covered under Section 16 of the Securities Exchange Act of 1934, the Participant understands and acknowledges that the Award may be subject to additional clawback and/or forfeiture provisions as set forth within any separate policy maintained by the Company from time to time, including without limitation any such provisions as may be required by SEC or stock exchange listing rules or otherwise, and of which the Company may require separate acknowledgement by the Participant at any time as a condition of receiving any amount with respect to this Award.

The Participant agrees that the foregoing restrictions are reasonable and that the value of the LTIP awards is reasonable consideration for accepting such restrictions and forfeiture contingencies. However, if any portion of this section is held by competent authority to be unenforceable or contrary to applicable law, this section shall be deemed amended to limit its scope to the broadest scope that such authority determines is enforceable, and as so amended shall continue in effect. The Participant acknowledges that this Award shall constitute compensation in satisfaction of these covenants.

### **Adjustments**

RSU Awards may be subject to adjustment under the terms of the Plan if the Corporation engages in a transaction affecting its capital structure, such as a merger, distribution of a special dividend, spin-off of a business unit, stock split, subdivision or consolidation of shares of Common Stock or other events affecting the value of Common Stock.

Further information concerning capital adjustments is set forth in Section 3(d) of the LTIP, which can be located at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

### **Change-in-Control**

In the event of a Change-in-Control or restructuring of the Corporation, the Committee may, in its sole discretion, take certain actions with respect to outstanding Awards to assure fair and equitable treatment of LTIP Participants. Such actions may include the acceleration of vesting, canceling an outstanding Award in exchange for its equivalent cash value (as determined by the Committee), or providing for other adjustments or modifications to outstanding Awards as the Committee may deem appropriate. In the event of a Change-In-Control where the RSUs are not replaced by a Replacement Award, the RSUs will fully vest and in accordance with Section 10(b) of the LTIP. Further details concerning Change-in-Control are set forth in Section 10 of the LTIP, which can be located [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

### **Awards Not to Affect Certain Transactions**

RSU Awards do not in any way affect the right of the Corporation or its shareowners to effect: (i) any adjustments, recapitalizations, reorganizations or other changes in the Corporation's capital or business structure; (ii) any merger or consolidation of the Corporation; (iii) any issue of bonds, debentures, shares of stock preferred to, or otherwise affecting the Common Stock of the Corporation or the rights of the holders of such Common Stock; (iv) the dissolution or liquidation of the Corporation; (v) any sale or transfer of all or any part of its assets or business; or (vi) any other corporate act or proceeding.

### **Taxes / Withholding**

The Participant acknowledges that, regardless of any action taken by the Company, the Participant is responsible for all income taxes, social insurance contributions, payroll taxes, payment on account or other tax-related items attributable to any Award ("Tax-Related Items"). The Fair Market Value of Common Stock on the New York Stock Exchange on the date the taxable event occurs will be used to calculate taxable income realized from the RSUs. The

provisions of Section 14(d) (Required Taxes) of the LTIP apply to this Award; provided that, if the Participant is an individual covered under Section 16 of the Securities Exchange Act of 1934, as amended at the time that a taxable event occurs, then the Company's withholding obligations with respect to such taxable event will be satisfied by the Company withholding shares of Common Stock subject to the RSU Award having a Fair Market Value on the date of withholding equal to the amount required to be withheld for tax purposes (calculated using the minimum statutory withholding rate, except as otherwise approved by the Committee). The Company shall have the right to deduct directly from any payment or delivery of shares due to a Participant or from Participant's regular compensation to effect compliance with all Tax-Related Items, including withholding and reporting with respect to the vesting of any RSU. Acceptance of an Award constitutes affirmative consent by Participant to such reporting and withholding. The Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company. Further, if the Participant has become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, the Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction. In those countries where there is no withholding on account of such Tax-Related Items, Participants must pay the appropriate taxes as required by any country where they are subject to tax. In those instances where Company is required to calculate and remit withholding on Tax-Related Items after shares have already been delivered, the Participant shall pay the Company any amount of Tax-Related Items that the Company is required to pay. The Company may refuse to distribute an Award if a Participant fails to comply with his or her obligations in connection with Tax-Related Items.

Important information about the U.S. Federal income tax consequences of LTIP Awards can be found in the LTIP Prospectus at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

### **Non-assignability**

Unless otherwise approved by the Committee or its delegate, no assignment or transfer of any right or interest of a Participant in any RSU Award, whether voluntary or involuntary, by operation of law or otherwise, is permitted except by will or the laws of descent and distribution. Any other attempt to assign such rights or interest shall be void and without force or effect.

### **Nature of Payments**

All Awards made pursuant to the LTIP are in consideration of services performed for the Corporation. Any gains realized pursuant to such Awards constitute a special incentive payment to the Participant and will not be taken into account as compensation for purposes of any of the employee benefit plans of the Company. Awards are made at the discretion of the Committee. Receipt of a current Award does not guarantee receipt of a future Award.

### **Right of Discharge Reserved**

Nothing in the LTIP or in any RSU Award shall confer upon any Participant the right to continued employment or service for any period of time, or affect any right that the Corporation may have to terminate the employment of any Participant at any time for any reason.

## **Administration**

The Board of Directors of the Corporation has delegated the administration and interpretation of the Awards granted pursuant to the LTIP to the Compensation Committee. The Committee establishes such procedures as it deems necessary and appropriate to administer Awards in a manner that is consistent with the terms of the LTIP. The Committee has, consistent with its charter and subject to certain limitations, delegated to the Chief Executive Officer and the Chief Human Resources Officer (and to such subordinates as he or she may further delegate) the authority to grant, administer, and interpret Awards, provided that, such delegation will not apply with respect to employees of the Corporation who are covered under Section 16 of the Securities Exchange Act of 1934, as amended, and to members of the Company's Executive Leadership Team. Awards to these individuals will be granted, administered, and interpreted exclusively by the Committee. The Committee's decision or that of its delegate on any matter related to an Award shall be binding, final, and conclusive on all parties in interest.

## **Data Privacy**

The Corporation maintains electronic records for the purpose of administering the LTIP and individual Awards. In the normal course of plan administration, electronic data may be transferred to different sites within the Corporation and to outside service providers. Acceptance of an Award constitutes consent by the Participant to the collection, use, processing, transmission, and holding of personal data, in electronic or other form, as required for the implementation, administration, and management of this Award and the LTIP by the Company or its third-party administrators within or outside the country in which the Participant resides or works. All such collection, use, processing, transmission, and holding of data will comply with applicable privacy protection requirements. If you do not want to have your personal data shared, you may choose to not accept this Award.

## **Company Compliance Policies**

Participants must comply with the Company's Code of Ethics and Corporate Policies and Procedures. Violations can result in the forfeiture of Awards and the obligation to repay previous gains realized from LTIP Awards. The Company's Code of Ethics and Corporate Policy Manual are available online on the Company's internal home page.

## **Interpretations**

This Schedule of Terms provides a summary of terms applicable to the RSU Award. This Schedule of Terms and each Award Agreement are subject in all respects to the terms of the LTIP, which can be located at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR). In the event that any provision of this Schedule of Terms or any Award Agreement is inconsistent with the terms of the LTIP, the terms of the LTIP shall govern. Capitalized terms used but not otherwise defined herein shall have the meanings as defined in the LTIP. Any question concerning administration or interpretation arising under the Schedule of Terms or any Award Agreement will be determined by the Committee or its delegates, and such determination shall be final, binding, and conclusive upon all parties in interest. If this Schedule of Terms or any other document related to

this Award is translated into a language other than English and a conflict arises between the English and translated version, the English version will control.

### **Governing Law**

The LTIP, this Schedule of Terms, and the Award Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

### **Additional Information**

Questions concerning the LTIP or Awards and requests for LTIP documents can be directed to:

Stock Plan Administrator

StockPlanAdmin@carrier.com

OR

Carrier Global Corporation

Attn: Stock Plan Administrator

13995 Pasteur Boulevard

Palm Beach Gardens, FL 33418

The Corporation and / or its approved Stock Plan Administrator will send any Award-related communications to the Participant's email address or physical address on record. It is the responsibility of the Participant to ensure that both the e-mail and physical address on record are up-to-date and accurate at all times to ensure delivery of Award-related communications.

## Exhibit A

### Carrier Global Corporation 2020 Long-Term Incentive Plan 2023 Restrictive Covenant Addendum to Schedule of Terms

The Participant agrees that except where prohibited by local law, in consideration for the opportunity to earn the Award set forth in this Schedule of Terms and the accompanying Award Agreement and regardless of whether benefits under the Schedule of Terms are actually realized by the Participant, the Participant shall comply with the following terms and conditions, including the Restrictive Covenants set forth below.

#### 1. Acknowledgement

The Participant acknowledges that during his/her employment, the Participant will be provided with, develop and use Trade Secrets or Confidential Information belonging to Carrier Global Corporation or its successor, Affiliates and subsidiaries (the "Corporation"). The Participant recognizes and agrees that the Corporation has a legitimate business interest in maintaining the confidentiality of its Trade Secrets or Confidential Information and a legitimate need to protect itself from improper or unfair competition.

The Participant also recognizes the highly competitive nature of the Corporation's business and the investment the Corporation has made to protect its Trade Secrets or Confidential Information, and understands that if Trade Secrets or Confidential Information were to be disclosed to a competitor or used for an improper purpose, the Corporation would be irreparably harmed.

Finally, the Participant acknowledges that his/her agreement to comply with the terms of this Exhibit may limit the Participant's ability to work in a business similar to the business of the Corporation; provided, however that the Participant agrees that, in light of the Participant's education, skills, abilities and financial resources, the Participant shall not assert, and it shall not be relevant nor admissible as evidence in any dispute arising in respect of the Exhibit, including the Restrictive Covenants.

#### 2. Restrictive Covenants

The Participant acknowledges and agrees that he/she shall be bound by and shall abide by the following restrictive covenants which are necessary to protect the Corporation's legitimate business interests:

##### a. Confidentiality

At all times during and after the termination of the Participant's employment or relationship with the Corporation, the Participant will not, without the Corporation's prior written permission, directly or indirectly for any purpose other than the performance of the Participant's duties for the Corporation, use for his/her own benefit or for the benefit of any third party or disclose to anyone outside of the Corporation any Trade Secrets or Confidential Information or any information received by the Corporation in confidence from or about third parties, as long as such matters remain trade secrets or confidential.

These confidentiality obligations shall not prohibit the Participant from complying with a court order or disclosing Trade Secrets or Confidential Information as required by law; however, the Participant agrees to inform the Corporation as soon as practicable of any such court order or other legal requirement, and the Participant shall take reasonable steps to prevent disclosure of Trade Secrets or Confidential Information until the Company has been informed of such required disclosure and has had a reasonable opportunity to take protective measures such as seeking a protective order.

Notwithstanding any other provisions of this Section 2(a), pursuant to 18 USC Section 1833(b), the Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Trade Secrets or Confidential Information that is made: (A) confidentially to a federal, state or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or

investigating a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If the Participant files a lawsuit for retaliation by the Corporation for reporting a suspected violation of law, the Participant may disclose such trade secret to the Participant's attorney and use the trade secret information in related court proceedings; provided that, the Participant files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order. Additionally, the provisions of this Exhibit are not intended to, and shall be interpreted in a manner that does not, limit or restrict the Participant from exercising any legally protected whistleblower rights (including pursuant to Rule 21F under the Securities Exchange Act of 1934).

**b. Non-Competition**

To further ensure the protection of the Corporation's Trade Secrets or Confidential Information, the Participant agrees that during the Participant's employment by the Corporation and during the Restrictive Period, that the Participant will not directly or indirectly, own, manage, operate, control (including indirectly through a debt, equity investment, or otherwise), accept employment with or provide services in any form to (including serving as a director or entering into a consulting relationship or similar arrangement) any person or entity engaged in any business venture that is deemed to be a Competitive Business. Notwithstanding the foregoing, it shall not be considered a breach of this Section 2(b) for the Participant to be a passive owner of not more than 5% of the outstanding stock or other securities or interests of a public company that is a Competitive Business, so long as the Participant has no direct or indirect active participation in the business or management of such corporation or entity.

**c. Non-Solicitation – Employees**

In consideration of the significant time and resources the Corporation has invested and will continue to invest to recruit and retain its employees, as well as the valuable information that the Participant has obtained about Corporation employees, including their respective talents and areas of expertise, the Participant agrees that during the Participant's employment by the Corporation and during the Restrictive Period, the Participant will not, directly or indirectly, on his/her own behalf or on behalf of another: (i) solicit, recruit, aid or induce any employee of the Corporation to leave their employment with the Corporation in order to accept employment with or render services to another person or entity unaffiliated with the Corporation, or (ii) hire or knowingly take any action to assist or aid any other person or entity in identifying or hiring any such employee.

**d. Non-Solicitation – Customers, Suppliers, Licensees, Business Partners and Vendors**

In consideration of the significant time and resources the Corporation has invested and will continue to invest to develop relationships and foster goodwill with its Customers as well as the valuable information the Participant has learned about the Corporation's Customers during his/her employment, the Participant agrees that during the Participant's employment by the Corporation and during the Restrictive Period that he or she will not directly or indirectly, for the Participant's own account or for others, (A) solicit or assist others in soliciting or attempt to solicit (or assist others in attempting to solicit) (i) any existing Customers with whom the Participant had contact, or of whom the Participant became aware while employed by the Corporation during the two (2) year period prior to the Participant's Termination of Employment, or (ii) any prospective Customers of the Corporation with whom the Participant had contact and with whom the Corporation took significant steps to do business during the two (2) year period prior to the Participant's Termination of Employment, for the purpose of inducing such existing or prospective Customers to cease doing business or reduce their business with the Corporation or to purchase, lease or utilize products or services that are competitive with, similar to, or that may be used as substitutes for any products or services offered by the Corporation, or (B) otherwise interfere with the relationship of the Corporation with any of its Customers.

**e. Non-Disparagement**

The Participant agrees not to disparage or defame, through any public medium (including social media) the business reputation, technology, products, practices or

conduct of the Corporation or any member of the board of directors or any executive officer of the Corporation in their capacity as such. Nothing in this Exhibit or elsewhere shall prevent the Participant from making statements in confidence to an immediate family member or to an attorney for the purpose of seeking legal advice, or from making truthful statements when required by law, subpoena or the like, or in arbitration or other proceeding permitted under this Exhibit and/or the Plan, as applicable.

The Participant acknowledges and agrees that the Participant has had the opportunity to seek the advice of counsel in connection with this Exhibit and that the Restrictive Covenants contained herein are reasonable in geographic scope, temporal duration, and in all other respects. The Participant further acknowledges and agrees that the opportunity to earn the Award(s) is reasonable consideration for accepting such restrictions.

### 3. Defined Terms

Capitalized terms used and not otherwise defined herein will have the meaning given thereto in the Plan or the Schedule of Terms for the Award(s), as applicable.

**Competitive Business:** shall mean any person, firm, corporation, or other entity that is (i) located in a region with respect to which the Participant had substantial responsibilities during the final two (2) years of the Participant's employment by the Corporation and is (ii) competitive, with (A) the business unit(s) of the Corporation the Participant was employed with during the final two (2) years of the Participant's employment (including any prospective business to be developed or acquired that was proposed at the date of termination and of which the Participant was aware), or (B) any other business of the Corporation with respect to which the Participant had substantial exposure during the final two (2) years of such employment. The determination of status of a person or entity as a Competitive Business will be made by the Chief Human Resources Officer of the Corporation (or his/her delegate) in his/her sole discretion.

**Customer:** shall mean the Corporation's customers, suppliers, licensees, business partners, and/or vendors.

**Restrictive Period:** shall mean the one (1) year period following the Participant's termination of employment with the Corporation for any reason. Notwithstanding the foregoing, with respect to the Corporation's Chief Executive Officer, and the executives serving as segment and functional leaders who directly report to the Corporation's Chief Executive Officer, the Restrictive Period shall mean the two (2) year period following the Participant's termination of employment with the Corporation for any reason.

**Trade Secrets or Confidential Information:** shall mean any business information or material which is not generally known to the public, and which (a) is generated or collected by or used in the operations of the Corporation and relates to the actual or anticipated business of the Corporation; or (b) results from any task assigned to the Participant by the Corporation or work performed by the Participant for or on behalf of the Corporation. Confidential information shall not be considered generally known to the public if it is revealed improperly to the public by the Participant or others without the Corporation's express written consent and/or in violation of an obligation of confidentiality to the Corporation. Examples of Trade Secrets or Confidential Information include, but are not limited to, customer and supplier contacts, confidential information about customers, pricing, margins, business plans, marketing plans, financial data, business and customer strategies, methods or techniques of manufacturing or producing the products manufactured or produced by the Company, formulations, technical know-how, formulae, research, development and production information, processes, designs, software, solutions, patent applications and plans or proposals related to the foregoing.

### 4. Miscellaneous

#### a. Governing Law

This Exhibit will be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any choice of law or conflicting provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the laws of any jurisdiction other than the State of Delaware to be applied. In furtherance of the foregoing, the internal laws of the State of Delaware will control the interpretation and construction of this Exhibit, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

**b. Interaction**

Except as set forth below, this Exhibit and the Restrictive Covenants contained herein shall be in addition to, and not in lieu of, any other restrictive covenants that are or may be applicable to the Participant, including without limitation (i) the forfeiture and clawback provisions set forth in the Plan and Schedule of Terms, (ii) the restrictive covenants described in the Carrier Global Corporation Senior Executive Severance Plan, as in effect from time to time, (iii) if applicable, the restrictive covenants in the Executive Leadership Group Agreement that the Participant entered into when he/she was appointed to United Technologies Corporation's Executive Leadership Group ("ELG"), (iv) if applicable, the restrictive covenants in the ELG Restricted Stock Unit Retention Award Schedule of Terms that was provided to the Participant when he/she became a member of United Technologies Corporation's Executive Leadership Group and (v) the restrictive covenants described in the Carrier Global Corporation Change in Control Severance Plan, as in effect from time to time.

Notwithstanding the foregoing, to the extent that any of the Restrictive Covenants set forth in Section 2 of this Exhibit would invalidate or conflict with restrictive covenants that are similar in nature and that: (i) were independently agreed to in an employment agreement negotiated by and between the Participant and the Corporation, and (ii) provide comparable or greater protections and remedies to the Corporation, those specific Restrictive Covenants shall be deemed inapplicable with respect to the Participant.

**c. Validity; Severability; Blue Pencil**

It is the desire and intent of the parties hereto that the provisions of this Exhibit shall be enforced to the fullest extent legally-permissible. As such, the parties agree that the provisions of this Exhibit and obligations of the parties are severable, and that if it is determined that any part or portion of this Exhibit is invalid or unenforceable, the remainder of the provisions of this Exhibit shall not thereby be affected and shall be given full effect, without regard to the invalid portions. If any court or other decision-maker of competent jurisdiction determines that any of the covenants in this Exhibit is unenforceable because of the duration or geographic scope of such provision, then, after such determination becomes final and unappealable, the duration or scope of such provision, as the case may be, shall be reduced so that such provision becomes enforceable, and that, in its reduced form, such provision shall be enforced.

**d. Remedies**

The Participant acknowledges that a remedy at law for any breach or threatened breach of the provisions of this Exhibit would be inadequate and therefore agrees that in addition to any remedies that may be available to the Corporation under the Terms of the Plan or the Schedule of Terms, the Corporation shall be entitled to injunctive relief in case of any such breach or threatened breach. In the event that a court determines that the Participant has breached or threatened to breach this Exhibit, the Participant agrees to reimburse the Corporation for all attorneys' fees and costs incurred in enforcing the terms of the Exhibit. However, nothing contained herein shall be construed as prohibiting the Corporation from pursuing any other remedies available for any such breach or threatened breach against the Participant or the Participant's then-current employer that may also include but not be limited to contract damages, lost profits and punitive damages.

**e. Participant's Future Employer**

To enable the Corporation to monitor compliance with this Exhibit, the Participant agrees that upon the termination of his/her employment for any reason and for the duration of the Restrictive Period, that he/she will advise the Corporation of the name and address of his/her intended future employer. Furthermore, for the duration of the Restrictive Period, the Participant will inform each new employer, prior to accepting employment, of the existence of this Exhibit and provide that employer with a copy of it. The Corporation has the right to inform any future employer of the existence of this Exhibit and to provide any future employers with a copy of it.

**f. Assignment**

This Exhibit (including Section 2 hereof) shall inure to the benefit of and be binding upon the Corporation and its successors and assigns. The Corporation may assign this Exhibit (including this Section 2), without the Participant's consent to, including but not limited to, any of the entities within the Corporation or to any successor (whether by merger, purchase, bankruptcy, reorganization or otherwise) to all or substantially all of the equity, assets or businesses of the Corporation. The Participant may not assign the Exhibit (or the obligations set forth in this Section 2).

**g. No Contract**

Neither the Award, the applicable Schedule of Terms for the Award, this Exhibit, nor the Plan constitute a contract of employment; nor do they guarantee the Participant's continued employment for any period required for all or any of the Participant's Awards to vest become exercisable, be earned or be paid out.

**Carrier Global Corporation  
2020 Long-Term Incentive Plan**

**Stock Appreciation Right Award  
(Off-Cycle)  
*Schedule of Terms***

***(February 1, 2023)***

This Schedule of Terms describes the material features of the Participant's Stock Appreciation Right Award (the "SAR Award" or the "Award") granted under the Carrier Global Corporation 2020 Long-Term Incentive Plan (the "LTIP"), subject to this Schedule of Terms, the Award Agreement, and the terms and conditions set forth in the LTIP. The LTIP Prospectus contains further information about the LTIP and this Award and is available on the Company's internal employee website and at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

## **Certain Definitions**

A Stock Appreciation Right (a "SAR") represents the right to receive the appreciation in one share of common stock of Carrier Global Corporation (the "Common Stock") measured from the date of grant to the date of exercise. The appreciation, upon exercise, is generally paid to the Participant in the form of shares of Common Stock. SARs generally vest if the Participant remains employed or otherwise engaged by the Company or the Corporation through the applicable vesting date schedule set forth on the Award Agreement (see "Vesting" below), or upon an earlier Termination of Service under limited circumstances that may result in accelerated vesting (see "Termination of Service" below). "Company" means Carrier Global Corporation, together with its subsidiaries, divisions and Affiliates (collectively, the "Corporation"). "Termination Date" means the date the Participant's employment ends, or, if different, the date a Participant ceases providing services to the Corporation as an employee, consultant, or in any other capacity. For the avoidance of doubt, absences from employment by reason of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service shall not be recognized as service in determining the Termination Date. All references to termination of employment in this Schedule of Terms will be deemed to refer to "Termination of Service" as defined in the LTIP. "Committee" means the Compensation Committee of the Board. Capitalized terms not otherwise defined in this Schedule of Terms have the same meaning as defined in the LTIP.

## **Acknowledgement and Acceptance of Award**

The number of SARs awarded and the SAR grant price are set forth in the Award Agreement. The Award recipient (the "Participant") must affirmatively acknowledge and accept the terms and conditions of the SAR Award within 150 days following the Grant Date. A failure to acknowledge and accept the SAR Award within such 150-day period will result in forfeiture of the SAR Award, effective as of the 150th day following the Grant Date.

Participants must acknowledge and accept the terms and conditions of this SAR Award electronically via the UBS *One Source* website at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR). Participants based in certain countries may be required to acknowledge and accept the terms and conditions of this SAR Award by signing and returning the designated hard copy portion of the Award Agreement to the Stock Plan Administrator.

## **Exercise Price (or "Grant Price")**

The Grant Price represents the Fair Market Value of the Corporation's Common Stock on the date of grant. "Fair Market Value" means, as of any given date, the closing price of the Common Stock on the New York Stock Exchange.

## **Vesting and Expiration**

SARs will vest and expire (if unexercised) in accordance with the schedule set forth in the Award Agreement, subject to the Participant's continued employment or service with the Corporation through each applicable vesting date. Unvested SARs will be forfeited in the event of

Termination of Service prior to the vesting date, except in certain earlier terminations involving Disability, Change-in-Control Termination, or death (see “Termination of Service” below).

Vested SARs may be exercised on or after the vesting date until the earlier of the:

- (i) Expiration date specified in the Award Agreement, at which time the SARs and all associated rights lapse; or
- (ii) Last day permitted on or following Termination of Service as specified in “Termination of Service” below.

SARs may also be forfeited and value realized from exercised SARs may be recouped by the Company under certain circumstances (see “Forfeiture of Award and Repayment of Realized Gains” below).

### **No Shareowner Rights**

A SAR is the right to receive the appreciation in a share of Common Stock, subject to continued employment or service and certain other conditions. The holder of a SAR has no voting, dividend, or other rights accorded to owners of Common Stock, unless and until SARs are exercised and settled in Common Stock.

### **Exercise and Payment**

While a Participant is employed by the Corporation, the Participant may exercise vested SARs on or after the applicable vesting date until the expiration date. The value a Participant will realize upon the exercise of a SAR is the difference between the price of the Common Stock at the time of exercise and the Grant Price. The Participant will generally receive shares of Common Stock as soon as administratively practicable following exercise of SARs. The value of the exercised SARs may instead be paid in cash if the Committee so determines, including where local law restricts the distribution of Common Stock.

It is the responsibility of the Participant to track the expiration of the Award and exercise SARs in a timely manner. The Company assumes no responsibility for, and will make no adjustments with respect to, SARs that expire unexercised. Any communication from the Plan Administrator or the Company to the Participant with respect to expiration is provided as a courtesy only.

Please note that in some regions, exercise periods will be reduced where required by local law. For example, in no event will SARs be exercisable after 6 months following a Participant’s Termination Date for those Participants subject to exchange control regulations in the People’s Republic of China. The proceeds from SARs exercised by Participants in the People’s Republic of China less any applicable withholdings, will be delivered to the Participant (or the Participant’s estate) in local currency through a special exchange control account established by the Corporation as soon as administratively practicable. The Participant agrees to bear any

currency fluctuation risk between the time the shares of Carrier common stock are sold and the time the sale proceeds are distributed through such special exchange account.

### **Termination of Service**

The treatment of SARs upon Termination of Service depends upon the reason for termination, as detailed in the following sections. Unvested SARs will be forfeited as of the Termination Date, except in the event of death, Disability, or Change-in-Control Termination, as discussed below.

Absences from employment because of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service will not be recognized as service in determining the Termination Date.

**Retirement.** There will be no accelerated vesting of SARs in the event of Retirement prior to vest. All unvested SARs will be cancelled as of the Termination Date. Retirement eligibility may entitle the Participant to an exercise period for vested SARs of up to the expiration of their term. For this purpose, Retirement means either a Normal Retirement or Early Retirement as defined below:

- “Normal Retirement” means retirement on or after age 65;
- “Early Retirement” means retirement on or after:
  - Age 55 with 10 or more years of continuous service as of the Termination Date; or
  - For all Participants who were actively employed by the Corporation at an M/P7 or F1/F2 level or above on December 31, 2021 (as those levels existed on December 31, 2021), Early Retirement shall also mean age 50, but before age 55, and the Participant’s age and continuous service as of the Termination Date adds up to 65 or more (“Rule of 65”).

Upon Retirement, vested SARs may be exercised as detailed in the chart below:

Retirement Type	Company Consents to Early Retirement *	Exercise Period***
Normal Retirement (age 65)	N/A	SARs may be exercised until the expiration of their term
Early Retirement on or after age 55 + 10 years of continuous service as of the Termination Date	Yes	SARs may be exercised until the expiration of their term
	No	SARs may be exercised for three (3) years following the Termination Date or until the expiration of the SAR, whichever is earlier
Rule of 65** (Early Retirement on or after age 50, but prior to age 55 + years of continuous service = 65+ as of the Termination Date)	Yes	SARs may be exercised for five (5) years following the Termination Date or until the expiration of the SAR, whichever is earlier
	No	SARs may be exercised for three (3) years following the Termination Date or until the expiration of the SAR, whichever is earlier
<p>* The Company's consent to the Participant's Retirement will be at the sole discretion of the Company based on its ability to effectively transition the Participant's responsibilities as of the Termination Date and such other factors as it may deem appropriate.</p> <p>** Applicable only for Participants who were actively employed by the Corporation at an M/P7 or F1/F2 level or above on December 31, 2021.</p> <p>***Exercise periods for certain employees may be shorter where required by local law. For example, in no event will SARs be exercisable after 6 months following the Termination Date for Participants subject to exchange control regulations in the People's Republic of China.</p>		

A Participant will not be eligible to receive Retirement treatment with respect to any Award in the event of involuntary termination by the Corporation for Cause.

For purposes of this Retirement section, continuous service shall have the meaning ascribed to it in any policy that may be issued by the Company from time to time addressing the calculation of an employee's (including a re-employed employee's) continuous service date. The calculation to determine Early Retirement will include partial years, rounded down to the nearest full month.

**Involuntary Termination for Cause.** If the Participant's termination results from an involuntary termination by the Corporation for Cause (as defined in the LTIP), both vested and unvested SARs will be forfeited as of the Termination Date regardless of the Participant's Retirement eligibility. In addition, value realized from previously exercised SARs is subject to repayment in the event of termination for Cause or certain other occurrences (see "Forfeiture of Award and Repayment of Realized Gains" below).

**Involuntary Termination other than for Cause, death, or Disability.** A Participant who is involuntarily terminated (other than for a Change-in-Control Termination) will forfeit all unvested SARs. Upon involuntary termination for reasons other than Cause, vested SARs may be

exercised for one (1) year following the Termination Date or until the expiration of the SAR, whichever is earlier (except where a shorter period is required by local law). Unexercised vested SARs will expire without value at the close of the NYSE on the first anniversary of the Termination Date, or the expiration date, whichever comes first. In the event that the date falls on a weekend or market holiday, the SARs will be cancelled at the end of the last trading day prior to such date.

**Voluntary Termination.** A Participant who voluntarily terminates employment or service (other than for a Change-in-Control Termination) will forfeit all unvested SARs. Vested SARs may be exercised for up to ninety (90) days from the Termination Date or until the expiration of the SAR (if earlier). Unexercised SARs will expire without value at the close of the NYSE on the ninetieth (90<sup>th</sup>) day following the Termination Date, or the expiration date, whichever comes first. In the event that the date falls on a weekend or market holiday, the SARs will be cancelled at the end of the last trading day prior to the 90<sup>th</sup> day.

**Death or Disability.** If the Participant dies while still employed by or providing services to the Corporation, or if the Participant incurs a Disability (as defined in the LTIP), all unvested SARs will vest as of the date of death or Disability, as applicable, and become exercisable. The Participant, Participant's estate or designated beneficiary, as applicable, will have three (3) years from the date of death or the Disability except as restricted by local law, or until the expiration of the SAR if earlier, to exercise all outstanding SARs, provided however, that if the expiration of the SAR occurs prior to the end of such three-year period following the death or Disability, the SAR will be deemed to be exercised by the Participant, Participant's estate or designated beneficiary (if such a designation has been provided to the Corporation, and to the extent the Corporation determines such designation to be valid), as may be determined in the Corporation's sole discretion, as of the SAR expiration date and (where applicable) the resulting amount held for distribution to the Participant, Participant's estate or beneficiary, as applicable. Different tax rules may apply when the estate or heir exercises the deceased Participant's SARs. A personal tax or financial advisor should be consulted under this scenario.

**Change-in-Control Termination.** If the SARs are replaced with a Replacement Award in connection with a Change-in-Control in accordance with Section 10(c) of the LTIP, and a Participant's termination results from an involuntary termination by the Corporation for reasons other than for Cause, death or Disability, or due to the Participant's voluntary termination for "Good Reason," in each case, within 24 months following a Change-in-Control in accordance with Section 10(d) of the LTIP (such Termination of Service, a "CIC Termination"), then all unvested SARs will vest and become exercisable as of the Termination Date and all vested SARs will be exercisable until the third anniversary of the Termination Date (or until the expiration of the SAR, if earlier).

#### **Forfeiture of Award and Repayment of Realized Gains**

SARs, whether or not vested, will be immediately forfeited and a Participant will be obligated to repay to the Company the value realized from the prior exercise of SARs upon the occurrence of any of the following events:

- (i) Termination for Cause (as defined in the LTIP);
- (ii) A determination that the Participant engaged in conduct that could have constituted the basis for a Termination for Cause, including determinations made within three years following the Termination Date;

- (iii) Within twenty-four months following the Termination Date, the Participant:
- (A) Solicits a Corporation employee, or individual who had been a Corporation employee within the previous three months, for an opportunity outside of the Corporation; or
  - (B) Publicly disparages the Corporation, its employees, directors, products, or otherwise makes a public statement that is materially detrimental to the interests of the Corporation or such individuals; or
- (iv) At any time during the twelve-month period following the Termination Date: (A) the Participant becomes employed by, consults for, or otherwise renders services to any business entity or person engaged in activities that compete with the Corporation or the business unit that employed the Participant; or (B) that is a material customer of or a material supplier to the Corporation or the business unit that employed the Participant, unless, in either case, the Participant has first obtained the consent of the Chief Human Resources Officer or her or his delegate. This restriction applies to competitors, customers, and suppliers of each business unit that employed the Participant within the two-year period prior to the Termination Date. The determination of status of competitors, customers, and suppliers will be made by the Chief Human Resources Officer (or her or his delegate) in her or his sole discretion.

Further details concerning the forfeiture of Awards and the obligation to repay gains realized from LTIP Awards are set forth in Section 14(i) of the LTIP, which can be located at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

In addition to the provisions set forth above, and in consideration for the Participant's opportunity to earn the Award, the Participant agrees to be bound by the restrictive covenants set forth in Exhibit A to this Schedule of Terms even if the Participant ultimately forfeits the Award or otherwise fails to receive any benefits in connection with the Award.

Notwithstanding the foregoing, if the Participant is an individual covered under Section 16 of the Securities Exchange Act of 1934, the Participant understands and acknowledges that the Award may be subject to additional clawback and/or forfeiture provisions as set forth within any separate policy maintained by the Company from time to time, including without limitation any such provisions as may be required by SEC or stock exchange listing rules or otherwise, and of which the Company may require separate acknowledgement by the Participant at any time as a condition of receiving any amount with respect to this Award.

The Participant agrees that the foregoing restrictions are reasonable and that the value of the LTIP awards is reasonable consideration for accepting such restrictions and forfeiture contingencies. However, if any portion of this section is held by competent authority to be unenforceable or contrary to applicable law, this section shall be deemed amended to limit its scope to the broadest scope that such authority determines is enforceable, and as so amended shall continue in effect. The Participant acknowledges that this Award shall constitute compensation in satisfaction of these covenants.

## **Adjustments**

SAR Awards may be subject to adjustment under the terms of the Plan if the Corporation engages in a transaction affecting its capital structure, such as a merger, distribution of a special dividend, spin-off of a business unit, stock split, subdivision or consolidation of shares of Common Stock or other events affecting the value of Common Stock.

Further information concerning capital adjustments is set forth in Section 3(d) of the LTIP, which can be located at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

### **Change-in-Control**

In the event of a Change-in-Control or restructuring of the Corporation, the Committee may, in its sole discretion, take certain actions with respect to outstanding Awards to assure fair and equitable treatment of LTIP Participants. Such actions may include the acceleration of vesting, canceling an outstanding Award in exchange for its equivalent cash value (as determined by the Committee), or providing for other adjustments or modifications to outstanding Awards as the Committee may deem appropriate. In the event of a Change-In-Control where the SARs are not replaced by a Replacement Award, the SARs will fully vest and become exercisable in accordance with Section 10(b) of the LTIP. Further details concerning Change-in-Control are set forth in Section 10 of the LTIP, which can be located at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

### **Awards Not to Affect Certain Transactions**

SAR Awards do not in any way affect the right of the Corporation or its shareowners to effect: (i) any adjustments, recapitalizations, reorganizations or other changes in the Corporation's capital or business structure; (ii) any merger or consolidation of the Corporation; (iii) any issue of bonds, debentures, shares of stock preferred to, or otherwise affecting the Common Stock of the Corporation or the rights of the holders of such Common Stock; (iv) the dissolution or liquidation of the Corporation; (v) any sale or transfer of all or any part of its assets or business; or (vi) any other corporate act or proceeding.

### **Taxes / Withholding**

The Participant acknowledges that, regardless of any action taken by the Company, the Participant is responsible for all income taxes, social insurance contributions, payroll taxes, payment on account or other tax-related items attributable to any Award ("Tax-Related Items"). The provisions of Section 14(d) (Required Taxes) of the LTIP apply to this Award; provided that, if the Participant is an individual covered under Section 16 of the Securities Exchange Act of 1934, as amended, at the time that a taxable event occurs, then the Company's withholding obligations with respect to such taxable event will be satisfied by the Company withholding shares of Common Stock on the date of exercise equal to the amount required to be withheld for tax purposes (calculated using the minimum statutory withholding rate as applied to the value of the SAR Award at the time of exercise, except as otherwise approved by the Committee). The Company shall have the right to deduct directly from any payment or delivery of shares due to a Participant or from a Participant's regular compensation to effect compliance with all Tax-Related Items, including withholding and reporting with respect to the exercise of any SAR. Acceptance of an Award constitutes affirmative consent by a Participant to such reporting and withholding. The Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the

Company. Further, if the Participant has become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, the Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction. In those countries where there is no withholding on account of such Tax-Related Items, Participants must pay the appropriate taxes as required by any country where they are subject to tax. In those instances where Company is required to calculate and remit withholding on Tax-Related Items after shares have already been delivered, the Participant shall pay the Company any amount of Tax-Related Items that the Company is required to pay. The Company may refuse to distribute an Award if a Participant fails to comply with his or her obligations in connection with Tax-Related Items.

Important information about the U.S. Federal income tax consequences of LTIP Awards can be found in the LTIP Prospectus at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR).

### **Non-assignability**

Unless otherwise approved by the Committee or its delegate, no assignment or transfer of any right or interest of a Participant in any SAR Award, whether voluntary or involuntary, by operation of law or otherwise, is permitted except by will or the laws of descent and distribution. Any other attempt to assign such rights or interest shall be void and without force or effect.

### **Nature of Payments**

All Awards made pursuant to the LTIP are in consideration of services performed for the Company. Any gains realized pursuant to such Awards constitute a special incentive payment to the Participant and will not be taken into account as compensation for purposes of any of the employee benefit plans of the Company. Awards are made at the discretion of the Committee. Receipt of a current Award does not guarantee receipt of a future Award.

### **Right of Discharge Reserved**

Nothing in the LTIP or in any SAR Award shall confer upon any Participant the right to continued employment or service for any period of time, or affect any right that the Corporation may have to terminate the employment of any Participant at any time for any reason.

### **Administration**

The Board of Directors of the Corporation has delegated the administration and interpretation of the Awards granted pursuant to the LTIP to the Compensation Committee. The Committee establishes such procedures as it deems necessary and appropriate to administer Awards in a manner that is consistent with the terms of the LTIP. The Committee has, consistent with its charter and subject to certain limitations, delegated to the Chief Executive Officer and the Chief Human Resources Officer (and to such subordinates as he or she may further delegate) the authority to grant, administer, and interpret Awards, provided that, such delegation will not apply with respect to employees of the Corporation who are covered under Section 16 of the Securities Exchange Act of 1934, as amended, and to members of the Company's Executive Leadership Team. Awards to these individuals will be granted, administered, and interpreted

exclusively by the Committee. The Committee's decision or that of its delegate on any matter related to an Award shall be binding, final, and conclusive on all parties in interest.

### **Data Privacy**

The Corporation maintains electronic records for the purpose of administering the LTIP and individual Awards. In the normal course of plan administration, electronic data may be transferred to different sites within the Corporation and to outside service providers. Acceptance of an Award constitutes consent by the Participant to the collection, use, processing, transmission, and holding of personal data, in electronic or other form, as required for the implementation, administration, and management of this Award and the LTIP by the Company or its third-party administrators within or outside the country in which the Participant resides or works. All such collection, use, processing, transmission, and holding of data will comply with applicable privacy protection requirements. If you do not want to have your personal data shared, you may choose to not accept this Award.

### **Company Compliance Policies**

Participants must comply with the Company's Code of Ethics and Corporate Policies and Procedures. Violations can result in the forfeiture of Awards and the obligation to repay previous gains realized from LTIP Awards. The Company's Code of Ethics and Corporate Policy Manual are available online on the Company's internal home page.

### **Interpretations**

This Schedule of Terms provides a summary of terms applicable to the SAR Award. This Schedule of Terms and each Award Agreement are subject in all respects to the terms of the LTIP, which can be located at [www.ubs.com/onesource/CARR](http://www.ubs.com/onesource/CARR). In the event that any provision of this Schedule of Terms or any Award Agreement is inconsistent with the terms of the LTIP, the terms of the LTIP shall govern. Capitalized terms used but not otherwise defined herein shall have the meanings as defined in the LTIP. Any question concerning administration or interpretation arising under the Schedule of Terms or any Award Agreement will be determined by the Committee or its delegates, and such determination shall be final, binding, and conclusive upon all parties in interest. If this Schedule of Terms or any other document related to this Award is translated into a language other than English and a conflict arises between the English and translated version, the English version will control.

### **Governing Law**

The LTIP, this Schedule of Terms, and the Award Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

### **Additional Information**

Questions concerning the LTIP or Awards and requests for LTIP documents can be directed to:

Stock Plan Administrator

StockPlanAdmin@carrier.com

OR

Carrier Global Corporation  
Attn: Stock Plan Administrator  
13995 Pasteur Boulevard  
Palm Beach Gardens, FL 33418

The Corporation and / or its approved Stock Plan Administrator will send any Award-related communications to the Participant's email address or physical address on record. It is the responsibility of the Participant to ensure that both the e-mail and physical address on record are up-to-date and accurate at all times to ensure delivery of Award-related communications.

## Exhibit A

### Carrier Global Corporation 2020 Long-Term Incentive Plan 2023 Restrictive Covenant Addendum to Schedule of Terms

The Participant agrees that except where prohibited by local law, in consideration for the opportunity to earn the Award set forth in this Schedule of Terms and the accompanying Award Agreement and regardless of whether benefits under the Schedule of Terms are actually realized by the Participant, the Participant shall comply with the following terms and conditions, including the Restrictive Covenants set forth below.

#### 1. Acknowledgement

The Participant acknowledges that during his/her employment, the Participant will be provided with, develop and use Trade Secrets or Confidential Information belonging to Carrier Global Corporation or its successor, Affiliates and subsidiaries (the "Corporation"). The Participant recognizes and agrees that the Corporation has a legitimate business interest in maintaining the confidentiality of its Trade Secrets or Confidential Information and a legitimate need to protect itself from improper or unfair competition.

The Participant also recognizes the highly competitive nature of the Corporation's business and the investment the Corporation has made to protect its Trade Secrets or Confidential Information, and understands that if Trade Secrets or Confidential Information were to be disclosed to a competitor or used for an improper purpose, the Corporation would be irreparably harmed.

Finally, the Participant acknowledges that his/her agreement to comply with the terms of this Exhibit may limit the Participant's ability to work in a business similar to the business of the Corporation; provided, however that the Participant agrees that, in light of the Participant's education, skills, abilities and financial resources, the Participant shall not assert, and it shall not be relevant nor admissible as evidence in any dispute arising in respect of the Exhibit, including the Restrictive Covenants.

#### 2. Restrictive Covenants

The Participant acknowledges and agrees that he/she shall be bound by and shall abide by the following restrictive covenants which are necessary to protect the Corporation's legitimate business interests:

##### a. Confidentiality

At all times during and after the termination of the Participant's employment or relationship with the Corporation, the Participant will not, without the Corporation's prior written permission, directly or indirectly for any purpose other than the performance of the Participant's duties for the Corporation, use for his/her own benefit or for the benefit of any third party or disclose to anyone outside of the Corporation any Trade Secrets or Confidential Information or any information received by the Corporation in confidence from or about third parties, as long as such matters remain trade secrets or confidential.

These confidentiality obligations shall not prohibit the Participant from complying with a court order or disclosing Trade Secrets or Confidential Information as required by law; however, the Participant agrees to inform the Corporation as soon as practicable of any such court order or other legal requirement, and the Participant shall take reasonable steps to prevent disclosure of Trade Secrets or Confidential Information until the Company has been informed of such required disclosure and has had a reasonable opportunity to take protective measures such as seeking a protective order.

Notwithstanding any other provisions of this Section 2(a), pursuant to 18 USC Section 1833(b), the Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Trade Secrets or Confidential Information

that is made: (A) confidentially to a federal, state or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If the Participant files a lawsuit for retaliation by the Corporation for reporting a suspected violation of law, the Participant may disclose such trade secret to the Participant's attorney and use the trade secret information in related court proceedings; provided that, the Participant files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order. Additionally, the provisions of this Exhibit are not intended to, and shall be interpreted in a manner that does not, limit or restrict the Participant from exercising any legally protected whistleblower rights (including pursuant to Rule 21F under the Securities Exchange Act of 1934).

**b. Non-Competition**

To further ensure the protection of the Corporation's Trade Secrets or Confidential Information, the Participant agrees that during the Participant's employment by the Corporation and during the Restrictive Period, that the Participant will not directly or indirectly, own, manage, operate, control (including indirectly through a debt, equity investment, or otherwise), accept employment with or provide services in any form to (including serving as a director or entering into a consulting relationship or similar arrangement) any person or entity engaged in any business venture that is deemed to be a Competitive Business. Notwithstanding the foregoing, it shall not be considered a breach of this Section 2(b) for the Participant to be a passive owner of not more than 5% of the outstanding stock or other securities or interests of a public company that is a Competitive Business, so long as the Participant has no direct or indirect active participation in the business or management of such corporation or entity.

**c. Non-Solicitation – Employees**

In consideration of the significant time and resources the Corporation has invested and will continue to invest to recruit and retain its employees, as well as the valuable information that the Participant has obtained about Corporation employees, including their respective talents and areas of expertise, the Participant agrees that during the Participant's employment by the Corporation and during the Restrictive Period, the Participant will not, directly or indirectly, on his/her own behalf or on behalf of another: (i) solicit, recruit, aid or induce any employee of the Corporation to leave their employment with the Corporation in order to accept employment with or render services to another person or entity unaffiliated with the Corporation, or (ii) hire or knowingly take any action to assist or aid any other person or entity in identifying or hiring any such employee.

**d. Non-Solicitation – Customers, Suppliers, Licensees, Business Partners and Vendors**

In consideration of the significant time and resources the Corporation has invested and will continue to invest to develop relationships and foster goodwill with its Customers as well as the valuable information the Participant has learned about the Corporation's Customers during his/her employment, the Participant agrees that during the Participant's employment by the Corporation and during the Restrictive Period that he or she will not directly or indirectly, for the Participant's own account or for others, (A) solicit or assist others in soliciting or attempt to solicit (or assist others in attempting to solicit) (i) any existing Customers with whom the Participant had contact, or of whom the Participant became aware while employed by the Corporation during the two (2) year period prior to the Participant's Termination of Employment, or (ii) any prospective Customers of the Corporation with whom the Participant had contact and with whom the Corporation took significant steps to do business during the two (2) year period prior to the Participant's Termination of Employment, for the purpose of inducing such existing or prospective Customers to cease doing business or reduce their business with the Corporation or to purchase, lease or utilize products or services that are competitive with, similar to, or that may be used as substitutes for any products or services offered

by the Corporation, or (B) otherwise interfere with the relationship of the Corporation with any of its Customers.  
e. **Non-Disparagement**

The Participant agrees not to disparage or defame, through any public medium (including social media) the business reputation, technology, products, practices or conduct of the Corporation or any member of the board of directors or any executive officer of the Corporation in their capacity as such. Nothing in this Exhibit or elsewhere shall prevent the Participant from making statements in confidence to an immediate family member or to an attorney for the purpose of seeking legal advice, or from making truthful statements when required by law, subpoena or the like, or in arbitration or other proceeding permitted under this Exhibit and/or the Plan, as applicable.

The Participant acknowledges and agrees that the Participant has had the opportunity to seek the advice of counsel in connection with this Exhibit and that the Restrictive Covenants contained herein are reasonable in geographic scope, temporal duration, and in all other respects. The Participant further acknowledges and agrees that the opportunity to earn the Award(s) is reasonable consideration for accepting such restrictions.

### 3. **Defined Terms**

Capitalized terms used and not otherwise defined herein will have the meaning given thereto in the Plan or the Schedule of Terms for the Award(s), as applicable.

**Competitive Business:** shall mean any person, firm, corporation, or other entity that is (i) located in a region with respect to which the Participant had substantial responsibilities during the final two (2) years of the Participant's employment by the Corporation and is (ii) competitive, with (A) the business unit(s) of the Corporation the Participant was employed with during the final two (2) years of the Participant's employment (including any prospective business to be developed or acquired that was proposed at the date of termination and of which the Participant was aware), or (B) any other business of the Corporation with respect to which the Participant had substantial exposure during the final two (2) years of such employment. The determination of status of a person or entity as a Competitive Business will be made by the Chief Human Resources Officer of the Corporation (or his/her delegate) in his/her sole discretion.

**Customer:** shall mean the Corporation's customers, suppliers, licensees, business partners, and/or vendors.

**Restrictive Period:** shall mean the one (1) year period following the Participant's termination of employment with the Corporation for any reason. Notwithstanding the foregoing, with respect to the Corporation's Chief Executive Officer, and the executives serving as segment and functional leaders who directly report to the Corporation's Chief Executive Officer, the Restrictive Period shall mean the two (2) year period following the Participant's termination of employment with the Corporation for any reason.

**Trade Secrets or Confidential Information:** shall mean any business information or material which is not generally known to the public, and which (a) is generated or collected by or used in the operations of the Corporation and relates to the actual or anticipated business of the Corporation; or (b) results from any task assigned to the Participant by the Corporation or work performed by the Participant for or on behalf of the Corporation. Confidential information shall not be considered generally known to the public if it is revealed improperly to the public by the Participant or others without the Corporation's express written consent and/or in violation of an obligation of confidentiality to the Corporation. Examples of Trade Secrets or Confidential Information include, but are not limited to, customer and supplier contacts, confidential information about customers, pricing, margins, business plans, marketing plans, financial data, business and customer strategies, methods or techniques of manufacturing or producing

the products manufactured or produced by the Company, formulations, technical know-how, formulae, research, development and production information, processes, designs, software, solutions, patent applications and plans or proposals related to the foregoing.

#### **4. Miscellaneous**

##### **a. Governing Law**

This Exhibit will be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any choice of law or conflicting provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the laws of any jurisdiction other than the State of Delaware to be applied. In furtherance of the foregoing, the internal laws of the State of Delaware will control the interpretation and construction of this Exhibit, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

##### **b. Interaction**

Except as set forth below, this Exhibit and the Restrictive Covenants contained herein shall be in addition to, and not in lieu of, any other restrictive covenants that are or may be applicable to the Participant, including without limitation (i) the forfeiture and clawback provisions set forth in the Plan and Schedule of Terms, (ii) the restrictive covenants described in the Carrier Global Corporation Senior Executive Severance Plan, as in effect from time to time, (iii) if applicable, the restrictive covenants in the Executive Leadership Group Agreement that the Participant entered into when he/she was appointed to United Technologies Corporation's Executive Leadership Group ("ELG"), (iv) if applicable, the restrictive covenants in the ELG Restricted Stock Unit Retention Award Schedule of Terms that was provided to the Participant when he/she became a member of United Technologies Corporation's Executive Leadership Group and (v) the restrictive covenants described in the Carrier Global Corporation Change in Control Severance Plan, as in effect from time to time.

Notwithstanding the foregoing, to the extent that any of the Restrictive Covenants set forth in Section 2 of this Exhibit would invalidate or conflict with restrictive covenants that are similar in nature and that: (i) were independently agreed to in an employment agreement negotiated by and between the Participant and the Corporation, and (ii) provide comparable or greater protections and remedies to the Corporation, those specific Restrictive Covenants shall be deemed inapplicable with respect to the Participant.

##### **c. Validity; Severability; Blue Pencil**

It is the desire and intent of the parties hereto that the provisions of this Exhibit shall be enforced to the fullest extent legally-permissible. As such, the parties agree that the provisions of this Exhibit and obligations of the parties are severable, and that if it is determined that any part or portion of this Exhibit is invalid or unenforceable, the remainder of the provisions of this Exhibit shall not thereby be affected and shall be given full effect, without regard to the invalid portions. If any court or other decision-maker of competent jurisdiction determines that any of the covenants in this Exhibit is unenforceable because of the duration or geographic scope of such provision, then, after such determination becomes final and unappealable, the duration or scope of such provision, as the case may be, shall be reduced so that such provision becomes enforceable, and that, in its reduced form, such provision shall be enforced.

##### **d. Remedies**

The Participant acknowledges that a remedy at law for any breach or threatened breach of the provisions of this Exhibit would be inadequate and therefore agrees that in addition to any remedies that may be available to the Corporation under the Terms of the Plan or the Schedule of Terms, the Corporation shall be entitled to injunctive relief in case of any such breach or threatened breach. In the event that a court determines that

the Participant has breached or threatened to breach this Exhibit, the Participant agrees to reimburse the Corporation for all attorneys' fees and costs incurred in enforcing the terms of the Exhibit. However, nothing contained herein shall be construed as prohibiting the Corporation from pursuing any other remedies available for any such breach or threatened breach against the Participant or the Participant's then-current employer that may also include but not be limited to contract damages, lost profits and punitive damages.

**e. Participant's Future Employer**

To enable the Corporation to monitor compliance with this Exhibit, the Participant agrees that upon the termination of his/her employment for any reason and for the duration of the Restrictive Period, that he/she will advise the Corporation of the name and address of his/her intended future employer. Furthermore, for the duration of the Restrictive Period, the Participant will inform each new employer, prior to accepting employment, of the existence of this Exhibit and provide that employer with a copy of it. The Corporation has the right to inform any future employer of the existence of this Exhibit and to provide any future employers with a copy of it.

**f. Assignment**

This Exhibit (including Section 2 hereof) shall inure to the benefit of and be binding upon the Corporation and its successors and assigns. The Corporation may assign this Exhibit (including this Section 2), without the Participant's consent to, including but not limited to, any of the entities within the Corporation or to any successor (whether by merger, purchase, bankruptcy, reorganization or otherwise) to all or substantially all of the equity, assets or businesses of the Corporation. The Participant may not assign the Exhibit (or the obligations set forth in this Section 2).

**g. No Contract**

Neither the Award, the applicable Schedule of Terms for the Award, this Exhibit, nor the Plan constitute a contract of employment; nor do they guarantee the Participant's continued employment for any period required for all or any of the Participant's Awards to vest become exercisable, be earned or be paid out.

## Form of Carrier Award Agreement – 2023 Annual Grant

### LTIP Award Agreement

I hereby accept this award, and agree to be bound by the terms, conditions, and restrictions of such award as set forth in the Carrier Global Corporation 2020 Long-Term Incentive Plan (the “LTIP”) and the Schedule of Terms applicable to this award, **including, but not limited to the post-employment restrictions set forth therein (confidentiality, non-competition, non-solicitation, and non-disparagement), and the associated restrictive period.** I understand that these documents are available on the UBS site and acknowledge that I have had the opportunity to review these documents. I understand that hard copy documents are also available from the Company at my request. I understand the conditions upon which my award is subject to forfeiture and / or recoupment. I accept responsibility for any tax liabilities associated with this award at the time of grant, lapse, exercise and / or sale and I authorize the Company and / or its Affiliates, in its sole discretion, to withhold any amounts necessary to comply with tax withholding and filing requirements. In accepting this award, I voluntarily consent to and authorize the Company, its Affiliates, and its third-party administrators to collect, use, process, transmit and hold my personal data (including sensitive personal data), in electronic or other form, as required for the implementation, administration, and management of the LTIP and this award within or outside the country in which I reside or work. I understand that if I do not want to have my personal data shared, I may choose to not accept this award. I understand and accept that the LTIP and all Awards made, and actions taken thereunder, are governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws and, where applicable, the laws of the United States.

I have read and understand the terms and conditions of this award as documented in the LTIP and Schedule of Terms. I agree that my electronic signature constitutes my final and binding agreement to such terms and conditions.

### Award highlights:

<b>Grant Type</b>	Performance Share Unit (PSU)
<b>Award Weighting (% of total award)</b>	50%
<b>Grant Date</b>	February 1, 2023
<b>Vest Date</b>	February 1, 2026
<b>Performance Period</b>	January 1, 2023 to December 31, 2025
<b>Performance Measure 1</b>	Earnings per Share (EPS) Compound Annual Growth Rate (CAGR)
<b>Performance Measure 1 Weighting</b>	50%
<b>Performance Measure 1 Payout Range</b>	0% to 200%
<b>Performance Measure 2</b>	Total Shareholder Return (TSR) relative to a subset of industrial companies in the S&P 500 index approved by the Carrier Compensation Committee
<b>Performance Measure 2 Weighting</b>	50%
<b>Performance Measure 2 Payout Range</b>	0% to 200%; maximum payout of 100% if TSR is negative (regardless of relative performance)
<b>Dividend Eligibility</b>	PSUs do not earn dividends/dividend equivalents

<b>Grant Type</b>	Stock Appreciation Right (SAR)
<b>Award Weighting (% of total award)</b>	50%
<b>Grant Date</b>	February 1, 2023
<b>Vest Date</b>	February 1, 2026
<b>Expiration Date</b>	January 31, 2033
<b>Grant Price</b>	Closing stock price on grant date

## CARRIER GLOBAL CORPORATION EXECUTIVE ANNUAL BONUS PLAN

### 1. Purpose.

The purpose of the Carrier Global Corporation Executive Annual Bonus Plan (the “**Plan**”) is to reinforce corporate, organizational, and other goals; to promote the achievement of those goals; to ensure a strong linkage of pay to performance; and to attract, retain and motivate eligible employees. This Plan was effective as of the date the Company becomes a separate publicly traded company following its spin-off from United Technologies Corporation (“**Original Effective Date**), and is now amended and restated effective January 1, 2023 to broaden the clawback rules to comply with applicable SEC and stock exchange listing rules (the “**Effective Date**”).

### 2. Definitions.

For the purposes of the Plan, the following terms shall have the following meanings:

“**Affiliated Entity**” means any entity controlled by, controlling or under common control with the Company.

“**Award**” means a cash award based on the achievement of performance goals for a Performance Period.

“**Board**” means the Board of Directors of the Company.

“**Change in Control**” has the meaning set forth in the Company’s 2020 Long-Term Incentives Plan (or any successor plan thereto). For the avoidance of doubt, the Separation shall not constitute a Change in Control.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time, and all regulations, interpretations, and administrative guidance issued thereunder.

“**Committee**” means the Compensation Committee of the Board, or such other committee as the Board may from time to time designate, which committee shall be comprised of not less than two directors, and shall be appointed by and serve at the pleasure of the Board.

“**Common Stock**” means the common stock of the Company.

“**Company**” means Carrier Global Corporation, a Delaware corporation, or its successor.

“**Effective Date**” has the meaning set forth in Section 1.

“**Eligible Employee**” means any employee who has been designated by the Company or an Affiliated Entity as an executive (e.g., employee grades E5, E4, E3, E2 and E1) and who is on the active salaried payroll of the Company or an Affiliated Entity at any time during the Performance Period to which an Award relates.

“**ELT Member**” means a person who is a member of the Company’s Executive Leadership Team.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.

“**Executive Officer**” means an officer of the Company who is subject to Section 16 of the Exchange Act.

“**Performance Period**” means the Company’s fiscal year, or such other period designated by the Committee. The Performance Period for the year in which the Original Effective Date occurs shall be the full fiscal year notwithstanding the fact that the Plan did not become effective until the Original Effective Date.

“**Plan**” has the meaning set forth in Section 1.

“**Section 409A**” means Section 409A of the Code.

“**Separation**” means the means the separation of the Company from United Technologies Corporation pursuant to which the Company becomes a separate publicly traded company.

“**Stub Period**” means the portion of the Performance Period that ends on the date of the Change in Control.

### **3. Administration.**

The Plan shall be administered by the Committee. The Committee shall have the authority in its sole and absolute discretion, subject to, and not inconsistent with, the express provisions of the Plan and applicable law, to administer the Plan (including all related Plan documents) and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including, without limitation, to determine who should be granted Awards and the amount of the Awards; to determine the time or times at which Awards shall be granted; to determine the terms, conditions, restrictions and performance criteria, including performance goals, relating to any Award; to determine whether, to what extent, and under what circumstances an Award may be settled, cancelled, forfeited, or surrendered; to increase or decrease the value of an Award to differentiate the performance of individual Eligible Employees and/or business or functional units of the Company; to make adjustments in performance goals or results in recognition of unusual, unexpected, or non-recurring events, including mergers, acquisitions and dispositions, or in response to changes in applicable laws, regulations, or accounting principles, or for any other reason; to construe and interpret the Plan and any Plan document; to prescribe, amend and rescind rules and regulations relating to the Plan; to determine the terms and provisions of any Award documents; and to make all other determinations deemed necessary or advisable for the administration of the Plan.

The Committee may delegate to one or more officers of the Company such duties under the Plan as it may deem advisable, and for all purposes of the Plan, such officer(s) shall be treated as the Committee; provided, however, that the Committee shall administer the Plan for Executive Officers and ELT Members. No officer may designate himself or herself as an Award recipient under any authority delegated to the officer. All decisions, determinations and interpretations of the Committee shall be final and binding on all persons, including the Company, Affiliated Entities, Eligible Employees (or any person claiming any rights under the Plan from or through any Eligible Employee) and any shareholder.

No member of the Board or the Committee shall be liable for any action taken or determination made in good faith with respect to the Plan or any Award granted hereunder.

### **4. Eligibility.**

Only Eligible Employees may be granted Awards under the Plan.

## **5. Performance Goals.**

Performance goals may consist of financial, operational and strategic performance measures for the Company, an Affiliated Entity and/or any business or functional unit thereof; individual performance goals for Eligible Employees; and/or such other goals as may be determined by the Committee. Performance goals shall be set prior to, or reasonably promptly following, the start of the Performance Period.

## **6. Amounts Available for Awards.**

The maximum amount payable in respect an Award under the Plan to any Eligible Employee shall not exceed 200% of his or her annual target bonus amount; provided, however, that such maximum shall be adjusted upwards or downwards on a pro rata basis to reflect a Performance Period longer or shorter than one year. The annual target bonus amount shall be expressed as a percentage of the Eligible Employee's annual salary in effect on December 1st of the Performance Period (or, for purposes of Section 9, the first day of the month immediately preceding the month in which a Change in Control occurs), unless otherwise specified in the Award.

## **7. Determination and Payment of Awards.**

Payments, if any, due in respect of Awards shall be paid in a lump sum in cash or, at the discretion of the Committee, in lieu of such cash payments, in the form of restricted stock or restricted stock units (collectively "**Stock Awards**") awarded under the Company's long-term incentive plan, or in any combination of cash or Stock Awards. Cash payments made in respect of Awards will be paid as soon as administratively practicable following the end of the applicable Performance Period and the Committee's determination of the achievement of the underlying performance goals, and, for Eligible Employees on a United States-based payroll or otherwise subject to taxation in the United States, no later than the 15th day of the third month following the end of the Performance Period. In order to be eligible to receive an Award, an Eligible Employee must be employed on the last day of the Performance Period, subject to Section 9 hereof and any rules established under the Plan from time to time. The Committee may, in its sole discretion, permit Eligible Employees to defer the payment of Awards in accordance with and subject to the terms of one or more deferred compensation plans sponsored by the Company or an Affiliated Entity. The Committee's decisions regarding the amount of each Award shall be final, binding and conclusive for all purposes and need not be consistent among Eligible Employees.

## **8. Clawback.**

Subject to applicable law, any Eligible Employee or former Eligible Employee shall be obligated to repay to the Company, within 30 days following the Company's demand for payment, all or a portion of the amount paid for an Award for a Performance Period in which: (i) there was a recalculation of a performance goal; (ii) the corrected performance goal would have (or likely would have) resulted in a smaller payment for the Award, and (iii) the inaccuracies were attributable, in whole or in part, to the Eligible Employee's negligence or intentional misconduct. The Committee will determine the amount to be repaid in its sole discretion, which, at a minimum, will equal the difference between the amount paid for the Award and the amount that would have been paid had the corrected performance goal been used to calculate the Award. In addition, the Committee reserves the right to require repayment of all or any portion of an Award from Eligible Employees and former Eligible Employees without regard to clause (iii) above as appropriate.

Notwithstanding the foregoing, any Eligible Employee or former Eligible Employee who is an individual covered under Section 16 of the Securities Exchange Act of 1934, understands and acknowledges that the Award may be subject to additional clawback and/or forfeiture provisions as set forth within any separate policy maintained by the Company from time to time, including without limitation any such provisions as may be required by SEC or stock exchange listing rules or otherwise, and of which the Company may require separate acknowledgement by the Eligible Employee or former Eligible Employee at any time as a condition of receiving any amount with respect to this Award.

#### **9. Change in Control.**

Notwithstanding anything to the contrary in the Plan, upon a Change in Control this Plan shall terminate and each Eligible Employee shall be entitled to a lump sum cash payment for the Stub Period. The payment calculated prior to any pro ration to account for the Stub Period shall be the greater of (i) the Eligible Employee's target bonus amount for the Performance Period or (ii) such amount determined by the Committee based upon actual performance over the portion of the Performance Period completed as the most practicable date prior to the Change in Control and projecting such performance to the end of the Performance Period. The proration will be determined by dividing the number of days completed in the Stub Period immediately prior to the date of the Change in Control by the total number of days in the Performance Period. Payments due as a result of the termination of the Plan upon a Change in Control shall be made within 30 days following the date of the Change in Control and shall be made to all Eligible Employees who were employed by the Company or an Affiliated Entity immediately prior to the date of the Change in Control regardless of whether they are still employed on the payment date.

#### **10. Amendment and Termination of the Plan.**

The Board or the Committee shall have the right at any time to amend, suspend, discontinue or terminate the Plan; provided, however, that no amendment of the Plan shall operate to annul or diminish, without the consent of the Eligible Employee, an Award already made hereunder, and no amendment adopted in connection with or in anticipation of a Change in Control shall adversely affect an Eligible Employee's entitlement to an Award for the Stub Period after a Change in Control.

#### **11. Personal Data.**

In connection with managing and administering the Plan, the Company processes certain personal information about Eligible Employees including, but not limited to, name, home address, telephone number, date of birth, social insurance number, salary, nationality, job title, shares or directorships held in the Company, and details of all Awards paid or pending payment. Some of this information is collected by the Eligible Employee's local employer and is transferred to the Company, as needed, for the purposes of implementation, administration, and management of the Plan. This information may also be shared with third parties providing services to the Company in connection with the Plan, and the Company takes all necessary steps, in accordance with applicable data protection laws, to ensure that such personal information is adequately protected. The Company is headquartered in the United States, and some of its subsidiaries and affiliates are located outside of the United States. The Company will have in place standard contractual clauses approved by the European Commission to allow for transfer of personal data outside the European Union or European Economic Area. Likewise, the Company will take all necessary measures, in accordance with applicable data protection laws, to protect personal information relating to Eligible Employees located in countries with data privacy laws that is transferred to other countries. Applicable data privacy laws may provide Eligible Employees the right to review and, if factually inaccurate, correct any personal information relating to them.

## 12. Miscellaneous.

**12.1. Section 409A.** Each Award is intended to be excluded from coverage under Section 409A as a short-term deferral unless, and only to the extent that, a deferral election for such Award is made pursuant to a deferred compensation plan sponsored by the Company or an Affiliated Entity. If an Award does not qualify as a short-term deferral or for another exemption under Section 409A, it is intended that such Award will be paid in a manner that satisfies the requirements of Section 409A, and in the event any Award is payable to a “specified employee” (as determined in accordance with the methodology established by the Company in accordance with Section 409A) that would be payable during the six-month period following the specified employee’s “separation from service” (as determined in accordance with the methodology established by the Company in accordance with Section 409A) shall instead be paid on the first business day of the 7th month following the separation from service to the extent necessary to avoid the imposition of any additional taxes or penalties under Section 409A.

**12.2. Additional Compensation Arrangement.** Nothing contained in this Plan shall prevent or limit the Company or any Affiliated Entity from adopting other or additional compensation arrangements for any employee.

**12.3. No Contract of Employment.** This Plan shall not constitute a contract of employment, and adoption of this Plan or the payment of Awards shall not confer upon any employee any right to continued employment or payment for future Awards, nor shall it interfere in any way with the right of the Company or any Affiliated Entity to terminate the employment of any employee at any time. Participation in the Plan is voluntary and at the complete discretion of the Company. This Plan shall not be deemed to constitute part of an Eligible Employee’s terms and conditions of employment.

**12.4. Plan Expenses.** All expenses and costs in connection with the operation of the Plan shall be borne by the Company or an Affiliated Entity and no part thereof shall be charged against Awards or to Eligible Employees.

**12.5. Withholding.** The Company or an Affiliated Entity shall have the right to deduct from Awards any applicable taxes, and any other deductions, required to be withheld with respect to such payments. In addition, the Company or an Affiliated Entity also may withhold such amounts from other amounts payable by the Company or an Affiliated Entity, subject to applicable law.

**12.6. No Limitation on Corporate Actions.** Nothing contained in the Plan shall be construed to prevent the Company or an Affiliated Entity from taking or not taking any corporate action, whether or not such action could have an adverse effect on any Awards made under the Plan. No Eligible Employee, beneficiary or other person shall have any claim as a result of any such action.

**12.7. Unfunded Plan.** The Plan is intended to constitute an unfunded plan for incentive compensation. Prior to the payment of any Award, nothing contained herein shall give any rights that are greater than those of a general creditor of the Company or an Affiliated Entity.

**12.8. Severability.** If any provision of this Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any of the other provisions of the Plan, and this Plan shall be construed and enforced as if such provision had not been included in the Plan.

**12.9. Governing Law.** The Plan and all actions taken thereunder shall be governed by and interpreted in accordance with and governed by the laws of the State of Delaware.

**12.10. Nontransferability.** A person's rights and interests under the Plan, including any Award previously made to such person or any amounts payable under the Plan, may not be sold, assigned, pledged, transferred or otherwise alienated or hypothecated except, in the event of death, to a designated beneficiary as may be provided in the Plan, or in the absence of such designation, by will or the laws of descent and distribution.

**12.11. Beneficiaries.** To the extent the Committee permits beneficiary designations, any payment of Awards under the Plan to a deceased Eligible Employee shall be paid to the beneficiary duly designated by the Eligible Employee in accordance with the Company's or an Affiliated Entity's practices. If no such beneficiary has been designated or survives the Eligible Employee, payment shall be made to the Eligible Employee's estate. A beneficiary designation, if such are permitted, may be changed or revoked by an Eligible Employee at any time, provided the change or revocation is filed with the Committee prior to the Eligible Employee's death.

**12.12. Successor.** All obligations of the Company under the Plan, with respect to Awards granted hereunder, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business or assets of the Company.

**12.13. Relationship to Other Benefits.** No payment of benefit under the Plan shall be taken into account in determining any benefits pursuant to any pension, retirement, savings, profit sharing, group insurance, termination programs and/or indemnities or severance payments, welfare or other benefit plan of the Company or any Affiliated Entity, except to the extent otherwise expressly provided in writing in such other plan or arrangement.

April 26, 2023

Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549

Commissioners:

We are aware that our report dated April 26, 2023 on our review of interim financial information of Carrier Global Corporation, which appears in this Quarterly Report on Form 10-Q, is incorporated by reference in the Registration Statements on Form S-3 (No. 333-237157) and Form S-8 (No. 333-237207) of Carrier Global Corporation.

Very truly yours,

/s/ PricewaterhouseCoopers LLP

Hallandale Beach, Florida

## CERTIFICATION

I, David Gitlin, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: April 26, 2023

/s/David Gitlin

David Gitlin  
Chairman and Chief Executive Officer

## CERTIFICATION

I, Patrick Goris, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: April 26, 2023

/s/Patrick Goris

Patrick Goris  
Senior Vice President and Chief Financial Officer

## CERTIFICATION

I, Kyle Crockett, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: April 26, 2023

/s/Kyle Crockett

Kyle Crockett  
Vice President, Controller

**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 Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 (the “Form 10-Q”) 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-Q fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

Date: April 26, 2023 /s/David Gitlin  
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David Gitlin  
Chairman and Chief Executive Officer

Date: April 26, 2023 /s/Patrick Goris  
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Patrick Goris  
Senior Vice President and Chief Financial Officer

Date: April 26, 2023 /s/Kyle Crockett  
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Kyle Crockett  
Vice President, Controller